Audit Report on the Consolidated Financial Statements
issued by an Independent Auditor

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.
AND SUBSIDIARIES
Consolidated Financial Statements and Management Report
for the year ended
December 31, 2024

Building a better
working world

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax number: 915 727 238
ey.com

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of Distribuidora Internacional de Alimentación, S.A.:

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Distribuidora Internacional de Alimentación, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2024, the income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and the consolidated financial position of the Group at December 31, 2024, and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of property, plant, and equipment and intangible assets

Description

As explained in Notes 5, 6.1, 7.1 and 6.2 to the accompanying consolidated financial statements, at December 31, 2024, the Group recognized property, plant and equipment amounting to 717,504 thousand euros, goodwill amounting to 285,136 thousand euros, right-of-use assets amounting to 383,888 thousand euros, and other intangible assets amounting to 29,493 thousand euros.

For purposes of calculating impairment loss on property, plant, and equipment, right-of-use assets, and other intangible assets, the carrying amount of these non-current assets is assigned to each of the corresponding cash-generating units, which in the Group's case is determined at store level. Goodwill may also be allocated to stores and in the cases where it is not, the future cash flows of each subsidiary are considered as a cash generating unit.

Parent management assesses, at least at the end of each reporting period, whether there are indications of impairment of non-current assets subject to amortization/depreciation, and tests goodwill for impairment annually, writing down these investments whenever there is objective evidence that the carrying amount of the various non-current assets is no longer recoverable, recognizing an impairment loss for the amount of the difference between the carrying amount and recoverable amount. In both cases, the recoverable amount is determined taking into account the value in use of cash-generating units, as applicable.

Since determining recoverable amount requires parent management to make estimates using significant judgment to establish the assumptions used for these estimates, we determined this to be a key audit matter.

Information on the measurement standards applied to property, plant and equipment and intangible assets is provided in Notes 3.d), 3.e), 3.f) and 3.h) to the accompanying consolidated financial statements.

Our response

Our audit procedures related to this matter included:

- Understanding the process designed by parent management to determine whether there are indications of impairment as well as the recoverable amount property, plant and equipment and intangible assets, and assessing the design and implementation of the relevant controls in place in that process, involving our valuation specialists.
- Evaluating parent management's analysis of indications of impairment and reasonableness of the methodology used and the principal assumptions made to determine the recoverable amount of property, plant and equipment and intangible assets (in particular, with regard to the assumptions underlying projected cash flows and long-term growth and discount rates), with the involvement of our valuation specialists.

- Contrast of the coherence and reasonableness of the projecting future profit used as the basis for determining the recoverable value of tangible and intangible assets, with the 2025-2029 business plan, sensitized and approved by the Board of Directors.
- Assessing, with the involvement of our valuation specialists, the sensibility of the analyses used to evaluate changes in the main assumptions used.
- Reviewing the disclosures made in the notes to the consolidated financial statements and assessing whether they are in conformity with the applicable financial reporting framework.

Other information: Consolidated Management Report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the parent's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and the Annual Report on Remuneration of Directors, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in a) above has been provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent's directors and the audit and compliance committee for the consolidated financial statements

The directors of the parent are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU and other provisions in the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and compliance committee of the parent is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the parent's directors.

- Conclude on the appropriateness of the use by the parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and compliance committee of the parent regarding, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and compliance committee of the parent with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and compliance committee of the parent, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legally stipulated disclosure requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Distribuidora Internacional de Alimentación, S.A. and subsidiaries for the 2024 financial year, consisting of XHTML files containing the financial statements for the year and the XBRL files marked up by the entity, which will form part of the annual financial report.

The directors of Distribuidora Internacional de Alimentación, S.A. are responsible for submitting the annual financial report for the 2024 financial year in accordance with the format and markup requirements set out in the European Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (the "ESEF Regulation"). For this reason, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included in the consolidated management report for reference.

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in conformity with the ESEF regulation.

Additional report to the parent's audit and compliance committee

The opinion expressed in this report is consistent with the additional report we issued to the parent's Audit and Compliance Committee dated February 27, 2025.

Term of engagement

The ordinary general shareholders' meeting held on June 28, 2024 appointed us as the Group's auditors for the year ended December 31, 2024.

Previously, we were appointed as auditors by the shareholders for one year and we have been carrying out the audit of the financial statements continuously since the year ended December 31, 2019.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

(Signed on the original version in Spanish)

María del Tránsito Rodríguez Alonso
(Registered in the Official Register of
Auditors under No. 20539)

February 27, 2025

Consolidated Annual Accounts and Consolidated Management Report at 31 December 2024

2024

Distribuidora Internacional de Alimentación, S.A.
and Subsidiaries

(Together with the Audit Report)

Contents

Consolidated Statement of Financial Position

At 31 December 2024
(Thousands of euros)

ASSETS	Note	31/12/2024	31/12/2023
NON-CURRENT ASSETS:			
Property, plant and equipment	5	717,504	634,973
Goodwill	6.1	285,136	285,179
Right-of-use assets	7.1	383,888	391,609
Other intangible assets	6.2	29,493	30,574
Investments accounted for using the equity method	9	263	338
Trade debtors and other receivables	8.1	194	10,799
Other financial assets	8.2	51,189	60,168
Tax assets	17.2	44,928	63,618
Total non-current assets		**1,512,595**	**1,477,258**
CURRENT ASSETS			
Inventories	11	289,968	315,005
Trade debtors and other receivables	8.1	133,059	161,189
Tax assets	17.2	18,459	36,973
Income tax assets	17.2	10,300	71,900
Other financial assets	8.2	1,758	14,496
Other assets	10	7,609	9,596
Cash and cash equivalents	12	333,002	131,061
		794,155	**740,220**
Non-current assets held for sale	13	—	409,857
Total current assets		**794,155**	**1,150,077**
TOTAL ASSETS		**2,306,750**	**2,627,335**

EQUITY AND LIABILITIES			
EQUITY:			
Capital	14.1	580,655	580,655
Share premium	14.2	1,058,873	1,058,873
Reserves and retained earnings	14.3	(1,599,953)	(1,567,395)
Own shares	14.4 a)	(582)	(3,150)
Other own equity instruments	14.4b) and 18	1,424	1,075
Net result for the year	14.3	(78,736)	(30,242)
Translation differences	14.7	2,439	(107,182)
Value adjustments due to hedging transactions		(1,802)	(761)
Equity attributable to holders of the parent company's equity instruments		**(37,682)**	**(68,127)**
NON-CURRENT LIABILITIES:			
Financial debt	15.1	518,155	457,570
Lease liabilities	7.2 and 15.1	233,677	285,408
Provisions	16	51,312	92,680
Other financial liabilities	15.2	4,924	193
Deferred tax liabilities	17.2	86,672	43,136
Total non-current liabilities		**894,740**	**878,987**
CURRENT LIABILITIES:			
Financial debt	15.1	36,442	77,287
Lease liabilities	7.2 and 15.1	197,218	143,665
Trade creditors and other accounts payable	15.3	1,025,137	1,091,471
Tax liabilities	17.2	40,337	41,446
Income tax liabilities	17.2	4,257	10,377
Other financial liabilities	15.4	146,301	149,778
		1,449,692	**1,514,024**
Liabilities directly associated with non-current assets held for sale	13	—	302,451
Total current liabilities		**1,449,692**	**1,816,475**
TOTAL LIABILITIES AND EQUITY		**2,306,750**	**2,627,335**

Notes 1 to 25 set out in the Consolidated Notes and the Annex are a part of the consolidated annual accounts for the 2024 financial year.

Consolidated Income Statement

For the financial year ended 31 December 2024
(Thousands of euros)

	Note	2024	Re-presented (*) 2023
Net sales	4 and 19.1	5,880,257	4,992,607
Other income	20.1	18,646	16,505
TOTAL INCOME		**5,898,903**	**5,009,112**
Goods and other consumables used	20.2	(4,451,007)	(3,714,513)
Personnel expenses	20.3	(547,856)	(514,641)
Other operating expenses	20.4	(580,448)	(506,763)
Depreciation of right of-use assets	20.5	(155,649)	(140,606)
Depreciation and amortisation	20.5	(149,466)	(124,758)
Net impairment losses	20.5	(12,322)	15,263
Result of non-current asset derecognition	20.6	(5,946)	(21,497)
RESULTS FROM OPERATING ACTIVITIES		**(3,791)**	**1,597**
Financial income	20.7	37,200	61,844
Financial expenses for leases	20.7	(61,946)	(37,593)
Other financial expenses	20.7	(75,148)	(70,777)
Result from net monetary position	20.9	141,598	114,435
FINANCIAL RESULT		**41,704**	**67,909**
Result of companies accounted for using the equity method	9	(75)	(5)
NET RESULT BEFORE TAX FROM CONTINUING OPERATIONS		**37,838**	**69,501**
Income tax	17	(9,609)	18,358
RESULT AFTER TAX FROM CONTINUING OPERATIONS		**28,229**	**87,859**
Result from discontinued operations	13	(106,965)	(118,101)
NET RESULT FOR THE YEAR		**(78,736)**	**(30,242)**
Attributed to:			
Holders of the parent company's equity instruments		(78,736)	(30,242)
Basic and diluted result per share, in euros			
Continuing operations		0.001	0.001
Discontinued operations		(0.002)	(0.002)
Result for the period		(0.001)	(0.001)

Notes 1 to 25 set out in the Consolidated Notes and the Annex are a part of the consolidated annual accounts for the 2024 financial year.

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2024
(Thousands of euros)

	2024 31 December	2023 31 December
Net result for the year	**(78,736)**	**(30,242)**
Other comprehensive income:		
Items not to be reclassified to the income statement	—	—
Items that may be reclassified to the income statement		
Translation differences of financial statements of foreign operations	109,621	(42,222)
	109,621	**(42,222)**
Value adjustments due to hedging transactions	(1,041)	(4,045)
	(1,041)	**(4,045)**
Other global result for the year, net of taxes	**108,580**	**(46,267)**
Total global result for the year, net of taxes	**29,844**	**(76,509)**
Attributed to:		
Holders of the parent company's equity instruments	29,844	(76,509)
	29,844	**(76,509)**

Notes 1 to 25 set out in the Consolidated Notes and the Annex are a part of the consolidated annual accounts for the 2024 financial year.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024
(Thousands of euros)

	Equity attributable to holders of equity instruments in the parent company									
	Registered capital	Share premium	Reserves and retained earnings	Own shares	Other own equity instruments	Result for the year attributed to the parent company	Translation differences	Value adjustments due to hedging transactions	Equity attributable to the Parent Company	Total equity
At 31 December 2022	**580,655**	**1,058,873**	**(1,443,547)**	**(3,150)**	**250**	**(123,848)**	**(64,960)**	**3,284**	**7,557**	**7,557**
Net result for the period	—	—	—	—	—	(30,242)	—	—	(30,242)	(30,242)
Other global result for the year, net of taxes	—	—	—	—	—	—	(42,222)	(4,045)	(46,267)	(46,267)
Total global result for the year, net of taxes	**—**	**—**	**—**	**—**	**—**	**(30,242)**	**(42,222)**	**(4,045)**	**(76,509)**	**(76,509)**
Share-based payments	—	—	—	—	825	—	—	—	825	825
Transfer of previous year's result	—	—	(123,848)	—	—	123,848	—	—	—	—
At 31 December 2023	**580,655**	**1,058,873**	**(1,567,395)**	**(3,150)**	**1,075**	**(30,242)**	**(107,182)**	**(761)**	**(68,127)**	**(68,127)**
Net result for the period	—	—	—	—	—	(78,736)	—	—	(78,736)	(78,736)
Other global result for the year, net of taxes	—	—	—	—	—	—	109,621	(1,041)	108,580	108,580
Total global result for the year, net of taxes	**—**	**—**	**—**	**—**	**—**	**(78,736)**	**109,621**	**(1,041)**	**29,844**	**29,844**
Share-based payments	—	—	—	—	705	—	—	—	705	705
Delivery of own shares	—	—	(2,316)	2,568	(356)	—	—	—	(104)	(104)
Transfer of previous year's result	—	—	(30,242)	—	—	30,242	—	—	—	—
At 31 December 2024	**580,655**	**1,058,873**	**(1,599,953)**	**(582)**	**1,424**	**(78,736)**	**2,439**	**(1,802)**	**(37,682)**	**(37,682)**

Notes 1 to 25 set out in the Consolidated Notes and the Annex are a part of the consolidated annual accounts for the 2024 financial year.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2024
(Thousands of euros)

	Notes	2024	Re-presented (*) 2023
Operating activities			
RESULT BEFORE TAX FROM CONTINUING OPERATIONS		37,838	69,501
RESULT BEFORE TAX FROM DISCONTINUED OPERATIONS	13	(106,373)	(102,521)
Result before tax		**(68,535)**	**(33,020)**
Adjustments to result:		**411,808**	**411,251**
Depreciation of right of-use assets	20.5	155,649	140,606
Depreciation and amortisation	20.5	149,466	124,758
Net Gain/(loss) on impairment of assets	20.5	12,322	(15,263)
Impairment of trade debtors	8.1	(2,624)	(4,030)
Result of non-current asset derecognition	20.6	4,418	21,497
Financial income	20.7	(37,200)	(61,844)
Financial expenses for leases	20.7	61,946	37,593
Other financial expenses	20.7	75,148	70,777
Changes in provisions		9,323	1,859
Other adjustments from discontinued operations	13	104,566	97,388
Other adjustments to profit and loss		(121,281)	(2,095)
Shareholdings in Losses (Profits) of companies accounted for using the equity method, net of dividends	9	75	5
Adjustments to working capital:		**159,011**	**(17,031)**
(Increase)/Decrease trade debtors and other accounts receivables		(155)	14,914
(Increase)/Decrease in inventories		(112,585)	(248)
Increase/(Decrease) trade debtors and other accounts payables		272,778	37,570
(Increase)/Decrease in other assets		(2,171)	8,705
Increase/(Decrease) in other liabilities		(4,301)	(15,994)
Change in working capital from discontinued operations	13	—	(23,512)
Current income tax collected (paid)		5,445	(38,466)
Net cash flow from operating activities		**502,284**	**361,200**
Investment activities			
Payments due to investments in intangible assets	6.2	(10,399)	(12,143)
Development expenses	6.2	(3,466)	(4,004)
Payments due to investments in property, plant and equipment	5	(99,358)	(164,183)
Collections (Payments) due to investments in financial instruments		(10,154)	9,487
Disposals of property, plant and equipment assets		—	10,701
Collections (Payments) from other financial assets		179	(11,018)
Collections (Payments) from the sale of discontinued operations		(28,564)	233,263
Interest collected		26,032	29,778
Net cash flows of investment activities from discontinued operations	13	16,911	(3,360)
Net cash flows of investment activities		**(108,819)**	**88,521**
Financing activities			
Lease payments	7.2	(205,408)	(222,245)
Amounts (repaid) of financial debt	15.5	(463,179)	(188,172)
Amounts coming from financial debt	15.5	515,648	2,842
Collections (payments) from other financial liabilities		11,984	7,609
Interests paid		(65,359)	(44,493)
Cash flows from discontinued operations	13	(10,554)	(96)
Net cash flow from financing activities		**(216,868)**	**(444,555)**
Net change in cash and cash equivalents		**176,597**	**5,166**
Effect of exchange rate changes on cash and cash equivalents		(8,910)	(55,670)
Cash and cash equivalents at 1 January		**131,061**	**215,819**
Cash and cash equivalents at 1 January from discontinued activities		**34,254**	**—**
Cash and cash equivalents at 31 December		**333,002**	**131,061**
Cash and cash equivalents at 31 December from discontinued activities		**—**	**34,254**

Notes 1 to 25 set out in the Consolidated Notes and the Annex are a part of the consolidated annual accounts for the 2024 financial year.

Notes to the Consolidated Annual Accounts for 2024

1. NATURE, ACTIVITIES AND COMPOSITION OF THE GROUP

Distribuidora Internacional de Alimentación, S.A. (hereinafter the Parent Company, the Company or Dia) was incorporated in Spain on 24 June 1966 as a public limited company ("sociedad anónima") for an unlimited period of time. Its registered office is located in Las Rozas, Madrid.

The Company is the head of a group of subsidiary companies which, along with Distribuidora Internacional de Alimentación, S.A., form the Dia Group (hereinafter, the Group or Dia Group – See Annex), whose main activity is retail sale of food products at self-service store, either owned or franchised. The Group opened its first establishment in Madrid in 1979.

The Company's shares have been admitted for trading on the Continuous Market of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges since 5 July 2011.

Currently, Distribuidora Internacional de Alimentación, S.A. and subsidiaries use the Dia brand and operate in the markets in Spain and Argentina.

On 28 March 2019, L1R Invest1 Holdings S.à r.l. made a public takeover bid for 100% of the shares forming the Parent Company's capital, as a result of which L1R Invest1 Holdings S.à r.l. acquired shares representing 40.76% of Dia's share capital, which added to the shares that they already held prior to the Bid brought their total shareholding to 69.76%. The Bid was settled on 22 May 2019.

1.1. Relevant events

a) Impact of the conflict in Ukraine

The Group does not have any operations or assets in Ukraine, Russia or Belarus and exposure to said markets is not considered material.

In a publication of Other Relevant Information dated 12 August 2023, the Parent Company notified the National Securities Market Commission (CNMV) that within the framework of the new international sanctions imposed by the Office of Foreign Assets Control ("OFAC") in the USA on certain persons, the Company, in accordance with the information received from the Luxembourg company LetterOne Investment Holdings, S.A. ("LIHS") and referring back to previous reports of Other Relevant Information and to the OFAC itself (FAQ 1131 of LetterOne Investment Holdings, S.A.) accessible through the following link at https://ofac.treasury.gov/faqs/1131, reiterated that no natural person shareholder of LIHS holds, either individually or jointly with other shareholders, control of LIHS and consequently the Company considers that it is not affected in any way by the aforementioned sanctions, nor for the additional ones published up to the date of preparation of these consolidated annual accounts. This communication of Other Relevant Information is in complement to others of a similar nature published previously by the Company, dated respectively 28 February 2022, 15 March 2022 and 22 March 2022.

b) Corporate operations

Clarel

On 5 December 2023, the Company notified the CNMV of the sale of Beauty by Dia, S.A.U. (Clarel) to Grupo Trinity S.A.S. Completion of the transaction was, as regulated in the agreement, subject to the purchaser obtaining merger control clearance from the European Commission and/or the National Markets and Competition Commission (hereinafter CNMC) on or before 30 April 2024.

On 14 February 2024, the Dia Group received notification of compliance from CNMC, and on 1 April 2024, the sale transaction was closed and control was handed to the purchaser. At the time of handing over control, the Dia Group received 11.5 million euros, pending the potential accrual of certain additional amounts to this closing price in accordance with the Agreement. The accounting impacts on the consolidated income statement at 31 December 2024 are detailed in Note 13.

Portugal

On 3 August 2023, the Parent Company notified the CNMV that, together with its indirectly wholly-owned subsidiary, Luxembourg Investment Company 322 S.à r.l., it had signed a share sale agreement, under which, among others, 100% of the share capital of Dia Portugal Supermercados, S.A. will be sold to Auchan Portugal, S.A. (purchaser). The conclusion of the operation was subject to the fulfilment or waiver, as regulated by the agreement, of certain Conditions Precedent by 31 May 2024.

On 30 April 2024, the Parent Company notified the CNMV that, having fulfilled the Conditions Precedent, the Operation took place on that day and control transferred to the Purchaser. The amount received, net of financial debt and considering other adjustments in accordance with the terms of the Agreement, was 72.7 million euros. On 23 September 2024, the Group signed the third addendum to the agreement with the purchaser, whereby the final price settlement was agreed and 3.3 million euros was returned to the purchaser as a price adjustment. The accounting impacts on the consolidated annual accounts at 31 December 2024 are detailed in Note 13.

At year-end 2023 the Group had classified the assets and liabilities relating to the Clarel business and Dia Portugal as non-current assets held for sale and the operations for the year, net of tax, as discontinued operations as the requirements of IFRS 5 were met.

Brazil

On 14 March 2024, the Parent Company informed the CNMV that as a consequence of the persistent negative results of Dia Brasil Sociedade Limitada ("Dia Brasil"), a wholly owned subsidiary of the Company, approval was given to implement a restructuring process in Dia Brasil that envisaged the strategic closure of 343 underperforming stores and three warehouses as the most urgent measure.

On 21 March 2024, the Parent Company informed the CNMV that, on 20 March 2024, Dia Brasil's application for a 'recuperaçao judicial', a restructuring process under Brazilian law, was approved in order to try to overcome its economic and financial situation.

On 31 May 2024, the Parent Company announced the sale of 100% of the share capital of Dia Brasil to MAM Asset Management (through Lyra II Fundo de Investimento em Participaçoes Multiestratégia, hereinafter "Lyra"). The sale was made at a symbolic price of 100 euros. In addition, with the aim of providing Dia Brasil with additional financial resources for the continuity of its business during the *recuperaçao judicial* it is currently undergoing, and after the commitment made to the Purchaser, the Parent Company contributed 37 million euros in funds for the benefit of Dia Brasil. In addition, the Parent Company cancelled financial debts of Dia Brasil, which were guaranteed, amounting to 30.4 million euros.

On 25 June 2024, the Parent Company announced that the sale of 100% of the share capital of Dia Brasil to Lyra II Fundo de Investimento em Participações Multiestratégia had been completed following fulfilment of the condition precedent, which consisted of the authorisation by the creditors of the Parent Company's syndicated financing for the completion of the Transaction. The accounting impacts on the consolidated income statement at 31 December 2024 are detailed in Note 13.

Other operations

On 10 July 2024, registration of the Argentine company Distribuidora Internacional, Sociedad Anónima (DISA) was cancelled due to liquidation.

On 20 November 2024, the liquidation of Luxembourg Investment Company 322 S.a. r.l. and Luxembourg Investment Company 323 S.a. r.l. was approved in order to simplify the Group's corporate structure.

2. BASIS OF PRESENTATION

2.1. Basis of preparation of the consolidated annual accounts

The Directors of the Parent Company have prepared these consolidated annual accounts on the basis of the accounting records of Distribuidora Internacional de Alimentación S.A. and the consolidated companies in accordance with International Financial Reporting Standards (IFRS) and their interpretations (IFRIC and SIC) adopted by the European Union (IFRS-EU), and other applicable provisions in the financial reporting framework, to give a true and fair view of the consolidated equity and consolidated financial position of Distribuidora Internacional de Alimentación S.A. and subsidiaries at 31 December 2024 as well as the consolidated financial performance, consolidated cash flows and changes in consolidated equity for the financial year ended on that date.

These consolidated annual accounts have been prepared using the historical cost principle, apart from some assets and liabilities valued at fair value (Note 15.5) and non-current assets held for sale, valued at the lower of the book value and fair value net of the costs of disposal or transfer by other means. It should be noted that the balances from the Group's Argentine companies have been expressed at current cost before being included in Dia Group's consolidated annual accounts, based on IAS 29 "Financial Reporting in Hyperinflationary Economies", since Argentina is considered a hyperinflationary economy (Note 2.7).

The Group has opted to present a consolidated income statement separately from the consolidated statement of comprehensive income. The consolidated income statement is reported using the nature of expense method and the consolidated cash flow statement has been prepared using the indirect method.

The Parent Company's Directors believe the consolidated annual accounts for the 2024 financial year, drawn up on 27 February 2025, will be approved by the General Shareholders' Meeting without amendment. The consolidated annual accounts for the 2023 financial year were approved by the General Shareholders' Meeting held on 28 June 2024, and lodged with the Madrid Companies Registry.

Given that the accounting principles and valuation criteria used in preparing Dia Group's consolidated annual accounts may vary from those used by some of the companies that are a part of it, the necessary adjustments and reclassifications were introduced in the consolidation process to standardise these principles and criteria amongst themselves and bring them into line with IFRS-EU.

2.2. New standards, amendments and interpretations issued and approved for use in the European Union from 1 January 2024

The Group has adopted the following standards and amendments passed by the European Union and which will be mandatory from 2024 onwards:

Approved for use in the European Union

Amendments and/or interpretations:		Mandatory application financial years commencing
IFRS 16 (amendment) - Lease liability on a sale with subsequent leasing	This amendment clarifies subsequent accounting for lease liabilities arising in transactions of sale with subsequent leasing (sale and lease back).	1 January 2024
IAS 1 (amendment) - Classification of liabilities as current and non-current and those subject to covenants	This amendment introduces clarifications in respect of the presentation of liabilities as current or non-current and, in particular, those conditional on compliance with covenants.	1 January 2024
IAS 7 and IFRS 7 (amendment) - Finance agreements with suppliers	This amendment introduces requirements to break down specific information about finance agreements with suppliers, and their effects on the business' liabilities and cash flows including liquidity risk and managing the associated risks.	1 January 2024

Its application has not had a material effect on the consolidated annual accounts for the year ended 31 December 2024.

2.3. New standards, amendments and interpretations for future application

At the date these consolidated annual accounts were drawn up, the following standards, amendments and interpretations had been published by the IASB, but they had not yet come into force, either because their effective date is after the date of the consolidated annual accounts, or because they have not yet been adopted by the European Union.

Approved for use in the European Union

Amendments and/or interpretations:		Mandatory application financial years commencing
IAS 21 (amendment) - Absence of convertibility	This amendment sets out a focus that specifies when one currency can be exchanged for another, and, in the event it is not, the determination of the exchange rate to be used.	1 January 2025

Not yet approved for application in the European Union at the date this document was published

New standards		Mandatory application financial years commencing
IFRS 18 - Presentation and disclosure in financial statements	The objective of this new standard is to set out the presentation and disclosure requirements for financial statements, replacing IAS 1, which is currently in force.	1 January 2027
IFRS 19 - Disclosures by subsidiaries without public accountability	The objective of this new standard is to detail the disclosures that a subsidiary may optionally apply when issuing its financial statements.	1 January 2027

Amendments and/or interpretations:		Mandatory application financial years commencing
IFRS 7 and IFRS 9 (amendment) - Classification and measurement of financial instruments	This amendment clarifies the criteria for the classification of certain financial assets, as well as the criteria for the derecognition of financial liabilities settled using electronic payment systems. It also introduces additional disclosure requirements.	1 January 2026
Annual improvements (vol.11)	The objective of these improvements is to enhance the quality of the standards by amending existing IFRSs to clarify or correct minor issues.	1 January 2026

The Group is assessing the impact of IFRS 18 on the presentation and disclosures in the financial statements. The other standards and amendments are not expected to have any significant impact from the application of these standards.

2.4. Functional and presentation currency

The annual accounts are presented in thousands of euros, unless indicated otherwise, as the euro is the Parent Company's functional and presentation currency.

2.5. Comparison of information

The consolidated annual accounts present, for comparative purposes, each of the items of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated annual accounts, in addition to the figures for the 2024 financial year, those corresponding to the previous financial year, which differ from those approved by the Parent Company's Ordinary General Shareholders' Meeting on 28 June 2024 due to the classification of the business in Brazil as discontinued operations, as mentioned in Note 1.1 b) above, and in accordance with the requirements of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations – the comparative figures on the consolidated income statement and the consolidated statement of cash flows for the 2023 financial year have been re-presented to classify the result of the business in Brazil in a single line of the consolidated income statement under the heading "Result from discontinued activities" and to break down the cash flows (Note 13).

2.6. Going concern

The Parent Company's Directors have drawn up these consolidated annual accounts in accordance with the going concern principle.

At 31 December 2024, consolidated equity was negative at 37.7 million euros (negative at 68.1 million euros at 31 December 2023) and consolidated working capital, calculated as current assets less current liabilities, excluding assets and liabilities held for sale, was negative, amounting to 655.5 million euros (negative at 773.8 million euros at 31 December 2023). The consolidated result for the year amounts to a loss of 78.7 million euros (consolidated loss of 30.2 million euros in 2023), consisting of a positive result after tax from continuing operations of 28.2 million euros and a loss from discontinued operations of 106.9 million euros.

Regarding the Parent Company, at 31 December 2024, equity was 432 million euros positive (534 million euros positive at 31 December 2023).

However, it should be noted that losses in recent years were mainly generated by impairments and operations in business units from which the Dia Group has divested as part of the strategy of simplifying its activities to focus on strategic businesses. As a result, the Group is complying with the roadmap focusing on returning to the path of positive results that can be materialised in its consolidated equity.

In addition, on 27 December 2024, the Group confirmed the refinancing process on its debt in order to provide itself with a solid, stable long-term financial structure to consolidate its growth strategy. With the funds raised under the new financing, the Group repaid the existing financial debt in full in advance, in addition to financing general corporate and working capital needs and paying the costs associated with the refinancing (Note 15.1). The Group believes that the new financing will (i) achieve a capital structure that provides the Group with the necessary flexibility to execute its strategic plan; (ii) strengthen the Group's financial structure by extending debt maturities and improving its liquidity by increasing financing limits, which will provide greater stability and flexibility for the development of its operations; and (iii) improve the terms and conditions of existing financial indebtedness and return to a level of indebtedness in line with the Group's current improvement in financial profitability. With this new financing, the Group's management team will have greater flexibility and freedom to develop its business operations and focus on future growth.

At 31 December 2024, the Group had available liquidity of 482 million euros at the consolidated level (319.5 million euros at 31 December 2023), which includes the available balances of the financing obtained and the cash and cash equivalents at that date. Within this context, the Directors consider the Group will continue to operate on a going concern basis.

2.7. Classification of Argentina as a hyperinflationary country

In 2018, Argentina was declared a hyperinflationary economy due, among other reasons, to the fact that the cumulative inflation rate of its economy exceeded 100% over a continuous three-year period.

As a result of this, the Group started to apply IAS 29 to the financial statements of the Argentine companies with retroactive effect from 1 January 2018. Applying this rule entails the following criteria:

- Adjusting the historical cost of non-monetary assets and liabilities and the equity items from their date of acquisition or inclusion in the consolidated statement of financial position to the end of each financial year to reflect the changes in purchasing power of the currency arising from inflation.
- Reflecting the gain or loss corresponding to the impact of the year's inflation on the net monetary position in the consolidated income statement (Note 20.9).
- Converting all the components of the financial statements of the Argentine companies at the closing exchange rate.
- The comparative balances are those presented in the previous year's consolidated annual accounts and are not adjusted for subsequent changes in price levels or exchange rates. The effect of the adjustment to prior year balances is recognised as translation differences in other comprehensive income in equity.

To restate the financial statements of the Argentine companies, the index used was that of the public organisation INDEC (National Statistics and Census Institute), an Argentinian public body, through the publication of the Consumer Price Index, which measures the change in the prices of goods and services representative of household spending. The inflation rate at 31 December 2024 was 117.76% (211.49% at 31 December 2023), (Note 20.9).

The most significant impacts on the consolidated statement of financial position resulting from inflation in Argentina relate to the revaluation of property, plant and equipment (Note 5) and the corresponding effect on deferred taxes (Note 17).

2.8. Relevant estimates and assessment of uncertainty

Preparing the consolidated annual accounts requires the application of relevant accounting estimates and the application of judgements, estimates and hypotheses in the process of applying the Group's accounting policies. The estimates and assumptions that are most exposed to uncertainty are listed below:

- Assessment of the potential impairment of non-financial assets that require an estimate of the future evolution of the business and the most suitable discount rates. The Group considers that its estimates in this area are appropriate and coherent within the current economic environment and reflect its investment plans and the best available estimates of its future income and results. It considers that its discount rates are a suitable reflection of the risks associated with each cash generating unit (Note 3 h) and Note 5).
- The judgements related to determining the lease term, as well as the estimation of the discount rates applied in measuring the liability under IFRS 16 Leases.

- Analysis of possible contingencies or liabilities linked to processes in progress, for which the Group assesses the results of certain tax, legal or other type of proceedings that are not closed off at the date the consolidated annual accounts are drawn up (Notes 3 m), 16, 17 and 21).

The other estimates, judgements and assumptions used in drawing up these consolidated annual accounts are as follows:

- The useful life of property, plant and equipment and intangible assets.
- The fair value of financial instruments granted as share-based payments, which is determined using measurement techniques.

The estimates made take account of the risks deriving from climate change. The costs deriving from the sustainability strategy are incorporated into the Group's budgets and updated financial projections, which are used to analyse the impairment of the Group's non-financial assets (Note 3 h) and 5). Nonetheless, given the nature of the Group's assets and the mitigation measures it is taking as part of its sustainability strategy (Note 24), the risk deriving from climate change is not considered to have any significant impact on the estimates of useful lives of assets or the recoverable amounts of inventories or on the impairment tests of non-financial assets.

Although the Directors' estimates were made on the basis of the best available information at 31 December 2024, it is possible that future events could lead to their having to be changed in subsequent financial years, in which case this would be done prospectively, pursuant to that established in IAS 8.

2.9. Basis of consolidation

a) Subsidiaries

Subsidiaries are those where the parent company holds control and, therefore, has the power to direct financial and operational policies. They are consolidated by including their total assets, liabilities, income, expenses and cash flows, once the relevant adjustments and disposals have been made to intra-group operations. The results of the subsidiaries acquired during the financial year are included in the consolidated annual accounts from the effective date of acquisition. Subsidiaries are excluded from the consolidation from the date on which this control is lost. All balances, income and expenses, gains, losses and dividends arising from transactions between Group companies are eliminated in full.

b) Associates

Associates are entities over which the Parent Company, either directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to intervene in the financial and operating policy decisions of an entity but is not control or joint control over those policies. When assessing the existence of significant influence, consideration is given to the existence of potential voting rights that are exercisable or convertible at the end of each financial year, including potential voting rights held by the Group or another entity.

Investments in associates are initially recorded at cost and, subsequently, using the equity method until the date the Parent Company can no longer justify the existence of significant influence.

c) Joint agreements

Joint control companies are those where the Group has shared control over their business, regulated under a contractual agreement. These companies are included in the consolidated annual accounts, as provided for in IFRS 11, Joint agreements, using the equity method.

d) Equity method

Under the equity method, investments are adjusted to recognise the Group's share of the investee's post-acquisition results in profit or loss and the Group's share of movements in the investee's other comprehensive income in other comprehensive income. Dividends received or receivable from associates and joint ventures are carried as a reduction in the book value of the investment.

When the Group's share of losses on an investment carried under the equity method is equal to or exceeds its shareholding in the entity, including any other unsecured long-term receivable, the Group does not recognise additional losses, unless obligations have been incurred or payments have been made on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies of equity accounted investees are changed when necessary to ensure consistency with the policies adopted by the Group.

3. KEY ACCOUNTING POLICIES

a) Business combinations and goodwill

The Group applied the exception provided for in IFRS 1 and therefore only business combinations carried out after 1 January 2004 – the date of transition to IFRS-EU of the former Parent Group – were accounted for using the acquisition method (Dia Group was spun off from the former Group in 2011). Entities acquired prior to that date were recognised in accordance with the Generally Accepted Accounting Principles previously applied by the former parent Group, after taking into account the necessary corrections and adjustments at the transition date.

The Group applies IFRS 3 "Business Combinations" to all transactions of this type in these consolidated annual accounts.

The Group applies the acquisition method for business combinations. The acquisition date is the date on which the Group obtains control of the acquired business.

The consideration given for the business combination is determined on the acquisition date as the sum of the fair values of the assets delivered, the liabilities incurred or assumed, the equity instruments issued, any contingent consideration the depends on future events or compliance with certain conditions in exchange for control of the acquired business and any previous equity interest in the subsidiary.

The consideration given excludes any payments that do not form part of the exchange for the acquired business. Acquisition costs are recognised as an expense when they are incurred.

At the acquisition date the Group recognises the assets acquired, the liabilities assumed and any non-controlling interest at their fair value.

The excess between: a) the consideration given, b) the amount of any non-controlling interest in the acquired business and, c) the fair value at the acquisition date of any previous equity interest in the acquired business above the fair value of the assets acquired and liabilities assumed is recognised as goodwill. Any shortfall, after evaluating the consideration given and the identification and measurement of net assets acquired, is recognised in profit and loss.

Note 3 h) details the criteria relating to goodwill impairment.

b) Translation of foreign operations

The financial statements of companies with a functional currency other than the euro, except in the case of Argentina (Note 2.7), are translated into euros as follows:

- Assets and liabilities are translated to euros at the exchange rate at the balance sheet date;
- Income and expenses, including comparative balances, are translated at the exchange rates prevailing at the date of each transaction using average exchange rates in those circumstances where the application of this simplifying criterion does not give rise to significant differences.
- The resulting foreign currency exchange differences are recognised as translation differences in other comprehensive income. The translation differences are reclassified to profit and loss at the time when the company generating them ceases to be a part of the Group.

In the presentation of the consolidated cash flow statement, cash flows of foreign subsidiaries and joint ventures, including comparative balances, are translated into euros applying the exchange rates prevailing on the date these took place.

c) Foreign currency transactions, balances and cash flows

Transactions in foreign currency are translated into the functional currency at the spot exchange rate between the functional currency and the foreign currency prevailing at the dates of the transactions. Gains and losses in foreign currency resulting from the settlement of these transactions are generally recognised in profit or loss for the year. Gains and losses for foreign currency exchange related to financial debts are presented in the consolidated income statement within other financial expenses. Other gains and losses due to exchange rate differences are presented in the consolidated income statement on a net basis within "Positive/(negative) exchange differences".

Monetary assets and liabilities denominated in foreign currencies have been translated into euros at the year-end rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date. Lastly, non-monetary items measured at fair value are translated into euros using the exchange rate prevailing on the date on which this measurement is made.

In the consolidated cash flow statement, cash flows from foreign currency transactions have been translated into euros at the exchange rates prevailing at the dates the cash flows occurred. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the cash flow statement as "Effects of exchange rate changes on cash and cash equivalents".

The differences arising on the translation into euros of monetary assets and liabilities denominated in foreign currency are recognised in profit or loss. However, foreign currency exchange gains or losses arising on monetary items forming part of the net investment in foreign businesses are recognised as translation differences in other comprehensive income.

The exchange rates against the euro (EUR) of the main currencies of the Group companies for the year ended 31 December 2024 and 2023 were as follows:

	31 December 2024		31 December 2023	
	Closing Rate	Cumulative Average Rate (1)	Closing Rate	Cumulative Average Rate (1)
Argentine Peso (ARS)	1,068.88	—	894.80	—
Real Brasileño (BRL)	—	—	5.36	5.36

(1) In Argentina the closing exchange rate is used as a consequence of Argentina being considered a hyperinflationary economy.

d) Intangible assets

Intangible assets, except for goodwill (Note 3 a)), are measured at acquisition or production cost, less any accumulated amortisation and accumulated impairment.

In each case it is analysed and determined whether the economic useful life of an intangible asset is finite or indefinite. Intangible assets with finite useful lives are amortised systematically over their estimated useful lives and their recoverability is analysed when events or changes occur that indicate that the net book value might not be recoverable. Intangible assets with indefinite useful lives, including goodwill are not amortised, but are subject to an annual analysis to determine their recoverability, or more frequently if indications exist that their net book value may not be fully recoverable. On an annual basis, Management reassesses the indefinite useful life of these assets, with the exception of goodwill.

The amortisation methods and periods applied are reviewed at year end and, where applicable, adjusted prospectively.

Internally generated intangible assets

Development expenses, which mainly relate to computer software and industrial property, are capitalised to the extent that:

- The Group has technical studies that demonstrate the feasibility of the production process;
- The Group has undertaken a commitment to complete production of the asset, to make it available for sale or internal use;
- The asset will generate sufficient economic benefits.
- The Group has sufficient technical and financial resources to complete development of the asset and has devised budget control and cost accounting systems that enable monitoring of budgetary costs, modifications and the expenditure actually attributable to the different projects.

Costs incurred in carrying out activities where it is not possible to distinguish clearly between costs attributable to the research phase and those attributable to the development phase of intangible assets are recognised in profit or loss.

In addition, costs incurred in carrying out activities that contribute to developing the value of the various businesses in which the Group as a whole operates are expensed as incurred.

Likewise, subsequent replacements or costs incurred on intangible assets are generally expensed unless they increase the expected future economic benefits of the assets.

Computer software

Computer software comprises all the programs relating to point-of-sale terminals, warehouses and offices, as well as micro-software. It is recognised at acquisition and/or production cost and is amortised on a straight-line basis over its estimated useful life, which is generally three years. Computer software maintenance costs are charged as expenses when incurred.

e) Leases

The Group has a large number of lease contracts which it actively manages. The recognised leases in which the Group acts as lessee mainly relate to premises where shops, logistics centres, machinery, vehicles and other equipment are located.

At the inception of a contract, the Group assesses whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the identified asset for a period of time in exchange for a consideration. Leases are recognised as a right-of-use asset and a corresponding liability on the date on which the Group is able to use the leased asset. The Group applies a single recognition and measurement model for all leases it operates as lessee.

Discount rate

The incremental interest rate has been used for the initial lease liability calculation. This represents the interest rate that a lessee would have to pay for borrowing for a similar term, and with a similar guarantee, the funds needed to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The Group has calculated the incremental rate based on the rates of bond issues made by companies with similar ratings, including Dia's own debt, applying these spreads to the risk-free curve of the countries in which each contract is negotiated. Where there are no bond issues for certain periods, the spreads observed were interpolated on a linear basis.

Lease term

The Group determines the lease term as the non-cancellable period, plus the optional extension periods, if there is reasonable certainty that this option will be exercised. Periods covered by the option to terminate the lease early are also included, if there is reasonable certainty of this option not being exercised.

The period considered for the leases largely depends on whether the lease contract contains a mandatory period or not, as well as unilateral termination and/or renewal clauses that entitle the Group to early terminate or extend the contracts. In this regard, in considering the economic interests affecting the determination of the period, the Group has considered the mandatory periods and average payback periods for a portfolio of stores at a country level and their subsequent investment cycles. As a result of this analysis, the Group has determined cycles of duration by country so that the probable end date of each lease will be the first date after 1 January 2019 resulting from applying the established cycle on a recursive basis, from the contract start date. In the case of warehouses and offices, the probable end date is determined based on each specific reasonable vesting period. However, the probable end dates will not be less than the mandatory period of compliance according to the contract.

Short-term leases and leases of low-value assets

The Group applies the exemption for recognising the short-term leases where the lease term is 12 months or less from the start date and where there is no purchase option. It also applies the low-value asset recognition exemption to leases that are considered low-value. Lease payments on short-term leases and leases of low-value assets are recognised on a straight-line basis over the term of the lease.

Right-of-use asset

The Group recognises right-of-use assets at the start of the lease. That is, the date on which the underlying asset is available for use. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses and are adjusted for any changes to the value of associated lease liabilities. The initial cost of right-of-use assets includes the recognised lease liabilities, initial direct costs and lease payments made before the start of the lease. Incentives received are deducted from the initial cost.

Right-of-use assets are depreciated on a straight-line basis over the estimated lease term.

Right-of-use assets are subject to impairment analysis.

The Group's leases do not in general include decommissioning or restoration obligations.

Right-of-use assets are presented under a separate heading in the consolidated statement of financial position.

Lease liabilities

At the start of the lease, the Group recognises the lease liabilities at the present value of the payments to be made during the lease term. Lease payments include fixed payments less lease incentives, variable payments depending on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain of exercising this option and lease termination penalty payments if the term of the lease reflects the Group's exercising of the option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment arises.

After the start date, the lease liability amount is increased to reflect the accrual of interest and reduced by the lease payments made. In addition, the lease liability shall be remeasured if there is an amendment, a change in the lease term, a change in the in-substance fixed lease payments, or there is a change in the assessment made for purchasing the underlying asset. The liability also increases if there is a change in future lease payments arising from a change in the index or rate used to determine these payments.

f) Property, plant and equipment

Property, plant and equipment is measured at its acquisition or production cost, less any accumulated depreciation and any impairment. Land is not subject to depreciation.

The acquisition cost includes external costs plus internal costs for materials consumed, which are recognised as income in the income statement. Where applicable, the acquisition cost includes the initial estimate of the costs required to dismantle or remove the asset and to restore the site on which it was located when the Group has the obligation to carry out these measures as a result of the use of the asset.

Given that the average execution period for work on warehouses and stores does not exceed 12 months, there are no significant interest and other finance charges that are considered as an increase in fixed assets.

Permanent investments in properties leased by the Group under operating leases are recognised using the same criteria as for other property, plant and equipment. These investments are depreciated on a straight-line basis over the shorter of their useful life and the term of the lease, taking renewals into account.

Expansion, modernisation or improvement expenses that lead to an increase in productivity, capacity or efficiency or lengthen the useful life of the assets are capitalised as an increase in the cost of the assets when the criteria to recognise them are met. Subsequent costs are included in the asset's book value or recognised as a separate asset, as appropriate. The book value of any component accounted for as a separate asset is derecognised when it is replaced.

Conservation and maintenance costs are recognised in the consolidated income statement in the year in which they are incurred.

Group companies depreciate their property, plant and equipment as soon as they are ready for use, distributing the cost of the assets (net of the corresponding residual values) on a straight-line basis over the subsequent years of estimated useful life, which is calculated on the basis of technical studies reviewed periodically as follows:

	Years
Buildings	40
Installations in leased stores	10 – 20
Technical installations and machinery	3 – 7
Other installations, fixtures and furniture	4 – 10
Other material assets	3 – 5

Estimated residual values and depreciation methods and periods are reviewed at each year end and, where applicable, adjusted prospectively.

Note 3 h) details the criteria relating to impairment of non-current assets subject to depreciation.

g) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) whose book value will largely be recovered through a sale transaction are classified as held for sale, instead of being recognised at the value in use. To classify non-current assets or disposal groups as held for sale, they must be available for disposal in their current condition, exclusively subject to the usual terms and conditions for sale transactions, and the transaction must also be deemed to be highly probable.

Non-current assets (or disposal groups) classified as held for sale are not amortised or depreciated, and are recognised at the lesser of their book value and fair value less selling costs or costs of disposal by other means. An impairment loss is recognised for any initial or subsequent reduction in the value of the asset (or disposal group), up to fair value less costs of sale. A gain is recognised for any subsequent increase in fair value less costs of sale of an asset (or disposal group), although this may not exceed the cumulative impairment loss previously recognised. The loss or gain not previously recognised at the date of sale of a non-current asset (or disposal group) is recognised on the date it is derecognised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets and disposal group assets classified as held for sale are disclosed separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are disclosed separately from the other liabilities in the consolidated statement of financial position.

The gains/(losses) of discontinued activities are disclosed separately in the consolidated income statement.

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held-for-sale, and:

- Represents a line of business or a geographical area, which is significant and can be considered separate from the rest;
- Is part of an individual and coordinated plan to divest or otherwise dispose of a line of business or a geographic area of the operation that is significant or can be considered separate from the rest; or
- Is a subsidiary acquired exclusively with a view to re-sell.

A component of the Group comprises activities and cash flows that can be clearly distinguished from the rest of the Group operationally and for financial reporting purposes.

The profit or loss after tax from discontinued operations and profit or loss after tax from the measurement at fair value less costs to sell or distribute or from the disposal of assets or disposal groups is presented in profit or loss after tax from discontinued operations in the consolidated income statement.

Intragroup balances arising between non-current assets and liabilities held and those classified as held for sale are eliminated on consolidation. Also, the Group eliminated the transactions between continuing operations and discontinued operations in the consolidated income statement.

If the Group ceases to classify a component as a discontinued operation, the results previously disclosed as discontinued operations are reclassified to continuing operations for all years presented.

h) Impairment of non-financial assets

Impairment of non-financial assets subject to amortisation or depreciation

Pursuant to the criteria of IAS 36, the Group assesses whether there are impairment indicators on non-financial assets subject to amortisation or depreciation at each year end to determine whether the book value of the assets exceeds their recoverable value.

The recoverable value is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable value is determined for the Cash-Generating Unit (CGU) to which the asset belongs. For the purposes of assessing impairment, each store corresponds to a separate cash-generating unit.

The Group tests for impairment on non-current operating assets by level. The first level tests the potential impairment of property, plant and equipment and intangible assets subject to depreciation and amortisation at an individual CGU (store) level by aggregating the right-of-use assets from lease contracts as well as the financial liabilities arising from them. In addition, when calculating the cash flows associated with each CGU, the Group has considered the lease liability and has therefore not considered the lease payments as a cash outflow during the right-of-use assets period, but it has considered the tax not paid on the deduction of the lease expense. The second level analyses potential impairment by grouping CGUs at the legal entity level and assigning the corporate assets that serve those CGU groups (mainly corporate head offices, logistics centres and brands), together with the goodwill assigned at the legal entity level.

When a CGU is fully impaired due to a negative value in use, the Group revalues the reasonably certain period of the lease contract as a short-term lease and derecognises the existing right-of-use asset and the financial liability associated with the right-of-use asset. On the other hand, the provision for onerous contract is made for the costs associated with the termination of the lease contract, as mentioned in section m) provisions.

Based on past experience, the Group considers that there are impairment indicators when the performance of a mature store (one that has been in operation for more than two years) has been negative during the past two years and also those stores where impairment has been recorded in the past. Performance is measured by store-level EBIT calculated according to the definition of the alternative performance measurements mentioned in the consolidated management report. When indications of impairment exist, the recoverable amount of the assets allocated to each cash-generating unit is estimated, calculated as the greater of fair value less selling costs and value in use. The value in use is determined by discounting estimated future cash flows, applying a post-tax discount rate.

The stores that have been assigned individual goodwill are tested annually regardless of whether or not there is any impairment indicator.

Determining this value in use and evaluating whether there are impairment indicators of the CGUs requires the use of judgement and estimates by Management.

To estimate value in use, the Group uses updated financial projections, which generally cover a period of five years and is projected for an additional period determined by the store's most significant and longest-lasting assets. For longer periods, after the fifth year, a constant expected perpetual growth rate is applied to the financial projections and include a residual or disposal value of the asset at the end of the projected period. Note 5.1 includes some of the main assumptions considered in determining the value in use of the cash-generating units to which the non-current assets are allocated.

The discount rates used are calculated after tax and are adjusted for the corresponding country and business risks. In the event that the store is assigned as a right-of-use asset, the discount rate is weighted with the value of the right-of-use asset and the rate used to determine the liability associated with the lease agreement.

When the net book value of an asset exceeds its estimated recoverable amount, it is considered to be impaired. In this case the book value is adjusted to the recoverable value and the loss is recognised in the consolidated income statement. Amortisation and depreciation charges for future periods are adjusted to the new book value during the remaining useful life of the asset. Assets are tested for impairment on an individual basis, except in the case of assets that generate cash flows that are not independent of those from other assets (cash-generating units).

When new events or changes in existing circumstances arise that indicate that an impairment loss recognised in a previous period could have disappeared or reduced, a new estimate is made of the recoverable value of the asset or cash-generating unit. Previously recognised impairment losses are only reversed if the assumptions used in calculating the recoverable value have changed since the most recent impairment loss was recognised. In this case, the book value of the asset or cash-generating unit is increased to its new recoverable value, to the limit of the net book value this asset or cash-generating unit would have had if the impairment loss had not been recognised in previous periods. The reversal is recognised in the consolidated income statement and amortisation and depreciation charges for future periods are adjusted to the new book value.

Impairment of non-financial assets not subject to amortisation

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation are tested annually for impairment, or more frequently should there be events or changes in circumstances that indicate that they may be impaired. Pursuant to the criteria contained in IAS 36, the Group performs an annual test to assess potential impairment at the level of each CGU or group of CGUs to which goodwill is allocated to ascertain whether the book value of these assets exceeds their recoverable value.

The recoverable value of each CGU or group of CGUs is the higher of their fair value less costs to sell and their value in use. Determining this recoverable value and the grouping of CGUs to which goodwill has been allocated requires the use of judgement and estimates by Management.

The unit or group of units to which the goodwill is allocated should represent the lowest level at which the goodwill is being monitored in accordance with internal management needs, and never extending beyond the segment before aggregation determined in accordance with IFRS 8. Dia Group reviews the goodwill allocation at two levels: a first level for stores that have goodwill allocated and a second level at the company level. This choice is based on both organisational and strategic criteria and how implementation decisions are made.

A CGU's value in use is determined based on the post-tax future cash flows the Group expects to derive from each CGU, expectations about possible changes in the amount or timing of the flows, the time value of money, the price for bearing the uncertainty inherent in the assets and other factors that market participants would reflect in pricing the future cash flows associated with the assets. The analysis is performed in accordance with the terms indicated for non-financial assets subject to amortisation, unless from the fifth year onwards a perpetual income has been projected, on the basis of the growth in the last period, and there is no incorporation of the residual or disposal value of the asset.

Note 6.1 contains some of the main assumptions used to determine the value in use of the CGUs to which goodwill is allocated.

i) Financial instruments

Financial instruments are, at their initial recognition, classified as a financial asset, a financial liability or an equity instrument, according to the economic substance of the contractual agreement and the definitions of set out in IAS 32 Financial instruments: Presentation.

Financial instruments are recognised when the Group becomes an obligor to the contract or legal transaction in accordance with its provisions.

Financial instruments are classified as:

- Financial assets and liabilities at fair value with changes in profit or loss are initially recognised at fair value. Transaction costs directly attributable to the purchase or issue are recognised as an expense as they are incurred. Following initial recognition, they are recognised at fair value by recording changes in results. Changes in fair value include the interest and dividend component. The fair value is not reduced by the transaction costs that may be incurred due to its eventual sale or disposal by other means.

- Financial assets and liabilities at amortised cost are initially recognised at their fair value, plus the transaction costs incurred, and are subsequently valued at amortised cost, using the effective interest rate method.

- Financial assets at fair value with changes in other comprehensive income: are initially recognised at their fair value plus transaction costs directly attributable to the purchase and are subsequently measured at fair value, with the gain or loss recognised in other comprehensive income, except for foreign exchange gains and losses and expected credit losses. The amounts recognised in other comprehensive income are recognised in profit or loss when the financial assets are derecognised.

The fair value of a financial instrument at a given date is the amount for which it could be bought or sold on that date between two knowledgeable, willing parties acting prudently on an arm's length basis.

The Group derecognises financial assets when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership have been transferred. Conversely, the Group does not derecognise a financial asset and recognises a financial liability for an amount equal to the consideration received for transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

Trade debtors and other receivables

These are initially registered at their fair value. The Group applies the simplified approach permitted by IFRS 9, which requires that expected losses over their life be recognised from the initial recognition of the receivable. The Group recognises trade creditor receivables in order to collect contractual cash flows, so they are subsequently measured at amortised cost using the effective interest rate method, less impairment adjustments.

Trade creditors and other accounts payable

These amounts represent the liabilities for goods and services provided to the Group both invoiced and pending invoice at year-end for which payment is pending. They are initially recognised at fair value and subsequently measured at amortised cost. At year-end, based on historical experience, the amount that, for various reasons, is not finally invoiced by third parties is determined, and this amount is recognised as a reduction in consumption of goods and other consumables (Note 3 p)).

Financial Debt

Financial debt is initially recognised at its fair value, net of transaction costs incurred. Subsequently, financial debts are measured at their amortised cost. Any difference between the income obtained (net of transaction costs) and the repayment value is recognised in profit or loss over the life of the debt in accordance with the effective interest rate method. Fees paid for obtaining loans are recognised as loan transaction costs insofar as it is probable that part or all of the facility will be available. In this case, the fees are deferred until the drawdown takes place. When there is no evidence that all or part of the credit facility is likely to be available, the fee is capitalised as an advance payment for liquidity services and amortised over the period to which the credit facility availability relates.

Financial debt is eliminated from the statement of financial position when the obligation specified in the contract has been paid, cancelled or has expired. The difference between the book value of a financial liability that has been cancelled or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss as other financial income or expenses.

An exchange of debt instruments between lender and borrower, provided the instruments have substantially different conditions, will be accounted for as a cancellation of the original financial liability and subsequent recognition of a new financial liability. Similarly, a substantial change in the terms of an existing financial liability, or a portion of it (irrespective of whether or not it is attributable to the financial difficulties of the debtor), is accounted for as a cancellation of the original financial liability and subsequent recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, differs by at least 10 per cent from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is recognised as a cancellation of the original financial liability, the costs or fees are recognised in profit or loss as part of the result of the exchange. Otherwise, the modified flows are discounted at the original effective interest rate, with any difference from the previous book value recognised in profit or loss. Furthermore, the costs or fees adjust the book value of the financial liabilities and are amortised using the amortised cost method over the remaining life of the amended liability.

If it is determined that the new terms or amendments of a financial liability do not materially differ from the existing ones, the amendment, therefore, not being material, the existing financial liability is not derecognised. The Group will recalculate the gross book value of the financial liability and recognise a gain or loss due to the change in profit or loss for the year. The gross book value of the financial liability is recalculated as the present value of the renegotiated or amended contractual cash flows discounted at the financial liability's original effective interest rate.

The Group recognises the difference between the book value of a financial liability, or part of a financial liability, cancelled or transferred to a third party and the consideration paid, including any non-cash assets transferred or liabilities assumed in profit or loss.

The classification of a liability is not affected by the probability that the Group will exercise the right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria for classification as non-current, it is classified as non-current even if the Group intends or expects to settle the liability within twelve months after the reporting period, or even if the Group settles the liability between the end of the reporting period and the date when the consolidated financial statements are prepared.

Derivative financial products and hedge accounting

The accounting basis for any gain or loss resulting from changes in the fair value of a derivative depends on whether it qualifies for hedge accounting and, if so, the nature of the hedging relationship.

Changes in the fair value of derivatives that have been assigned and qualify for treatment as fair value hedging instruments are recognised in the income statement, along with the changes in the fair value of the hedged item that are attributable to the hedged risk.

Changes in the fair value of derivatives that qualify and have been allocated to cover cash flows, being highly effective, are recognised in equity. The part considered to be ineffective is allotted directly to the income statement.

The hedge accounting criteria cease to apply when the hedging instrument expires or is disposed of, cancelled or settled, or if the hedging relationship no longer qualifies for hedge accounting, or if the designation is revoked. In such cases, accumulated gains or losses in equity are not allocated to results until such time as the planned or promised operation affects the result. Nevertheless, if the occurrence of the transaction is no longer probable, the accumulated gains and losses in equity are immediately included in the consolidated income statement.

The fair value of the derivatives portfolio reflects estimates based on calculations made based on market-observable data, using specific tools for assessment and management of the derivatives' risks which are used widely by financial institutions.

j) Inventories

Inventories are initially measured at the acquisition cost using the weighted average cost method.

The acquisition cost comprises the amount invoiced by the seller, after deduction of any discounts, rebates, ancillary income or other similar items, plus any additional costs incurred to bring the goods to a saleable condition, other costs directly attributable to the acquisition and indirect taxes not recoverable from the Spanish tax authorities.

Purchase returns are recognised as a reduction in the book value of inventories returned, except where it is not feasible to identify these items, in which case they are accounted for as a reduction in inventory on a weighted average cost basis.

The previously recognised valuation adjustment is reversed against profit and loss when the circumstances that previously caused the write down no longer exist or when there is clear evidence of an increase in net realisable value due to changed economic circumstances. The reversal of the valuation adjustment is limited to the lower of the cost and the revised net realisable value of the inventories.

Valuation adjustments and reversals of impairment of inventories are recognised under "Goods and other consumables used".

k) Cash and cash equivalents

Cash and cash equivalents recognised in the consolidated statement of financial position comprise cash on hand and in bank accounts, demand deposits and other highly liquid investments with original maturities of three months or less that are readily convertible into determined amounts of cash and which are subject to an insignificant risk of changes in value. These items are recognised at their historical cost, which does not differ significantly from their realisable value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents reflect the items defined in the paragraph above. Any bank overdrafts are recognised in the consolidated statement of financial position as financial liabilities from loans and bank borrowings.

l) Own shares

The Group's acquisition of own shares is presented at acquisition cost separately as a reduction in equity in the consolidated statement of financial position with no gain or loss being recognised as a result of transactions involving them.

Costs incurred in transactions with own equity instruments are recognised as a reduction of equity, after taking any tax effect into account.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or implicit) as a result of a past event, the settlement of which requires an outflow of resources that is probable and can be reliably estimated. Provisions are not recognised for future operating losses. If it is determined that it is virtually certain that some or all of an amount provided for will be reimbursed by a third party, for example, under an insurance contract, an asset is recognised in the consolidated statement of financial position and the related provision expense is presented in the consolidated income statement net of the expected reimbursement. If the effect of the time value of money is material, the amount of the provision is discounted and the increase in the provision due to the effect of the passage of time is recognised as a financial cost.

The Group is subject to legal proceedings and tax inspections in a number of jurisdictions. The Management of the Parent Company makes significant judgements and estimates in determining whether it is probable that an outflow of resources will result from the resolution of these proceedings and in estimating the amount to determine whether a provision is required. If it is probable that an obligation exists at year-end that will result in an outflow of resources, a provision is recognised if the amount can be reliably estimated.

Onerous contracts

The Group considers onerous contracts to be those in which the unavoidable costs of fulfilling the related obligations exceed the economic benefits expected to be received. The Group recognises a provision for the present value of the difference between the costs and the benefits of the contract, or the indemnity provided for abandoning the contract should this be decided.

n) Employee remuneration

Commitments to the Group's employees that are payable in the long term are estimated on an accrual basis using actuarial assumptions, where appropriate. The Group has a provision to cover the liability corresponding to the estimated accrued portion at year-end.

Personnel expenses accrued during the year are determined on the basis of the best estimate of the degree of complying with the variables that would give rise to the collection right and the period elapsed since the accrual date of each commitment.

Personnel expenses accrued by the beneficiaries of the plans referred to in Note 18 to the consolidated annual accounts are credited to liabilities and equity during the period in which they accrue.

o) Income tax

This item in the consolidated income statement includes all charges or credits arising from corporation tax levied on Spanish companies of the Group and similar taxes levied on foreign companies.

The income tax expense for each year includes both current tax and deferred taxes, where applicable.

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The current tax expense is calculated on the basis of the laws enacted or substantively enacted at the reporting date in the countries where the entity's subsidiaries and associates operate and generate taxable profits. Management periodically assesses the positions adopted in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

Deferred tax liabilities are the amounts of income tax payable in the future relating to taxable temporary differences while deferred tax assets are the amounts of income tax recoverable due to deductible temporary differences, tax loss carryforwards or unused tax credits. For these purposes, a temporary difference is defined as the difference between the book value of assets and liabilities and their tax base.

Deferred tax is determined using tax rates (and laws) enacted or substantively enacted at the reporting date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities (hereinafter IDA and IDP, respectively) are not discounted to their present value and are classified as non-current, regardless of the date of reversal.

The book value of deferred tax assets recognised is reviewed at each balance sheet date and adjustments are made to the extent that there are doubts as to their future recoverability. Following the recommendations of the European Securities and Markets Authority (ESMA), from 2019 the Group recognises IDA up to the same amount as the IDP of each jurisdiction, to the extent that the taxation unit generates tax losses in two consecutive years.

Deferred tax assets and liabilities are not recognised for temporary differences between the book value and tax base of investments in foreign operations when the company is not able to control the date on which the temporary differences will reverse and it is probable that the temporary differences will not reverse in the foreseeable future.

Current or deferred income tax is recognised in profit or loss, unless it arises from a transaction or economic event that is recognised in the same or a different period, in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset when there is a legally recognised right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. The Group only offsets current profit tax assets and liabilities if there is legal right with regard to the tax authorities and intends to either settle the resulting amounts owing on a net basis or realise the assets and settle the amounts owing simultaneously.

p) Income and expenses

Income

In general, income is recognised when the customer gains control of the goods sold, in other words, when they have the ability to direct their use and obtain benefits from them. To be more specific, the Group has the following business lines:

a) Sales of goods in own stores:

The Group operates via its own stores selling food and household and personal hygiene products. Sales income is recognised when a store sells products to customers. The transaction price is immediately payable when customers purchase products and take them away.

The Group's policy is to sell its products with a 15-day return period. The policy applies to its own store sales and online sales. Although customers are authorised to return any items, this practice is not common in stores and the implementation of IFRS 15 Revenue from Contracts with Customers did not have a significant impact on the Group.

b) Sale and provision of services to franchisees:

The Group has collaboration agreements with its franchisees and recognises income from their sales when the goods are made available to the franchisee. In addition to the sale of goods and associated discounts and incentives, the amounts invoiced as a percentage of the franchisee's final sales figure for licensing rights and ancillary technical and commercial assistance services are recorded in net sales. Also included in the contracts for the new franchise management model in Spain and Portugal is the fee for the assignment of commercial use and monthly operations, also determined on the basis of the franchisee's final sales.

The Group has agreements with its franchisees of the traditional franchise model where the period between the transfer of the goods or services promised to the customer from the initial stock and the payment by the customer exceeds one year. In these cases, Dia adjusts the transaction prices for the time value of money.

c) Online sales:

The Group sells a range of products via its website and various other websites or Market Place apps such as Amazon, Glovo, Uber Eats, Just Eat or others. Products are delivered to customers at the postal address they state when the purchase is made or in stores.

In the case of customers that ask for products to be sent to a specific address (not a store), the income is recognised when control of the products is transferred. Although customers pay for products at the time of purchase, they have no control over the product until it is received. In such cases, customers do not have the ability to change the destination of the delivery and do not have physical possession or accept the products until they are received. Accordingly, control is transferred and income is therefore recognised when the customer receives the product.

If customers ask to pick up the products purchased online from a store, Dia recognises the income when payment is made online because, although the products have not been delivered to the customer, they are available at the collection point and cannot be used for other customers (criteria that must be met for customers to have obtained control under *bill and hold arrangements*).

Expenses

Expenses are recognised in the consolidated income statement on an accruals basis, that is, they are recorded when they take place, regardless of when the monetary or financial flows derived from them arise.

The Group's expenses for supplies are reduced by discounts of various kinds depending on the trading terms agreed with the suppliers. Some discounts are fixed while others are variable, subject to the accumulated volume of purchases over the contract term or the volume of sales made by the Group companies' stores of the corresponding supplier items.

Discounts granted by suppliers are recognised as a reduction of the cost of the inventories that gave rise to them when it is probable that the conditions for granting them will be met and the excess, if any, as a reduction in the consolidated income statement under the heading goods and other consumables used. The main discounts applied to suppliers are as follows:

- Volume discounts: these are negotiated with a percentage based on the volume of purchases made from suppliers.
- Advertising income: contributions negotiated with suppliers based on the inclusion of references on shelves, etc.
- Income from loyalty programmes and redemption of coupons: contributions negotiated with suppliers based on the redemption of coupons by customers at stores using the Club Dia card or offers.

Negotiations with suppliers take place periodically and are formally documented. At the close of the financial year, all income recognised relates to agreements entered into with suppliers and services accrued during the year, regardless of the invoice and/or settlement date. At each month end, the Group accounts for discounts obtained from suppliers. For this it records the charges/invoices issued for these items to the suppliers and the estimate calculated by Sales Management. These monthly estimates are based on the budget to be achieved with each of the suppliers and on the degree of progress in the negotiations.

Interest

Interest is recognised using the effective interest rate method, which is the discount rate that matches the book value of a financial instrument to the estimated cash flows over the expected life of the instrument, based on its contractual terms and excluding future credit risk losses.

q) Environment

The Group undertakes operations whose primary purpose is to prevent, reduce or repair damage to the environment as a result of its activities.

Expenses arising from environmental activities are recognised as "Other operating expenses" in the year in which they are incurred and, if applicable, the Group recognises environmental provisions.

4. INFORMATION ABOUT OPERATING SEGMENTS

The Global CEO monitors the operating results of the business units separately to make decisions on resource allocation and performance assessment. Each business unit is led by a CEO who reports to the Global CEO. To assess the performance of each segment, the Group calculates an underlying operating result per segment, which the Group refers to as adjusted EBITDA.

This underlying operating result is used by the Global CEO to analyse segment results by eliminating restructuring costs, the effect of IFRS 16 on rents and the IAS 29 effect of hyperinflation, which are lines on the income statement that are not directly dependent on segment operations. This underlying operating result is the basis for the Group's decision making focused on improving the segment's operating profit or certain corporate expenses.

The prices at which transfers are made between operating segments are agreed in a similar manner to those agreed with third parties.

The operating segments for which information is presented are as follows:

- Spain (including operations in Switzerland and Luxembourg)
- Argentina
- Portugal (discontinued this year)
- Brazil (discontinued this year)

The detail of the main figures expressed by segment is as follows:

Thousands of euros at 31 December 2024	Spain	Argentina	Portugal (4)	Brazil (4)	Consolidated
Net Sales (1)	4,264,882	1,615,375	—	—	5,880,257
Adjusted EBITDA	265,744	26,095	—	—	291,839
% of revenues	6.23 %	1.62 %	— %	— %	4.96 %
Net result for the year	58,696	(30,687)	104	(106,849)	(78,736)
Gain (loss) of companies accounted for using the equity method	(75)	—	—	—	(75)
Total assets	1,737,530	569,220	—	—	2,306,750
Cash and cash equivalents	240,154	92,848	—	—	333,002
Total Liabilities	1,935,997	408,435	—	—	2,344,432
Financial debt	574,421	25			574,446
Fixed asset acquisitions (2)	86,906	26,039	—	—	112,945
Number of commercial establishments (3)	2,302	1,041	—	—	3,343
Total number of commercial establishments	2,302	1,041	—	—	3,343

Thousands of euros at 31 December 2023	Spain	Argentina	Portugal (4)	Brazil (4)	Consolidated
Net Sales (1)	4,046,326	946,281	—	—	4,992,607
Adjusted EBITDA	187,593	59,486	—	—	247,079
% of revenues	4.64 %	6.29 %	— %	— %	4.95 %
Net result for the year	119,332	5,997	(1,195)	(154,376)	(30,242)
Gain (loss) of companies accounted for using the equity method	(5)	—	—	—	(5)
Total assets	1,647,276	340,866	—	229,336	2,217,478
Cash and cash equivalents	54,341	58,192	—	18,528	131,061
Assets held for sale (Note 13)	98,849	—	311,008	—	409,857
Total Liabilities	1,921,737	237,168	—	234,106	2,393,011
Financial debt	502,073	15	—	46,409	548,497
Liabilities associated with assets held for sale (Note 13)	43,874	—	258,577	—	302,451
Fixed asset acquisitions (2)	100,498	26,164	789	9,173	136,624
Number of commercial establishments (3)	2,318	1,048	—	—	3,366
Total number of commercial establishments	3,312	1,048	458	590	5,408

(1) Eliminations in revenues resulting from the consolidation are included in the Spain segment.
(2) Right-of-use assets are not included.
(3) Number of establishments excluding stores whose sale has been reclassified to discontinued operations.
(4) Exits from the consolidation perimeter. See Note 13.

The reconciliation of adjusted EBITDA to the consolidated income statement headings is as follows:

Thousands of euros	Spain	Argentina	Total December 2024
Result from operations (EBIT)	**135,290**	**(139,081)**	**(3,791)**
Amortisation	243,538	61,577	305,115
Net Gain/(loss) on impairment of assets	11,031	1,291	12,322
Result of non-current asset derecognition	2,642	3,304	5,946
EBITDA	**392,501**	**(72,909)**	**319,592**
Restructuring costs and Long-Term Incentive Plans	**35,655**	**3,330**	**38,985**
Expenses (Income) related to the closure of stores and warehouses	4,474	—	4,474
Expenses related to efficiency processes	17,986	2,196	20,182
Other special projects			
Other expenses	8,687	—	8,687
Expenses related to Long-Term Incentive Plans	4,508	1,134	5,642
IFRS 16 effect on leases	(162,412)	(36,255)	(198,667)
IAS 29 hyperinflationary effect	—	131,929	131,929
Adjusted EBITDA	**265,744**	**26,095**	**291,839**

Thousands of euros	Spain	Argentina	Total December 2023
Result from operations (EBIT)	**84,864**	**(83,267)**	**1,597**
Amortisation	232,409	32,955	265,364
Net Gain/(loss) on impairment of assets	(16,174)	911	(15,263)
Result of non-current asset derecognition	6,565	14,932	21,497
EBITDA	**307,664**	**(34,469)**	**273,195**
Restructuring costs and Long-Term Incentive Plans	**33,172**	**1,594**	**34,766**
Expenses (Income) related to the closure of stores and warehouses	(5,811)	251	(5,560)
Expenses related to efficiency processes	20,933	—	20,933
Other special projects			
Other expenses	13,888	135	14,023
Expenses related to Long-Term Incentive Plans	4,162	1,208	5,370
IFRS 16 effect on leases	(153,243)	(16,541)	(169,784)
IAS 29 hyperinflationary effect	—	108,902	108,902
Adjusted EBITDA	**187,593**	**59,486**	**247,079**

The effect of applying IFRS 16 and IAS 29 is shown separately in the table and completes the explanation of the evolution of the items excluded from Adjusted EBITDA. Adjusted EBITDA is defined in the Alternative Performance Measures section of the Consolidated Management Report.

5. PROPERTY, PLANT AND EQUIPMENT

The composition and movements for the financial year were as follows:

Thousands of euros	Land	Buildings	Technical installations and machinery	Other installations, fixtures and furniture	Fixed assets under construction and advance payments	Other assets	Total
Cost							
At 1 January 2023	**72,784**	**1,079,674**	**1,487,450**	**135,572**	**20,274**	**132,343**	**2,928,097**
Additions	51	36,727	61,233	8,545	9,736	4,185	120,477
Derecognitions	(1,716)	(46,361)	(88,049)	(3,899)	(15)	(3,623)	(143,663)
Transfers	—	4,161	9,365	87	(14,252)	542	(97)
Transfers to assets held for sale (Note 13)	(22,273)	(175,497)	(187,419)	(2,645)	(817)	(28,342)	(416,993)
Translation differences	(2,226)	(55,024)	(68,591)	(31,716)	(592)	(15,555)	(173,704)
At 31 December 2023	**46,620**	**843,680**	**1,213,989**	**105,944**	**14,334**	**89,550**	**2,314,117**
Additions	1,351	20,428	49,458	6,250	15,370	6,223	99,080
Derecognitions	(1,009)	(112,593)	(133,007)	(16,940)	(4,215)	(17,543)	(285,307)
Transfers	—	6,120	(1,303)	793	(5,990)	434	54
Translation differences	3,647	75,325	115,616	34,584	(5,843)	10,656	233,985
At 31 December 2024	**50,609**	**832,960**	**1,244,753**	**130,631**	**13,656**	**89,320**	**2,361,929**
Depreciation							
At 1 January 2023	**—**	**(650,060)**	**(1,084,122)**	**(85,082)**	**—**	**(114,627)**	**(1,933,891)**
Depreciation for the period (Note 20.5)	—	(29,310)	(65,817)	(9,483)	—	(5,483)	(110,093)
Derecognitions	—	36,555	71,832	2,931	—	3,271	114,589
Transfers	—	1,590	(1,411)	(238)	—	112	53
Transfers to assets held for sale	—	113,801	155,645	2,451	—	27,493	299,390
Depreciation on assets held for sale (1) Note (13)	—	(8,096)	(15,144)	(1,181)	—	(1,641)	(26,062)
Translation differences	—	16,239	50,661	23,802	—	14,383	105,085
At 31 December 2023	**—**	**(519,281)**	**(888,356)**	**(66,800)**	**—**	**(76,492)**	**(1,550,929)**
Depreciation for the period (Note 20.5)	—	(34,705)	(79,021)	(12,320)	—	(6,399)	(132,445)
Derecognitions	—	52,526	107,782	12,768	—	15,863	188,939
Transfers	—	—	83	(124)	—	21	(20)
Translation differences	—	(22,565)	(64,638)	(13,699)	—	(7,332)	(108,234)
At 31 December 2024	**—**	**(524,025)**	**(924,150)**	**(80,175)**	**—**	**(74,339)**	**(1,602,689)**
Value impairment							
At 1 January 2023	**(3,249)**	**(45,253)**	**(38,668)**	**(2,110)**	**—**	**(611)**	**(89,891)**
Provision (Note 20.5)	—	(1,536)	(5,131)	(230)	—	—	(6,897)
Application	(88)	4,233	4,728	210	—	98	9,181
Reversal (Note 20.5)	681	6,203	14,344	738	—	17	21,983
Transfers to assets held for sale (Note 13)	187	7,321	4,753	15	—	13	12,289
Impairment of discontinued operations	(862)	(46,330)	(23,729)	(3,637)	—	(1,483)	(76,041)
Translation differences	(4)	1,321	(126)	(22)	—	(8)	1,161
At 31 December 2023	**(3,335)**	**(74,041)**	**(43,829)**	**(5,036)**	**—**	**(1,974)**	**(128,215)**
Provision (Note 20.5)	(2,805)	(6,682)	(8,852)	(168)	—	(6)	(18,513)
Application	1,020	60,032	28,638	4,168	—	1,662	95,520
Reversal (Note 20.5)	65	4,198	4,313	235	—	3	8,814
Translation differences	3	500	129	19	—	7	658
At 31 December 2024	**(5,052)**	**(15,993)**	**(19,601)**	**(782)**	**—**	**(308)**	**(41,736)**
Net book value							
At 31 December 2023	**43,285**	**250,358**	**281,804**	**34,108**	**14,334**	**11,084**	**634,973**
At 31 December 2024	**45,557**	**292,942**	**301,002**	**49,674**	**13,656**	**14,673**	**717,504**

(1) Depreciation expense relating to non-current assets held for sale in 2023 until their classification under this heading.

Store refurbishments continued during the year, albeit to a lesser extent, compared to the significant number of stores that had been refurbished the year before. The detail of additions by country is below:

Thousands of euros	2024	2023
Spain	76,166	86,347
Argentina	22,914	25,052
Portugal	—	544
Brazil	—	8,534
Total	**99,080**	**120,477**

Of the total investments, 15 million euros (31 million euros in 2023) corresponds to additions for refurbishments of stores in Spain and Argentina. The derecognitions are mainly associated with these refurbishments.

The Group has taken out various insurance policies to cover the risks to which its property, plant and equipment are subject. The coverage of these policies is considered sufficient.

At 31 December 2024 and 2023, there were no contractual commitments to purchase fixed assets.

The composition of payments recorded in the consolidated cash flow statement is as follows:

Thousands of euros	2024	2023
Additions of property, plant and equipment	99,080	120,477
Changes in suppliers of fixed assets	278	47,066
Investment flows of discontinued operations	—	(3,360)
Payments due to investments in property, plant and equipment	**99,358**	**164,183**

5.1. Value impairment

As stated in Note 3 h), based on historical experience, the Group considers evidence of impairment to exist when the performance of a store that is considered mature (i.e. more than two years old) has been negative for the previous two years, as well as those where impairment had previously been recorded. Performance is measured by store-level EBIT calculated according to the definition of the alternative performance measurements mentioned in the consolidated management report. In addition, all stores that have individual goodwill allocated to them have been analysed for potential impairment.

Individual assets or groups of assets are tested for impairment by comparing their book value with their recoverable value, defined as the higher of their fair value (less costs of disposal) and their value in use. The value in use is the present value of future cash flows expected to be obtained from the asset. The value in use of each store has been determined using discounted future cash flows that require the use of market participant assumptions. These calculations use cash flow projections based on the updated financial projections covering a five-year period and projected over a period determined by the store's most significant and longest-lasting assets. Cash flows beyond the five-year period are projected over the additional period using the estimated growth rates given below. The perpetual growth rate considered from the fifth year onwards does not exceed the long-term average growth rate for the retail business in which the Group operates.

The updated financial projections used have been prepared taking into account past experience as well as forecasts in line with those included in sector specific reports. These updated financial projections envisage store refurbishments and openings estimated by the Group, such that they include capital expenditure to undertake these refurbishments and openings and to achieve an increase in associated sales where applicable. On the other hand, an estimate of stores earmarked for closure or sale is also considered, which for the first years are identified and which also generate negative cash flows, the full book value of the non-movable assets and those which are not expected to be recovered through their use in other stores is impaired, since it has not been possible to estimate a sales value for them. Stores to be closed that are not individually identified have been analysed using the same methodology applied to stores not expected to close.

The fair value is the price that would be received to sell the operations in the country assessed for impairment in an orderly transaction between market participants. Fair value is measured using observable data where available (multiples of recent net sales and/or EBITDA transactions, offers received from potential buyers, stock market multiples for comparable companies) or on the basis of analyses performed by internal or external experts.

Key assumptions used

The key assumptions used in the updated financial projections are detailed as follows:

	Spain		Argentina	
	2024	2023	2024	2023
Sales growth rate (1)	4.6 %	1.7 %	28.0 %	29.1 %
Perpetual growth rate (2)	1.5 %	1.8 %	1.8 %	1.7 %
Discount rate (3)	7.6 %	7.5 %	15.9 %	16.2 %
% Gross profit (4)	19.7 %	22.0 %	19.6 %	18.6 %

(1) Sales growth rate for the years projected.
(2) Weighted average growth rate used to extrapolate cash flows beyond the projected period.
(3) Post-tax discount rate, weighted by the value of the right-of-use assets and the rate used in determining the liability for each of the lease contracts.
(4) Gross profit: calculated mainly by deducting from net sales and other income: (i) goods consumed and other consumables; (ii) impairment of trade receivables; and (iii) personnel costs, other operating expenses and lease expenses related to logistics activities.

Management has determined the values assigned to each of the above key assumptions as follows:

Sales growth rate

The average annual growth rate for the projected period was determined on the basis of Management's expectations of market development, in accordance with the Group's projections, and taking into account plans for store optimisation, converting stores to new formats, new openings and changes in macroeconomic indicators (population, food inflation, etc.).

In order to calculate the recoverable value of each store, the Group set up portfolios of stores with similar characteristics, adding them based on the commercial brand, country and business model in order to apply common variables in terms of growth assumptions in line with the aforementioned financial projections.

Perpetual growth rate

The growth rates used to extrapolate flows beyond the initial five-year period have been determined on the basis of the International Monetary Fund's medium and long-term inflation target rates and Econviews for Argentina.

These growth rates are consistent with the forecasts for the industry's expected evolution.

Post-tax discount rate

The discount rates used reflect the specific risks associated with the businesses in the countries in which they operate. The discount rates used are post tax, and are calculated by weighting the cost of equity with the cost of debt, using the industry average weighting. The cost of own funds for each country is calculated taking into account the following factors: the country's risk-free rate, the adjusted beta of the sector, the market risk spread and the size of the Company.

The assumptions considered in calculating the discount rates in Argentina are in euros, as it is a hyperinflationary economy.

For the impairment test performed, the discount rate was weighted by the incremental interest rate when considering the lease liability in the cash flows.

% Gross profit

The % Gross profit is calculated according to the definition included in the alternative measures of the performance of the consolidated management report.

Sensitivity analysis

The Group has performed a sensitivity analysis on CGUs with impairment indicators at store level, CGUs at country level and CGUs where goodwill has been allocated (Note 6.1).

A sensitivity analysis of the Argentina and Spain CGUs with impairment indicators at a store level, changes in key assumptions with all other variables held constant, is set out below:

- A reduction in the average sales growth rate of 100 base points would have led to an additional impairment of 3,430 thousand euros;
- A drop in the perpetual growth rate of 100 base points would have led to an additional impairment of 109 thousand euros.

- A decrease of 20 base points in the % gross profit would have led to an additional impairment of 690 thousand euros.

On the other hand, a sensitivity analysis of the main CGUs at country level – Spain and Argentina – is presented below. For each scenario, each of the assumptions has been individually sensitised to obtain the impact on each of them.

Scenario 1 is a negative scenario where the discount rate is sensitised 100 base points higher than the rate used in the test, and the growth rates lower by 100 base points, i.e. minimal growth and net sales declines of 1%, which would lead to a negative difference between the recoverable value and the book value being shown in the scenario result.

Scenario 2 is a positive scenario where the discount rate is sensitised 100 basis points below the rate used in the test, a 100 basis-point higher perpetual growth rate and net sales increases of 1%, leading to a positive difference between the recoverable value and the book value being shown in the scenario result.

	Spain				
Millions of euros	Impairment test	Hypothesis Scenario 1	Results Scenario 1	Hypothesis Scenario 2	Results Scenario 2
Sales growth rate	4.6 %	3.6 %	(434.4)	5.6 %	452.6
Perpetual growth rate	1.5 %	0.5 %	(309.8)	2.5 %	436.3
Discount rate	7.6 %	8.6 %	(307.8)	6.6 %	433.5

	Argentina				
Millions of euros	Impairment test	Hypothesis Scenario 1	Results Scenario 1	Hypothesis Scenario 2	Results Scenario 2
Sales growth rate	28.0 %	27.0 %	(41.0)	29.0 %	42.3
Perpetual growth rate	1.8 %	0.8 %	(12.9)	2.8 %	14.8
Discount rate	15.9 %	16.9 %	(19.7)	14.9 %	22.7

Results

The impairment test has been performed in accordance with the criteria given in Note 3 h), therefore:

1) Firstly, the Cash-Generating Units (CGUs) with impairment indicators at a store level (individual CGU) have been identified, analysing the eventual impairment of stores whose recoverable value is lower than the book value.

2) Secondly, the CGUs have been aggregated at a country level and the corporate assets serving these groups of CGUs (mainly corporate head offices, logistics centres and brands) have been allocated, together with the goodwill allocated at a legal entity level.

If the recoverable value of an asset is estimated to be lower than its book value, the latter is written down to its recoverable amount by recognising a corresponding write-down in the consolidated income statement. If an impairment loss is subsequently reversed, the book value of the asset is increased up to the limit of the original book value of the asset prior to recognising the impairment loss.

The Group has recognised a net impairment loss of 12,322 thousand euros (net reversal of impairment of 15,263 thousand euros in 2023) (Note 20.5), as detailed below:

- Property, plant and equipment: impairment of 18,513 thousand euros (6,897 thousand euros in 2023) was recognised in the year. In addition, 8,814 thousand euros (21,983 thousand euros in 2023) has been reversed.

- Goodwill: an impairment charge of 43 thousand euros was recognised during the 2024 financial year (no impairment charge was recognised during the 2023 financial year) (Note 6.1).

- Other intangible assets: impairment of 62 thousand euros was recognised in the year (no impairment was recognised in 2023). (Note 6.2).

- Right-of-use assets and lease liabilities: net impairment of 14,749 thousand euros (3,581 thousand euros in 2023) was recognised during the year (Notes 7.1), and a reversal of lease liabilities associated with the impairment of 12,231 thousand euros (3,758 thousand euros in 2023).

Neither at 31 December 2023, nor at the date of preparing the 2023 annual accounts, were met the conditions required by IFRS 5 (Note 3 g)) to reclassify assets and liabilities related to Dia Brasil (Note 4) as Non-current assets held for sale and Liabilities directly associated with non-current assets held for sale. At 31 December 2023, the estimated recoverable value of the Brazil CGU was not greater than zero. On this basis, impairment of 60,322 thousand euros was recognised in 2023: 76,041 thousand euros in property, plant and equipment and 1,190 thousand euros in other intangible assets (Note 6.2), which are presented under Impairment of discontinued operations in the year's movements. In addition, as the assets of the CGU were fully impaired, the Group revalued the reasonably certain period of the lease contracts of the CGU as short-term leases and derecognised the existing right-of-use asset of 75,088 thousand euros and the associated financial liability of 91,997 thousand euros. In the re-presented consolidated income statement for 2023, these amounts corresponding to the impairment charge in the Brazil CGU are reclassified to Result from discontinued operations (Note 13).

The balance of impairment on property, plant and equipment and other intangible assets at 31 December is as follows:

	2024				
	Spain	Portugal	Argentina	Brazil	Total
Property, plant and equipment	39,226	—	2,510	—	41,736
Other intangible assets (Note 6.2)	70	—	—	—	70

	2023				
	Spain	Portugal	Argentina	Brazil	Total
Property, plant and equipment	35,078	—	1,453	91,684	128,215
Other intangible assets (Note 6.2)	8	—	—	1,309	1,317

6. INTANGIBLE ASSETS

6.1. Goodwill

The composition and detailed movements by the acquired businesses and country are as follows:

Thousands of euros	Plus Supermercados, S.A. (1)	Grupo El Arbol, S.A. (2)	Acquisition of 148 Grupo Eroski stores (3)	Distribuciones Reus, S.A. (4)	Other acquisitions	SPAIN	Companhia Portuguesa de Lojas de Desconto,S.A. (5)	PORTUGAL	Total
ACQUISITION YEAR	**2007**	**2014**	**2015**	**1991**	**Varios**		**1998**		
At 1 January 2023	**160,155**	**40,572**	**41,241**	**26,743**	**17,832**	**286,543**	**39,754**	**39,754**	**326,297**
Derecognitions	—	—	—	—	(3)	(3)	—	—	(3)
Other movements	96	(1,461)	—	2	2				
Transfers to non-current assets held for sale (Note 13)	—	—	—	—	—	—	(39,754)	(39,754)	(39,754)
At 31 December 2023	**160,251**	**39,111**	**41,241**	**26,745**	**17,831**	**285,179**	**—**	**—**	**285,179**
Impairment provision (Note 19.5)	—	—	—	—	(43)	(43)	—	—	(43)
At 31 December 2024	**160,251**	**39,111**	**41,241**	**26,745**	**17,788**	**285,136**	**—**	**—**	**285,136**

(1) Goodwill arising in the business combination by which the Group acquired Plus Supermercados, S.A.U., the entity currently called Dia Retail España, S.A.U.

(2) This goodwill arose on the acquisition of Grupo El Árbol, S.A.U., and the amount remaining is associated with the stores still operating in the Group (30%), given that most of the stores were sold to Alcampo in 2023.

(3) Goodwill associated with the acquisition of the Eroski Group stores.

(4) This goodwill was generated by the purchase of stores from Distribuciones Reus, S.A. in 1991.

(5) The goodwill for Companhia Portuguesa de Lojas de Desconto, S.A., related to the legal entity Dia Portugal S.A.U. and referred to stores that operated under the Minipreço brand. This goodwill was transferred in 2023 to non-current assets held for sale.

The recoverable value has been determined based on calculations of the value in use by means of cash flow discounting, considering the same key variables as indicated in Note 5.1, unless a perpetual income has been projected from the fifth year onwards. For consolidation goodwill, the discount rates have been calculated on a date close to year-end, namely 7.6% for Spain (in the 2023 financial year: 7.8% Spain).

During the 2024 financial year, an impairment charge of 43 thousand euros was recognised in Spain.

In 2023, the main movement was due to the transfer to non-current assets held for sale amounting to 39,754 thousand euros, which corresponded to the sale of the Portuguese business in 2024 (Note 13).

Sensitivity analysis

Sensitivity analyses are carried out in all cases in relation to the sales growth rate, the % gross profit, and the discount rate to verify that reasonable changes in these assumptions would not have an impact on the possible recovery of the goodwill recorded.

No impacts have been identified in the goodwill impairment test for changes that the Group considers reasonably possible in the variables noted in the preceding paragraph. Finally, the recoverable value of the groups of CGUs for Spain would be equal to their book value if the key assumptions, each considered separately, were to reach the values shown in the table below:

	Sales growth rate (1)	Discount rate (2)	% Gross profit (3)
Spain			
Dia and Dia Retail España	0.1%	43.1%	16.8%

(1) Weighted average annual growth rate of sales for the projected years
(2) Post-tax discount rate applied to cash flow projections.
(3) Gross profit: calculated mainly by deducting from net sales and other income: (i) goods consumed and other consumables; (ii) impairment of trade receivables; and (iii) personnel costs, other operating expenses and lease expenses related to logistics activities.

It is estimated that the recoverable value of the CGUs in Spain exceeds the book value of the CGUs by 1,887.3 million euros at 31 December 2024 (1,339.1 million euros at 31 December 2023).

6.2. Other intangible assets

The composition and movements were as follows:

Thousands of euros	Development expenses	Industrial property	Transfer rights	Computer Software	Other intangible assets	Total
Cost						
At 1 January 2023	**7,474**	**2,782**	**21,619**	**109,434**	**9,381**	**150,690**
Additions / Internal development	4,004	—	—	12,143	—	16,147
Derecognitions	—	—	(435)	(137)	(404)	(976)
Transfers	(7,191)	—	—	7,269	1	79
Transfer to non-current assets held for sale	—	—	(19,414)	(4,145)	(4,008)	(27,567)
Translation differences	—	—	(373)	(3,341)	18	(3,696)
At 31 December 2023	**4,287**	**2,782**	**1,397**	**121,223**	**4,988**	**134,677**
Additions / Internal development	3,466	—	—	8,399	2,000	13,865
Derecognitions	(114)	—	—	(8,889)	(304)	(9,307)
Transfers	(3,079)	—	—	3,025	—	(54)
Translation differences	—	—	601	7,596	(4)	8,193
At 31 December 2024	**4,560**	**2,782**	**1,998**	**131,354**	**6,680**	**147,374**
Amortisation						
At 1 January 2023	**—**	**(2,761)**	**(20,673)**	**(84,960)**	**(4,178)**	**(112,572)**
Amortisation for the period (Note 20.5)	—	(22)	(5)	(14,527)	(111)	(14,665)
Derecognitions	—	1	436	133	228	798
Transfers	—	—	—	(14)	(21)	(35)
Transfer to non-current assets held for sale (Note 13)	—	—	18,722	2,872	437	22,031
Amortisation on assets held for sale (1)	—	—	(98)	(1,186)	(37)	(1,321)
Translation differences	—	—	330	2,663	(15)	2,978
At 31 December 2023	**—**	**(2,782)**	**(1,288)**	**(95,019)**	**(3,697)**	**(102,786)**
Depreciation for the period (Note 20.5)	—	—	(5)	(16,885)	(131)	(17,021)
Derecognitions	—	—	—	7,550	289	7,839
Transfers	—	—	—	20	—	20
Translation differences	—	—	(561)	(5,307)	5	(5,863)
At 31 December 2024	**—**	**(2,782)**	**(1,854)**	**(109,641)**	**(3,534)**	**(117,811)**
Value impairment						
At 1 January 2023	**—**	**—**	**(98)**	**(109)**	**(622)**	**(829)**
Provision (Note 20.5)	—	—	—	—	—	—
Application	—	—	13	—	248	261
Transfer to non-current assets held for sale	—	—	85	1	361	447
Impairment on assets held for sale	—	—	—	(1,181)	(9)	(1,190)
Translation differences	—	—	—	(6)	—	(6)
At 31 December 2023	**—**	**—**	**—**	**(1,295)**	**(22)**	**(1,317)**
Provision (Note 20.5)	—	—	—	—	(62)	(62)
Application	—	—		1,291	14	1,305
Translation differences	—	—	—	4	—	4
At 31 December 2024	**—**	**—**	**—**	**—**	**(70)**	**(70)**
Net book value						
At 31 December 2023	**4,287**	**—**	**109**	**24,909**	**1,269**	**30,574**
At 31 December 2024	**4,560**	**—**	**144**	**21,713**	**3,076**	**29,493**

(1) Amortisation expense relating to non-current assets held for sale in 2023 until their classification under this heading.

The additions recorded in 2024 and 2023 mainly include development expenses corresponding to internally produced IT projects in Spain amounting to 3,466 thousand euros (4,004 thousand euros in 2023) and acquisitions of IT applications, mainly in Spain amounting to 5,274 thousand euros and in Argentina amounting to 3,125 thousand euros (in 2023 mainly in Spain amounting to 10,147 thousand euros and in Argentina amounting to 1,112 thousand euros).

The composition of payments recorded in the consolidated cash flow statement is as follows:

Thousands of euros	2024	2023
Additions of intangible assets	10,399	12,143
Development expenses	3,466	4,004
Total	**13,865**	**16,147**
Investment flows of discontinued operations	—	—
Payments due to investments in intangible assets	**13,865**	**16,147**

The detail by segment is as follows:

Thousands of euros	2024	2023
Spain	10,740	14,151
Argentina	3,125	1,112
Portugal	—	245
Brazil	—	639
Total	**13,865**	**16,147**

Note 20.5 includes the impairment of intangible assets recorded in 2024 and 2023 under the income statement heading "Amortisation, depreciation and impairment".

7. LEASES

7.1. Right-of-use assets

The composition and movements during the year were as follows:

	2024			
Thousands of euros	Gross book value	Depreciation	Impairment	Net book value
Land and buildings	736,474	(359,939)	(3,809)	372,726
Technical installations and machinery	20,530	(11,524)	—	9,006
Other installations, fixtures and furniture	70	(63)	—	7
Other assets	4,165	(2,016)	—	2,149
Total	**761,239**	**(373,542)**	**(3,809)**	**383,888**

	2023			
Thousands of euros	Gross book value	Depreciation	Impairment	Net book value
Land and buildings	890,568	(431,258)	(81,588)	377,722
Technical installations and machinery	21,719	(9,714)	—	12,005
Other installations, fixtures and furniture	70	(57)	—	13
Other assets	5,299	(3,430)	—	1,869
Total	**917,656**	**(444,459)**	**(81,588)**	**391,609**

Thousands of euros	Land and buildings	Technical installations and machinery	Other installations, fixtures and furniture	Other assets	Total
At 1 January 2023	**476,221**	**13,980**	**20**	**2,456**	**492,677**
Additions	212,250	4,372	—	1,378	218,000
Depreciation (Note 20.5)	(134,418)	(4,627)	(6)	(1,555)	(140,606)
Derecognitions	(8,889)	(1,720)	(1)	(410)	(11,020)
Impairment	(3,581)	—	—	—	(3,581)
Application	3,581	—	—	—	3,581
Value update	19,427	—	—	—	19,427
Impairment of discontinued operations	(75,088)	—		—	(75,088)
Transfers to non-current assets held for sale (Note 13)	(57,136)	—	—	—	(57,136)
Depreciation on assets held for sale (1)	(48,410)	—	—	—	(48,410)
Translation differences	(6,235)	—	—	—	(6,235)
At 31 December 2023	**377,722**	**12,005**	**13**	**1,869**	**391,609**
Additions	117,799	1,049	—	1,761	120,609
Depreciation (Note 20.5)	(150,541)	(3,778)	(6)	(1,324)	(155,649)
Derecognitions	(11,513)	(270)	—	(157)	(11,940)
Impairment	(14,749)	—	—	—	(14,749)
Application	10,940	—	—	—	10,940
Value update	43,248	—	—	—	43,248
Translation differences	(180)	—	—	—	(180)
At 31 December 2024	**372,726**	**9,006**	**7**	**2,149**	**383,888**

(1) Depreciation expense relating to non-current assets held for sale in 2023 until their classification under this heading.

The change in Value update is mainly due to the impact of Argentina's hyperinflation on the value of rental contracts.

In 2023, the assets of the Brazil CGU were fully impaired, as a result of which the Group has reassessed the reasonably certain period of the lease contract for the CGU, which is now considered a short-term lease, and has written off the existing right-of-use asset for 75,088 thousand euros (included in the impairment on discontinued activities), and derecognised the associated financial liability (Note 7.2).

The detail of additions in the financial year by segment is as follows:

Thousands of euros	2024	2023
Spain	117,731	176,652
Argentina	2,878	1,559
Portugal	—	6,367
Brazil	—	33,422
Total	**120,609**	**218,000**

The Group has approximately 3,542 retail lease agreements in force at 31 December 2024 (5,726 at 31 December 2023). The decrease in the number of contracts was due to the exit of the Clarel, Portugal and Brazil businesses from the Group. In general terms, the lease agreements on commercial premises only establish the payment of a fixed monthly rent which is reviewed annually in line with, and index linked to, the rate of inflation. In addition, and in general, there are no clauses referring to variable amounts, such as fees depending on turnover, and there are no fees of a contingent nature.

Warehouse leases generally have the same characteristics as commercial establishments. Note 21.1 presents the purchase options that are included within commitments outside the statement of financial position.

A detail of the main lease agreements on property in force was as follows:

2024					
Warehouse	**Country**	**Non-cancellable period**	**Warehouse**	**Country**	**Non-cancellable period**
Getafe	Spain	2029	Villanueva de Gállego	Spain	2030
Mallén	Spain	2025	Dos Hermanas	Spain	2027
Mejorada del Campo	Spain	2025	Granda-Siero	Spain	2027
Miranda	Spain	2028	Illescas	Spain	2037
Sabadell	Spain	2029	Antequera	Spain	2026
San Antonio	Spain	2025	Santiago	Spain	2026

2023					
Warehouse	**Country**	**Non-cancellable period**	**Warehouse**	**Country**	**Non-cancellable period**
Getafe	Spain	2029	Valongo	Portugal	2030
Mallén	Spain	2024	Torres Novas	Portugal	2030
Mejorada del Campo	Spain	2024	Alverca	Portugal	2030
Miranda	Spain	2033	Americana	Brazil	2024
Orihuela	Spain	2024	Mauá	Brazil	2035
Sabadell	Spain	2029			
San Antonio	Spain	2024			
Villanueva de Gállego	Spain	2030			
Dos Hermanas	Spain	2027			
Granda-Siero	Spain	2025			
Illescas	Spain	2037			
Antequera	Spain	2024			
Santiago	Spain	2026			

As part of the refinancing process, on 27 December 2024 the Group advanced the purchase option on the Orihuela warehouse (which, according to the contract stipulated on 25 November 2024, should have been exercised on 25 May 2025), for an amount of 5,782 thousand euros, acquiring full ownership of the property.

Moreover, minimum payments under non-cancellable leases are as follows:

Thousands of euros	2024	2023
Less than one year	510	449
Total real estate lease payments in the non-cancellable period	**510**	**449**
Less than one year	639	663
One to five years	662	720
Over five years	1	12
Total lease payments for furniture and equipment in the non-cancellable period	**1,302**	**1,395**

At 31 December 2024 and 2023, only the minimum payments linked to lease agreements not included in the scope of IFRS 16 or which are not provisioned for as onerous contracts are listed.

The majority of the lease agreements for stores signed by the Group contain clauses allowing them to be terminated at any time throughout their useful lives, once the mandatory tie-in period has elapsed, by informing the lessor of this decision with the agreed period of notice, which is generally less than three months.

7.2. Lease liabilities

The composition and movements during the year were as follows:

Thousands of euros	Short-term debt	Long-term debt	Total
At 1 January 2023	**185,526**	**371,643**	**557,169**
Additions	—	218,006	**218,006**
Derecognitions	—	(18,371)	**(18,371)**
Impairment of discontinued operations	—	(91,997)	**(91,997)**
Impairment	—	(3,758)	**(3,758)**
Application	—	3,758	**3,758**
Interest expenses	37,593	—	**37,593**
Transfers	146,504	(146,504)	**—**
Transfers to liabilities linked to assets held for sale	(14,830)	(49,029)	**(63,859)**
Value update	—	19,427	**19,427**
Other movements	(31,738)	(11,545)	**(43,283)**
Amounts paid	(177,888)	—	**(177,888)**
Translation differences	(1,502)	(6,222)	**(7,724)**
At 31 December 2023	**143,665**	**285,408**	**429,073**
Additions		120,521	**120,521**
Derecognitions	(2,797)	(14,008)	**(16,805)**
Impairment	—	(12,231)	**(12,231)**
Application	—	12,231	**12,231**
Interest expenses	61,946	—	**61,946**
Transfers	200,212	(200,212)	**—**
Value update	—	43,248	**43,248**
Other movements	(1,215)	—	**(1,215)**
Amounts paid	(205,408)	—	**(205,408)**
Translation differences	815	(1,280)	**(465)**
At 31 December 2024	**197,218**	**233,677**	**430,895**

At 31 December 2024, 8,527 thousand euros is included in long term (8,370 thousand euros in 2023) and 11,322 thousand euros in short term (5,270 thousand euros in 2023), corresponding to the debt on assets under finance leases in place at the date IFRS 16 was first applied (1 January 2019), which relate to warehouses, technical installations, machinery and other fixed assets (transport items).

In 2023, the fixed assets of the Brazil CGU were fully impaired, of which 75,088 thousand euros corresponded to all the rights of use associated with the lease agreements. As a result of the above, the reasonably certain period of these leases was reassessed and financial liabilities for long-term and short-term leases amounting to 66,817 thousand euros and 25,180 thousand euros, respectively, were derecognised. The effect on the consolidated income statement for 2023 amounts to 16,909 thousand euros.

Maturities on lease liabilities are shown below:

Lease liabilities	Total	Current 1 year	2 years	3 years	4 years	5 years	> 5 years	Total non-current
31 December 2024	**430,895**	**197,218**	118,070	66,680	24,282	9,397	15,248	**233,677**
31 December 2023	**429,073**	**143,665**	112,713	84,702	46,709	11,912	29,372	**285,408**

The detail of the composition of the lease expense included in "Property Leases" in the consolidated income statement shown in the breakdown in Note 20.4 and not included in IFRS 16 is as follows:

Thousands of euros	2024	2023
Short-term leases	13,873	21,917
Low-value leases	57	16
Community charges	1,427	1,439
Taxes	2,554	3,862
Utilities	226	170
Others	1,349	1,120
Total property lease expenses	**19,486**	**28,524**

Cash outflows from the Group's property leases, including both those recorded as financial leases and operating leases, amounted to 244,894 thousand euros (206,412 thousand euros in 2023).

8. FINANCIAL ASSETS

The detail of financial assets items at 31 December is as follows:

Thousands of euros	2024	2023
Non-current assets		
Trade debtors and other receivables	194	10,799
Other non-current financial assets	51,189	60,168
Current assets		
Trade debtors and other receivables	133,059	161,189
Other current financial assets	1,758	14,496
Total	**186,200**	**246,652**

8.1. Trade debtors and other receivables

The detail of current and non-current trade debtors and other receivables is as follows:

Thousands of euros	2024	2023
Accounts receivable	194	10,799
Total non-current	**194**	**10,799**
Accounts receivable (net of impairment)	122,028	154,166
Other debtors (net of impairment)	5,401	3,887
Receivables from suppliers (net of impairment)	1,869	3,013
Advances to suppliers	3,761	123
Total current	**133,059**	**161,189**

Due to the short-term nature of receivables, their book value is considered to be the same as their fair value.

a) Accounts receivable

The composition of these receivables is as follows:

Thousands of euros	2024	2023
Non-current accounts receivable	194	10,799
Current accounts receivable	131,437	200,130
Total trade receivables	**131,631**	**210,929**
Value impairment	(9,409)	(45,964)
Total	**122,222**	**164,965**

Non-current accounts receivable correspond to the financing of the franchisee's starting inventory, which is repaid on a monthly basis according to the business's cash generation profile. This funding of the initial inventory order corresponds to the previous Dia franchise model, which was essentially based on payment for the delivery of goods.

Current accounts receivable correspond to the financing of the supply of goods and to maturities of less than 12 months from the initial financing of the previous model. With the change of franchise management model introduced in 2020, the franchisee pays for the sale of both initial stock and recurring sales and not for the goods invoiced at the time of receipt, i.e. the collection is based on the cash generated at the franchisee's point-of-sale terminal, so the entire debt is recognised as current.

These trade credits are measured at amortised cost less any impairment loss and generated financial income of 5 thousand euros (27 thousand euros in 2023), recognised in the consolidated income statement.

Accounts receivable (non-current and current) decreased due to the exit of Brazil (10 million euros and 36 million euros, respectively).

b) Receivables from suppliers

This heading includes balances with suppliers that have become debtors as a result of the charge notes issued for discounts of various kinds in accordance with the trade conditions agreed with them, as well as returns of goods.

The Group entered into non-recourse supplier trade credit assignment contracts in 2023 amounting to 11,559 thousand euros. In 2024, the Group did not enter into any non-recourse supplier trade receivable assignment contracts.

c) Trade debtors with other related parties

In 2024 and 2023, there were no transactions generating trade debtors with related parties. At 31 December 2024 and 2023, there is no balance receivable on trade debtors with other related parties (Note 22).

d) Value impairment

The Group considers that the most relevant customer portfolio provision it that related to franchisees defaulting. The Group allocates a provision by applying an estimated percentage based on the historical turnover rate of franchisees and the portion of irregular pledges outstanding from them. This provision is calculated at an amount equal to the expected credit losses over the life of the asset using the aforementioned criteria, which, in the judgement of Management, are the most reasonable criteria for forecasting this amount.

The movements in valuation corrections from impairment of receivables were as follows:

2024 Thousands of euros	Accounts receivable (Nota 8.1 a))	Other debtors	Receivables from suppliers	Total
At 1 January	**(45,964)**	**(1,921)**	**(2,854)**	**(50,739)**
Provisions	(1,087)	(256)	—	(1,343)
Applications	3,720	260	—	3,980
Reversals	1,548	265	2,154	3,967
Exit from the perimeter	13,554	745	—	14,299
Other movements (*)	18,207	(3,249)	—	14,958
Translation differences	613	23	4	640
At 31 December 2024	**(9,409)**	**(4,133)**	**(696)**	**(14,238)**

(*) Other movements include provisions and applications in the Brazil business up to the time of its exit from the Group, amounting to 77 thousand euros and 15,035 thousand euros respectively.

2023 Thousands of euros	Accounts receivable (Nota 8.1 a))	Other debtors	Receivables from suppliers	Total
At 1 January	(53,795)	(1,613)	(4,311)	(59,719)
Provisions (*)	(1,231)	(124)	—	(1,355)
Applications	151	120	68	339
Reversals (*)	4,344	87	954	5,385
Transfers to non-current assets held for sale	6,406	16	348	6,770
Other movements (*)	(3,688)	(366)	—	(4,054)
Translation differences	1,849	(41)	87	1,895
At 31 December 2023	(45,964)	(1,921)	(2,854)	(50,739)

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

8.2. Other financial assets

All the Group's other financial assets are measured at amortised cost. The breakdown at 31 December is as follows:

Thousands of euros	2024	2023
Equity instruments	36	36
Guarantees and other deposits	40,300	60,102
Other loans	10,853	30
Total non-current	**51,189**	**60,168**
Franchise deposits	481	151
Loans to personnel	761	1,354
Other loans	52	77
Interest rate hedging derivatives (Note 15.5)	—	2,530
Other financial assets	464	10,384
Total current	**1,758**	**14,496**

The heading of non-current "Guarantees and other deposits" mainly records the amounts delivered to lessors as a guarantee for the lease contracts. These amounts are presented at their current value and any difference with their nominal value is recognised as current or non-current prepayments. In addition, at 31 December 2023 this heading included judicial deposits made in Brazil. Following the exit of Brazil, this heading has reduced significantly.

The Group considers the guarantees constituted in the lease agreements to be assets with a low credit risk, as in most lease agreements the lessor is obliged to deposit the guarantee with the relevant public body.

Other non-current loans mainly include a loan with Beauty by Dia, S.A.U. amounting to 10,852 thousand euros for the sale of inventories on warehouses following its exit from the Group (Note 1.1. b)) that matures in April 2027 and bears interest at EURIBOR 3M + 4%.

Other financial assets at 31 December 2023 included tax credits in Brazil (ICMS), which have been derecognised following the exit from Brazil.

Interest rate hedging derivatives at 31 December 2023 correspond to the credit the Group had for applying hedge accounting to contracts entered into to hedge interest rate risk (Note 15.1).

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The detail of integrated companies using the equity method at 31 December is as follows:

	At 31 December 2024	At 31 December 2023
ICDC Services Sárl in liquidation	—	liquidated on 2 August 2023
Horizon International Services Sàrl, in liquidation	25%	25%

The key financial figures of these companies are as follows:

	Horizon International Services Sàrl, en liquidation	
Thousands of Euros	At 31 December 2024	At 31 December 2023
Current assets		
Cash and Cash equivalents	1,422	1,422
Other current assets	19	19
Total current assets	**1,441**	**1,441**
Non-current assets	**—**	**—**
Current liabilities		
Other current liabilities	388	88
Total current liabilities	**388**	**88**
Net assets	**1,053**	**1,353**
Reconciliation with book value		
Net assets at 1 January	**1,353**	**1,390**
Profit/(loss) for the year	(300)	(37)
Dividends paid	—	
Company liquidation	—	—
Net assets at year end	**1,053**	**1,353**
Part of the Group in %	25 %	25 %
Part of the Group in thousands of euros	263	338
Book value	**263**	**338**

The impact on the income statement of companies accounted for using the equity method at 31 December 2024 was an expense of 75 thousand euros (at 31 December 2023, the impact was an expense of 5 thousand euros). Horizon International Services Sàrl, in liquidation, is currently in liquidation.

10. OTHER ASSETS

The detail at 31 December is as follows:

Thousands of euros	2024 Current	2023 Current
Prepayments for leases	10	421
Prepayments for insurance contracts	464	1,629
Other prepayments	7,135	7,546
Total "Other assets"	**7,609**	**9,596**

The decrease in this heading is mainly due to the sale of Brazil in June 2024.

11. INVENTORIES

The detail at 31 December is as follows:

Thousands of euros	2024	2023
Goods for resale	286,457	312,973
Other supplies	3,511	2,032
Total "Inventories"	**289,968**	**315,005**

Trading inventories decreased by 25 million euros, 58 million euros due to the sale of Dia Brasil in June 2024, 13 million euros decreased in Spain and 46 million euros increased in Argentina, due to hyperinflation.

Reductions in the value of inventories to their net realisable value amounted to 1,811 thousand euros at 31 December 2024 (2,222 thousand euros at 31 December 2023).

At 31 December 2024 there were no restrictions of any kind on the availability of inventory.

The Group has insurance policies in place that guarantee the recoverability of the net book value of inventories in the event of claims that could affect usage or sale.

12. CASH AND CASH EQUIVALENTS

The detail at 31 December is as follows:

Thousands of euros	2024	2023
Cash and current account balances	292,356	79,913
Cash equivalents	40,646	51,148
Total	**333,002**	**131,061**

The balance of "Cash equivalents" corresponds to deposits with a maturity of less than three months and the decrease was mainly due to the sale of Dia Brasil in June 2024.

Cash and current account balances have increased due to the inflow of funds associated with the new financing (Note 15.1).

The Dia Group has pledged certain bank accounts. However, there are no restrictions on the availability of such bank accounts to the extent that the guarantee is not effective.

13. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In 2023 the Group entered into sale agreements for the shareholdings in Beauty by Dia, S.A.U. (Clarel) and Dia Portugal Supermercados, S.A.U. (Portugal) with Grupo Trinity, S.A.S and Auchan Portugal, S.A. respectively.

At 31 December 2023, the assets and liabilities related to the Clarel and Portugal businesses were classified in the Group's consolidated financial statements as held for sale and the results generated from them as discontinued operations as the requirements of IFRS 5 were met. With effect from 1 April 2024 and 30 April 2024 respectively, the conditions precedent stipulated between the parties were fulfilled and the effective transfer of control of these businesses to the purchasers took place.

Accordingly, the Group derecognised the assets and liabilities relating to the two businesses, and the loss generated up to the date of loss of control of 220 thousand euros (3 months) and 2,013 thousand euros (4 months), respectively, has been included in Result from discontinued operations in the consolidated income statement at 31 December 2024. On 23 September 2024, the Group signed the third addendum to the contract with the purchaser of the Portugal business where the final settlement of the price was agreed. The final result from the sale of the Portugal business amounted to a gain of 2,120 thousand euros, with a result from discontinued operations in Portugal of 104 thousand euros.

Furthermore, as explained in Note 5.1 of the consolidated annual accounts at 31 December 2023, taking into account the financial performance of the business in Brazil (Dia Brasil Sociedade Limitada), the Group was analysing various strategic alternatives with a view to making a decision in 2024. Neither at the reporting date nor at the date of preparing the aforementioned consolidated annual accounts were the conditions required by IFRS 5 for the classification of assets and liabilities related to the Brazil business as held for sale met.

The Group has duly informed the National Securities Market Commission (Note 1.1.b) of the actions carried out in relation to the business in Brazil.

In this regard, on 31 May 2024, following approval of the operation by the Board of Directors on 29 May 2024, the contract for the sale of the Brazil business to Lyra II Fundo de Investimento em Participaçoes Multiestratégia was signed, involving the total divestment from Brasil by the Dia Group.

On 25 June 2024, upon fulfilment of the condition precedent for the completion of this transaction, which consisted of the Group obtaining authorisation from the financial institutions of the syndicated financing, the Operation was completed and, with it, the transfer to the purchaser. The sale was carried out at a symbolic price of 100 euros. The result of discontinued operations at 31 December 2024 is a loss of 106.8 million euros, which includes (i) the negative results generated by the Brazilian company in 2023 until its separation from the Group (loss of 88.5 million euros) and (ii) the negative result of the transaction, amounting to 18.3 million euros. Considering that the negative equity of the Brazilian company at 1 January 2024 was offset by the corresponding contribution that the Sole Shareholder made in January, and therefore starting from equity close to zero at the beginning of the year, the result of discontinued operations reflected in this Note is made up of the loss for the year amounting to 88.5 million euros, the derecognition of the net assets existing at the date of unbundling with a positive effect of 21.1 million euros (which includes the loss generated in the year of 88.5 million euros, net of 37 million euros corresponding to contributions of funds by the Sole Shareholder and 30.4 million euros of financial debts guaranteed by the parent company assumed by it), the loss of 3.7 million euros relating to the derecognition of intercompany balances, the reclassification of the negative translation differences associated with the subsidiary for 26.7 million euros due to the reclassification, and finally, 9 million euros of expenses arising from the transaction.

As detailed in Note 2.5, the consolidated income statement at 31 December 2023 and the consolidated cash flow statement for the twelve months ended at that date have been re-presented to facilitate the comparison of the annual figures following the classification of the Brazil business to discontinued operations in 2024.

The detail of the assets and liabilities, reclassified to held for sale at 31 December 2023, is set out below:

Thousands of euros	December 2023	Clarel	Portugal
Property, plant and equipment (Note 5) (1)	122,279	14,760	107,519
Goodwill (Note 6.1)	39,754	—	39,754
Right-of-use assets (Note 7.1) (2)	70,222	10,363	59,859
Other intangible assets (Note 6.2) (3)	6,297	717	5,580
Trade debtors and other receivables	1,135	1,135	—
Other non-current financial assets	3,281	3,110	171
Deferred tax assets	932	—	932
Inventories	88,584	50,540	38,044
Trade debtors and other receivables	37,287	14,016	23,271
Current tax assets	1,760	51	1,709
Income tax assets	4	—	4
Other current financial assets	277	46	231
Other assets	3,791	42	3,749
Cash and cash equivalents	34,254	4,069	30,185
Non-current assets held for sale	**409,857**	**98,849**	**311,008**
Non-current financial debt	1,088	1,088	—
Non-current lease liabilities	61,402	8,312	53,090
Provisions	2,109	1,074	1,035
Other non-current financial liabilities	—	—	—
Deferred tax liabilities	2,197	—	2,197
Current financial debt	39,681	71	39,610
Current lease liabilities	23,582	10,118	13,464
Trade creditors and other accounts payable	138,955	8,061	130,894
Current tax liabilities	8,579	2,964	5,615
Income tax liabilities	470	—	470
Other financial liabilities	24,388	12,186	12,202
Liabilities directly associated with non-current assets held for sale	**302,451**	**43,874**	**258,577**

(1) The Portugal business has registered movements of 2,205 thousand euros since it was recorded as a non-current asset held for sale in June 2023 (additions of 3,290 thousand euros and derecognitions and transfers of -1,085 thousand euros).

(2) The Portugal business has registered movements of 2,723 thousand euros since it was recorded as a non-current asset held for sale in June 2023 (additions and value updates of 13,458 thousand euros, amortisation of -9,133 thousand euros and derecognitions of -1,602 thousand euros).

(3) The Portugal business has registered movements of 491 thousand euros since it was recorded as a non-current asset held for sale in June 2023 (additions of 375 thousand euros and derecognitions and transfers of 116 thousand euros).

During the financial year ended on 31 December 2023, as a result of the fair value measurement of the non-current assets of the Clarel business, the following were impaired: property, plant and equipment amounting to 5,140 thousand euros, right-of-use assets amounting to 3,632 thousand euros and other intangible assets amounting to 242 thousand euros. The Portuguese business and the large format stores business in Spain have not been negatively impacted from their fair value reclassification.

The results of the Group's discontinued operations in the year are as follows:

Thousands of euros	2024	Clarel	Brazil	Portugal	2023	Clarel	Large format stores business	Brazil	Portugal
Income	492,844	62,763	245,308	184,773	1,780,504	270,050	159,452	738,771	612,231
Amortisation	(8,553)	(2,718)	—	(5,835)	(86,688)	(10,839)	(56)	(49,103)	(26,690)
Net Gain/(loss) on impairment of assets	1,332	(377)	1,709	—	(70,945)	(9,812)	—	(60,322)	(811)
Gain/(Loss) on derecognition of non-current assets	(108)	(33)	—	(75)	54,621	(2,474)	62,838	(5,257)	(486)
Result of the operation	(16,484)	(214)	(18,390)	2,120	—	—	—	—	—
Expenses	(567,184)	(59,230)	(331,020)	(176,934)	(1,744,942	(246,185)	(168,381)	(755,115)	(575,261)
Gross gain/(loss)	**(98,153)**	**191**	**(102,393)**	**4,049**	**(67,450)**	**740**	**53,853**	**(131,026)**	**8,983**
Financial income	2,001	—	2,001	—	9,812	—	—	9,812	—
Financial expenses	(10,222)	(411)	(6,443)	(3,368)	(44,883)	(1,909)	(691)	(33,125)	(9,158)
Profit/(loss) before tax from discontinued operations	**(106,374)**	**(220)**	**(106,835)**	**681**	**(102,521)**	**(1,169)**	**53,162**	**(154,339)**	**(175)**
Income tax on discontinued companies	(591)	—	(14)	(577)	(15,580)	(1,080)	(13,443)	(37)	(1,020)
Result from discontinued operations	**(106,965)**	**(220)**	**(106,849)**	**104**	**(118,101)**	**(2,249)**	**39,719**	**(154,376)**	**(1,195)**

The line "Net gain/(loss) on impairment of assets" at 31 December 2024 includes accounting impacts as a result of the fair value adjustment of non-current assets and 9,014 thousand euros at 31 December 2023, recognised in the consolidated income statement under "Result from discontinued operations" for the fair value adjustment of the Clarel business.

The effect on cash flows from activities discontinued by the Group is presented in the consolidated cash flow statement.

14. EQUITY

14.1. Capital

The share capital of Dia at 31 December 2024 and 2023 was 580,655,340.79 euros, represented by 58,065,534,079 shares with a par value of 0.01 euros each, fully subscribed and paid up. The shares are freely transferable.

On 27 December 2024, the Extraordinary General Shareholders' Meeting approved the Dia contrasplit, whereby (i) all the shares into which the Company's share capital is divided are grouped and cancelled in order to exchange them for newly issued shares in the proportion of one (1) new share for every one thousand (1,000) old shares, increasing the unit par value of the shares from 0.01 euros to 10.00 euros, and (ii) prior to the execution of the contrasplit, reduce the Company's share capital by 0.79 euros through the redemption of seventy-nine (79) treasury shares, each with a par value of 0.01 euros (the "technical capital reduction"). The capital reduction and contrasplit agreement was executed by Dia's Board of Directors on 8 January 2025. Following the capital reduction and immediately prior to the contrasplit, the share capital is set at 580,655,340 euros, divided into 58,065,534,000 ordinary shares, each with a par value of 0.01 euros. The stock exchange effective date was 5 February, when the pre-existing shares were technically delisted and the new shares were simultaneously admitted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, as well as their inclusion in the Stock Exchange Interconnection System (Continuous Market), with 4 February 2025 being the last day on which the old shares were traded on the stock exchanges. Additionally, on February 7, 2025, the Company repurchased 6,636 excess shares from minority shareholders (in new shares) for a total amount of 117,457.20 euros, proceeding to a capital reduction by amortization for the same amount and simultaneously creating an unavailable reserve charged to the Company's free reserves for an amount equal to the nominal value of the shares redeemed in the technical capital reduction and in the capital reduction by amortization (Note 25).

As a consequence of the contrasplit, Article 5 of the Parent Company's Articles of Association relating to share capital will be amended, and Dia's share capital will be set at 580,655,340 euros, divided into 58,065,534 shares with a par value of 10.00 euros each.
The Company’s shares are listed on the Spanish stock markets. According to public information filed with the CNMV, the members of the Board of Directors control, at the date of formulation, approximately 0.0432% of the Parent Company's share capital.

The most significant shareholding reflected in the public information registered with the National Securities Market Commission at the date of preparing these annual accounts corresponds to the 77.704% indirect shareholding of LetterOne Investment Holdings, S.A. (the direct shareholding at the same percentage is held by L1R Invest1 Holding S.à.r.l.).

14.2. Share premium

Dia's share premium at 31 December 2024 and 2023 amounted to 1,058,872,572.94 euros, corresponding to 6,055,522,466 shares with an issue premium of 0.09 euros and 51,387,555,100 shares with an issue premium of 0.01 euros.

14.3. Reserves and retained earnings

The detail of reserves and retained earnings is as follows:

Thousands of euros	2024	2023
Other non-distributable reserves	1,867	1,867
Other reserves	(1,601,820)	(1,569,262)
Result attributable to holders of the parent company's equity instruments	(78,736)	(30,242)
Total	**(1,678,689)**	**(1,597,637)**

(i) Legal reserve

The Parent Company's legal reserve is appropriated in accordance with Article 274 of the Spanish Companies Act, which stipulates that, in any event, companies must transfer an amount equal to 10% of the profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of the share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

At 31 December 2024 and 2023, the Parent Company has not set aside any amount relating to this reserve, as it was fully offset for the amount of 13,021 thousand euros to offset losses, in accordance with a resolution of the Extraordinary General Shareholders' Meeting of 22 October 2019.

(ii) Other non-distributable reserves

At 31 December 2024 and 2023, the balance of this reserve was 1,867 thousand euros following the transfer of 13,303 thousand euros to unrestricted voluntary reserves approved by the Ordinary Annual General Shareholders' Meeting of 31 May 2021. This reserve, amounting to 15,170 thousand euros at 31 December 2020, was non-distributable and arose as a result of the entry into force of Royal Decree 602/2016, which eliminated the notion of intangible assets with indefinite useful lives, establishing that, from 1 January 2016, these would be subject to amortisation. At 31 December 2016, after the publication of this Royal Decree, this reserve, which up to that date was on account of goodwill, was transferred to voluntary reserves, remaining non-distributable, for as long as the net book value of the goodwill exceeds that amount, at which point it may be deemed to be freely distributable. At 31 December 2024, the book value of the Parent Company's goodwill was 21 thousand euros, so this reserve can be considered available to the extent that it exceeds this amount.

(iii) Other Reserves

At 31 December 2024 and 2023, this heading includes voluntary reserves amounting to -1,352 thousand euros and the results of the Parent Company from prior years. It also included negative consolidated reserves.

14.4. Own shares and other own equity instruments

a) Own shares

The movement in own shares is as follows:

	Number of shares	Average price	Total in euros
At 31 December 2022	**23,699,636**	**0.1329**	**3,149,788.91**
At 31 December 2023	**23,699,636**	**0.1329**	**3,149,788.91**
Delivery of shares to Board members	(19,323,660)		(2,568,201.89)
At 31 December 2024	**4,375,976**	**0.1329**	**581,587.02**

During financial year 2024, 19,323,660 shares valued at 2,568 thousand euros in own shares, net of withholdings, were distributed to directors as remuneration, the market value of which was 356 thousand euros (Notes 18 and 22). The difference between the net value of the shares delivered, due to the import of 2,316 thousand euros (Note 18), and their value in own shares has been recorded by decreasing reserves.

The number of own shares in the Parent Company at 31 December 2024 and 2023 amounted to 4,375,976 and 23,699,636 shares, respectively, with a rounded average purchase price of 0.1329 euros/share representing a total amount at 31 December 2024 of 581,587.02 euros and 3,149,788.91 euros at 31 December 2023.

b) Other own equity instruments

At 31 December 2024, "Other own equity instruments" includes the reserve of 560 thousand euros for deferred remuneration in shares for non-proprietary directors (550 thousand euros at 31 December 2023). At 31 December 2024 this heading also includes the reserve corresponding to the Long Term Incentives Plan 2023-2027 for an amount of 864 thousand euros (525 thousand euros at 31 December 2023) (Notes 18 and 22).

14.5. Distribution of profits

The proposal for the application of results for 2024 of the Parent Company prepared by the Board of Directors for submission to the Annual General Shareholders' Meeting is to transfer the losses in full for the year totalling 102,831,621.57 euros to prior-year losses.

The application of losses of the Parent Company for 2023 approved by the Ordinary General Shareholders' Meeting on 28 June 2024 was to allocate the losses of the 2023 financial year amounting to 133,876,976.07 euros to prior-year losses.

14.6. Result per share

Basic earnings per share are calculated by dividing net profit for the year attributable to the Parent company by the weighted average number of ordinary shares in circulation throughout both years, excluding own shares.

	2024	2023
Average number of shares	**58,056,448,366**	**58,041,834,443**
Result for the period in thousands of Euros	(78,736)	(30,242)
Total result per share in Euros	(0.001)	(0.001)

The weighted average numbers of ordinary shares in circulation was calculated as follows:

	Weighted average ordinary shares at 31/12/2024	Ordinary shares at 31/12/2024	Weighted average ordinary shares at 31/12/2023	Ordinary shares at 31/12/2023
Total shares issued	58,065,534,079	58,065,534,079	58,065,534,079	58,065,534,079
Own shares	(9,085,713)	(4,375,976)	(23,699,636)	(23,699,636)
Total shares	**58,056,448,366**	**58,061,158,103**	**58,041,834,443**	**58,041,834,443**

There are no equity instruments that could have a dilutive effect on earnings per share. Therefore, diluted earnings per share are equal to basic earnings per share.

14.7. Translation differences

The detail at 31 December is as follows:

Thousands of euros	2024	2023
Argentina	2,439	(80,666)
Brazil	—	(26,516)
Total	**2,439**	**(107,182)**

With the exit of Brazil from the Group's consolidation scope, the corresponding translation reserve was derecognised and recognised in the consolidated income statement (Note 13).

15. FINANCIAL LIABILITIES

The detail at 31 December is as follows:

Thousands of euros	2024	2023
Non-current financial debt	518,155	457,570
Non-current lease liabilities	233,677	285,408
Other non-current financial liabilities	4,924	193
Non-current liabilities	**756,756**	**743,171**
Current financial debt	36,442	77,287
Current lease liabilities	197,218	143,665
Trade creditors and other accounts payable	1,025,137	1,091,471
Other financial liabilities	146,301	149,778
Current liabilities	**1,405,098**	**1,462,201**
Total financial liabilities	**2,161,854**	**2,205,372**

15.1. Financial debt

The detail of current and non-current "Financial Debt" is as follows:

	2024		2023	
Thousands of euros	Non-current	Current	Non-current	Current
Debentures and bonds	—	31,205	31,046	—
Interest debt	—	1,039	—	802
Debentures and bonds (Notes 15.1 a) and 15.5)	**—**	**32,244**	**31,046**	**802**
Syndicated loan (Term Loan B)	535,000	—	330,828	7,435
Syndicated credit (Revolving credit facilities)	—	—	54,293	2,406
Credit facilities	—	—	25,389	15,159
Formalisation expenses	(36,741)	—	(3,262)	4,741
Interest debt	—	877	—	2,454
Syndicated financing (Note 15.1 b))	**498,259**	**877**	**407,248**	**32,195**
Bank borrowings	—	—	119	20,116
Confirming	—	—	—	13,199
Other credit facilities	—	—	—	6,341
Interest debt	—	—	1	229
Other loans and credit facilities (Note 15.1 c))	**—**	**—**	**120**	**39,885**
Guarantees and deposits received	13,803	182	12,759	672
Other financial debt	6,093	1,337	6,397	1,971
Derivatives (Note 15.5)	—	1,802	—	1,762
Other financial debt (Note 15.1 d))	**19,896**	**3,321**	**19,156**	**4,405**
Total financial debt	**518,155**	**36,442**	**457,570**	**77,287**

a) Debentures and bonds

The details of the bond issues at 31 December 2024 that remained listed on the Irish Stock Exchange under a Euro Medium Term Note debt issue programme were as follows:

Issuer	Issue date	Amount (thousands of euros)	PIK-amount (thousands of euros)	Coupon	PIK	Maturity Date
Dia, S.A.	07.04.2017	30,800	405	3.00%	0.5%-1.5%	30/6/2026

On 6 April 2024, the Parent Company paid the interest corresponding to the sixth coupon of the 2017 Euro Medium Term Notes amounting to 931 thousand euros as well as the capitalisation of the interest corresponding to the PIK margin of 0.50% accrued from 6 April 2023 to 1 April 2024 and the PIK margin of 1.5% accrued from 1 April 2024 to 6 April 2024 amounting to 159 thousand euros.

After the refinancing process carried out in December 2024, the Company notified the Paying Agent on 6 January 2025 of the decision to exercise that option early on all the bonds issued (ISIN S1589970968). The effective redemption date was 5 February 2025 and the total redemption amount was 32,378 thousand euros. This amount consists of 30,800 thousand euros corresponding to the principal amount and 1,578 thousand euros in accrued interest accrued (Note 25). This redemption was exercised in compliance with the refinancing agreement that established the obligation to exercise the early redemption option on the bond before 28 February 2025.

b) Syndicated financing

On 11 December 2024, the Dia Group entered into a new syndicated financing agreement with various Financial Creditors for a maximum total amount of 885,000 thousand euros ("New Syndicated Financing"). The main objective of this operation is to provide the Dia Group with a solid and stable long-term financial structure that will allow it to consolidate its growth plans for the coming years.

The New Syndicated Financing was used to repay the existing financial debt of the Dia Group in full, including debt under the syndicated financing agreements entered into in 2018, debt under the bonds issued by the Company in 2017 and debt under a bilateral financing facility. In addition, the proceeds of the New Financing will be used to finance the general corporate and working capital needs of the Dia Group, as well as to pay the costs associated with the refinancing itself.

The New Syndicated Financing is structured in two tranches, the main terms and conditions of which are as follows:

(i) Tranche: Revolving Facility

The financiers of the Revolving facility are Spanish and international financial institutions. The total amount committed amounts to 350,000 thousand euros, which includes a revolving credit facility (RCF), credit policies, confirming facilities and guarantee facilities.

The maturity is three years after closing date, with two additional annual extensions at the discretion of the creditors.

The margin applied is 375 basis points plus Euribor, subject to margin step downs and step ups depending on net financial leverage level, with a zero basis points Euribor floor.

The scheduled repayment is 2.5% every six months, starting in December 2026, and there is provision for voluntary early repayment, whereby the Group may prepay any amount due under the Revolving Facility at any time at its face value, with no early repayment fee or premium.

The Revolving facility is Super senior (guaranteed).

(ii) Tranche: Term Loan B (TLB)

The financiers of Term Loan B are international funds and the total amount committed is 535,000 thousand euros.

Maturity is five years after the closing date, subject to early maturity six months after the Revolving Facility tranche maturity date if the Revolving Facility is not extended (unless the Group has (i) sufficient cash to repay the outstanding balance of the drawn amounts under the Revolving Facility, and (ii) 80,000 thousand euros in cash on the relevant test date).

Applicable margin: 675 basis points plus Euribor, subject to margin step downs and step ups depending on net financial leverage level, with a 75 basis points Euribor floor.

The scheduled amortisation is 2.5% every six months, starting in December 2026, with the remaining amount repayable in full on the maturity date, and there is a provision for voluntary early redemption, for which there is a restricted redemption period of two years from the closing date, during which a *makewhole premium* plus an early redemption fee of 2.5% is payable for any voluntary or mandatory early redemption. Then, a prepayment fee of 2.5% between months 24 and 36 after the closing date, a prepayment fee of 1.5% between months 36 and 48 after the closing date, and a prepayment fee of 1% between months 48 and 60 after the closing date. The rank is a Senior Secured, subordinate only to the Revolving Facility upon enforcement.

(iii) Common terms for both tranches (Revolving and TLB)

(a) Mandatory prepayment: Mandatory prepayment of the Revolving Facility and the TLB taking place upon customary events such as change of control and disposals.

(b) Events of default: standard events of default under these types of financing operations.

(c) Financial covenants:

- Net Financial Leverage for the geography of Spain: The initial maximum net leverage ratio is 3.80x (the first test will be in June 2025), which is decreased every six months until reaching 2.60x. The covenant set for the revolving tranche considers a 5% margin over the level of the leverage ratio set for the TLB loan tranche. It is measured quarterly.

  The following table details the net financial leverage ratios to be met for each of the dates of the next two years:

Thousands of euros	Jun 2025	Sep 2025	Dec 2025	Mar 2026	Jun 2026	Sep 2026	Dec 2026
Financial Leverage Ratio (*) Revolving tranche	4.00x	4.00x	3.85x	3.85x	3.65x	3.65x	3.50x
Financial Leverage Ratio (*) TLB tranche	3.80x	3.80x	3.65x	3.65x	3.50x	3.50x	3.30x

(*) Net Financial Leverage Ratio = Adjusted Net Debt/ Adjusted EBITDA. The Adjusted Net Debt and Adjusted EBITDA figures used for the calculation of the covenants are determined based on the definition of the Syndicated Financing Agreement and refer exclusively to the geography of Spain.

- Liquidity: the Group must have a minimum cash balance of 40,000 thousand euros at all times, excluding cash in transit.

(d) The new Syndicated Financing includes certain personal commitments and obligations to do and not to do and to provide information that is customary in this type of financing transaction, including:

- Dividend distributions: No dividends may be distributed by Dia until the New Syndicated Financing has been fully repaid (intragroup dividends are permitted, subject to Dia's cash balance restriction set at 5,000 thousand euros).

- Corporate and business transactions: (i) the acquisition, disposal or contribution to another company of assets and incurring additional financial indebtedness, (ii) the transformation, merger, spin-off or global assignment of assets and liabilities, (iii) certain corporate transactions which may require the amendment of bylaws, such as certain capital increases or reductions or (iv) dissolution and liquidation.

All subject to certain carve-outs and permitted baskets.

- Payments to LetterOne: Payments by the Group to LetterOne are restricted.

(e) Obligors, guarantees and security:

- Original guarantors: The Parent Company, Dia Retail España S.A.U. ("Dia Retail"), Dia Finance, S.L.U., Pe Tra Servicios a la Distribución, S.L.U., Luxembourg Investment Company 317 S.à r.l., Luxembourg Investment Company 318 S.à r.l., Luxembourg Investment Company 319 S.à r.l and Luxembourg Investment Company 320 S.à r.l.

- Additional security: The security package granted in favour of the new Syndicated Lenders includes: Pledges over the shares (or shareholdings) of all the original guarantors (excluding the Parent Company) and of Dia Argentina, S.A., mortgage guarantees over real estate assets owned by Dia Retail, S.A.U. chattel mortgages over the main brands, guarantees over intra-group credits and guarantees over the material bank accounts of each original guarantor.

(f) Applicable law and jurisdiction: The Senior Facilities Agreement and the Intercreditor Agreement are subject to English law and the courts of England, while the Security Documents are subject to local law and courts (Spanish, Argentine or Luxembourger, as applicable).

Details of the syndicated financing facilities at 31 December 2024 and 2023 are shown below:

At 31 December 2024	Limit	Drawn down	Confirming drawn down	Guarantees provided	Amount available
Loan Tranche - Syndicated Financing	**535,000**	**535,000**	**—**	**—**	**—**
Loan (TLB)	**535,000**	**535,000**	**—**	**—**	**—**
Revolving Facility - Syndicated Financing	**350,000**	**—**	**178,274**	**22,768**	**148,958**
Revolving Credit Facility (RCF)	**92,230**	**—**	**—**	**—**	**92,230**
Credit Facilities	**35,000**	**—**	**—**	**—**	**35,000**
Confirming facilities	**200,000**	**—**	**178,274**	**—**	**21,726**
Guarantee facilities	**22,770**	**—**	**—**	**22,768**	**2**
Total Syndicated Financing	**885,000**	**535,000**	**178,274**	**22,768**	**148,958**
Dia Retail España, S.A.	350,000	—	178,274	22,768	148,958
Dia Finance, S.L.	535,000	535,000	—	—	—

At 31 December 2023	Limit	Drawn down	Confirming drawn down	Factoring drawn down (non recourse)	Amount available
Loans (Term loan) - Syndicated Financing	338,263	338,263	—	—	—
Tranche B	87,175	87,175	—	—	—
Tranche D	251,088	251,088	—	—	—
Revolving Credit Facility (RCF) - Syndicated Financing	**77,352**	**56,699**	**—**	**—**	**20,653**
Tranche B	20,653	—	—	—	20,653
Tranche D	31,699	31,699	—	—	—
Tranche F	25,000	25,000	—	—	—
Credit Facility - Syndicated Financing	**269,577**	**40,689**	**50,131**	**11,559**	**167,199**
Credit Facilities	**9,879**	**9,704**	**—**	**—**	**175**
Tranche D	9,879	9,704	—	—	175
Credit Facilities balanceable with Confirming	**215,476**	**30,985**	**50,131**	**—**	**134,361**
Tranche A	15,160	—	10,585	—	4,575
Tranche B (*)	99,316	10,686	32,846	—	55,785
Tranche C	101,000	20,299	6,700	—	74,001
Credit Facilities balanceable with Factoring	**44,222**	**—**	**—**	**11,559**	**32,663**
Tranche D	44,222	—	—	11,559	32,663
Confirming Syndicated Financing	**145,034**	**—**	**144,910**	**—**	**124**
Tranche C	141,687	—	141,568	—	119
Tranche F	3,347	—	3,342	—	5
Total syndicated financing	**830,227**	**435,651**	**195,041**	**11,559**	**187,976**
Dia, S.A.	2,000	—	—	—	2,000
Dia Retail España, S.A.	508,560	118,019	195,041	11,559	183,941
Dia Finance, S.L.	317,667	317,491	—	—	176
Beauty by DIA, S.A. (*)	2,000	141	—	—	1,859

(*) This drawdown of the syndicated credit facilities amounting to 141 thousand euros is reclassified to Liabilities directly associated with non-current assets held for sale (Notes 13 and 15.1 e)) for the Clarel Business.

In relation to the new financing obtained, the Group recorded the directly related transaction costs amounting to 36,741 thousand euros as a reduction in the value of the financial liability, in accordance with IFRS 9. The costs will be amortised over the life of the financing. In addition, the capitalised expenses related to the former syndicated financing were derecognised from the statement of financial position.

c) Other loans and other credit facilities

At 31 December 2024, following the divestment and exit of the Dia Group from Dia Portugal and Dia Brasil, no other loans or credit facilities are included under this heading.

d) Other financial debt

Other financial debt includes the following:

	2024		2023	
Thousands of euros	Non-current	Current	Non-current	Current
Guarantees and deposits received (1)	13,803	182	12,759	672
Other financial debts (2)	6,093	1,337	6,397	1,971
Derivatives (3)	—	1,802	—	1,762
Other financial debt	**19,896**	**3,321**	**19,156**	**4,405**

(1) Guarantees and deposits includes the guarantees received from franchisees in Spain.

(2) Other non-current financial debts mainly include the financing of refrigeration equipment for the new Dos Hermanas warehouse in Spain and collections made on behalf of third parties in Spain. In 2023, it included the debt for payments to be made to the National Institute of Social Security ("INSS") in Brazil, payable in several years.

(3) Corresponds to the valuation of the interest rate hedges that the Group has in place at the end of each year.

e) Net debt

The detail of net debt without IFRS 16 at 31 December is as follows:

Thousands of euros	Spain	Argentina	Total 2024	2023
Cash and cash equivalents (Note 12)	240,154	92,848	333,002	131,061
Interest rate hedging derivatives (Note 8.2)	—	—	—	2,530
Financial debt (current and non-current) (Note 15.1)	(554,572)	(25)	(554,597)	(534,857)
Finance lease liabilities (Note 7.2)	(19,849)	—	(19,849)	(13,640)
Financial assets and liabilities with group companies	3,891	(3,891)	—	—
Net Debt	**(330,376)**	**88,932**	**(241,444)**	**(414,906)**

f) Reconciliation of net cash flows from financing activities

The reconciliation between financial liabilities on the consolidated statement of financial position and the cash flows from financing activities is as follows:

Thousands of euros	Non-current financial liabilities	Current financial liabilities	Total
Balance at 31 December 2023	**742,978**	**220,952**	**963,930**
Cash flows from financing (payments)	(456,691)	(45,638)	(502,329)
Cash flows from financing (collections)	536,044	—	536,044
Cash flows from financing (financial lease payments)	—	(205,408)	(205,408)
Non-monetary changes			
Reclassifications to short term	(207,008)	207,008	—
Foreign currency exchange gains/(losses)	(1,280)	815	(465)
Other non-monetary changes	137,789	55,931	193,720
Balance at 31 December 2024	**751,832**	**233,660**	**985,492**

Thousands of euros	Non-current financial liabilities	Current financial liabilities	Total
Balance at 31 December 2022	**1,009,544**	**294,302**	**1,303,846**
Cash flows from financing (payments)	(179,810)	(8,362)	(188,172)
Cash flows from financing (collections)	2,842	—	2,842
Cash flows from financing (financial lease payments)	—	(222,245)	(222,245)
Financing flows from discontinued operations	—	(96)	(96)
Non-monetary changes			
Reclassifications to short term	(175,828)	175,828	—
Foreign currency exchange gains/(losses)	(6,083)	3,924	(2,159)
Transfers to liabilities linked to assets held for sale	(49,029)	(56,845)	(105,874)
Other non-monetary changes	141,342	34,446	175,788
Balance at 31 December 2023	**742,978**	**220,952**	**963,930**

Other non-monetary changes mainly include the effect of IFRS 16 Leases.

15.2. Other non-current financial liabilities

Other non-current financial liabilities at 31 December 2024 amounting to 4,924 thousand euros (193 thousand euros at 31 December 2023) include advances from franchisees for the entry fee in Argentina in 2023 and in 2024 additionally include 4,300 thousand euros of divestiture-related debt.

15.3. Trade creditors and other accounts payable

The detail is as follows:

Thousands of euros	2024	2023
Suppliers	793,342	887,932
Creditors	230,893	202,811
Suppliers, other related parties	—	91
Advances from customers	902	637
Total Trade creditors and other accounts payable	**1,025,137**	**1,091,471**

"Suppliers" and "Creditors" essentially consist of short term payment obligations to suppliers of goods and services, represented by accepted money orders, promissory notes and confirming.

The Group has established financing agreements with suppliers and creditors (confirming) in Spain for some of them. These agreements allow subscribers to collect payment on their invoices ahead of the due date through an external financial institution, applying a discount for early payment. The financial institution is responsible for processing payments to suppliers before the original due date of the invoice. In all cases, the Group settles the invoices with the bank on the original due date. These financing agreements generate a market financial cost for both the supplier and the Group. The payment terms for the amounts owed to suppliers depend on the nature of the goods acquired and are similar for the suppliers included in the financing agreements as for the rest of the comparable liabilities, mainly ranging between 0 and 90 days.

At 31 December 2024, the Group has confirming facilities with a limit of 200,000 thousand euros (31 December 2023: 207,053 thousand euros) of which 178,274 thousand euros has been used (31 December 2023: 206,257 thousand euros). The amounts used correspond to the balance of the confirming liabilities where the suppliers have already received payment from the financial institutions.

	2024			2023		
Thousands of euros	Limit	Drawn down	Amount available	Limit	Drawn down	Amount available
Confirming syndicated financing (1)	200,000	178,274	21,726	195,348	195,041	307
Confirming not included in the syndicated financing (2)	—	—	—	11,705	11,216	489
Total	**200,000**	**178,274**	**21,726**	**207,053**	**206,257**	**796**

(1) In the limit for confirming of the syndicated financing, the limits assigned to the confirming facilities are included. At 31 December 2023, 183 thousand euros corresponds to shared facility limits for tranches A, B and C.

(2) The confirming not included in syndicated financing at 31 December 2023 includes other confirming relating to Spain, with a limit of 7,000 thousand euros, of which 6,617 thousand euros has been drawn down; and 4,705 thousand euros for Brazil (of which 4,599 thousand euros has been drawn down).

All trade debtors subject to the supplier financing agreement are included within Trade creditors and other accounts payable in the consolidated statement of financial position.

For more information on the Group's liquidity risk management processes, see Note 23.1.

The information required by the Third Additional Provision of Spanish Law 15/2010 of 5 July as amended by the Resolution of 29 January 2016 of the Spanish Institute of Accounting and Auditing and by Spanish Law 18/2022 of 28 September on the creation and growth of companies, regarding the information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in the commercial transactions of the Dia Group's Spanish companies, is detailed below:

	2024	2023
	Days	Days
Average payment period to suppliers	44	43
Ratio of transactions paid	45	44
Ratio of transactions pending payment	33	34

	Thousands of euros	Thousands of euros
Total payments made	4,172,269	4,033,882
*Total payments pending	410,134	436,848

*This amount excludes unbilled receipts or invoices that have been used at year-end under the aforementioned confirming facilities.

The amount of payments made during the 2024 financial year in a period shorter than the maximum permitted is 2,776,814 thousand euros (67% of the total), corresponding to 718 thousand invoices (62% of the total).

The amount of payments made during the 2023 financial year in a period shorter than the maximum permitted is 2,379,741 thousand euros (59% of the total), corresponding to 612 thousand invoices (52% of the total).

The average payment period is calculated taking confirming facilities with suppliers into account.

15.4. Other financial liabilities

The breakdown at 31 December is as follows:

Thousands of euros	2024	2023
Personnel	46,821	54,784
Suppliers of fixed assets	41,460	41,634
Other current liabilities	58,020	53,360
Total other financial liabilities	**146,301**	**149,778**

The decrease in the personnel line was mainly due to the exit of Brazil.

"Other current liabilities" mainly includes deposits received from franchisees amounting to 56,220 thousand euros (51,792 thousand euros in 2023). Upon termination of the contractual relationship with Dia, the amounts already paid and deposited as security shall be deducted from the franchisee's final debt.

15.5. Estimates of fair value

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in an arm's length transaction rather than in a forced or settlement transaction.

In general, the Group applies the following systematic hierarchy to determine the fair value of financial assets and liabilities:

- Level 1: the Group firstly applies the listed prices of the most advantageous active market to which it has immediate access, adjusted where necessary to reflect any difference in credit risk between the instruments commonly traded and the instrument being measured. For these purposes, the current bid price is used for assets held or liabilities to be issued and the ask price is used for assets to be purchased or liabilities issued. If the Group has assets and liabilities that offset market risks against each other, mid-market prices are used for the offsetting risk positions, applying the appropriate price to the net position.

- Level 2: if market prices are not available, recent transaction prices are used, adjusted for conditions.

- Level 3: otherwise, the Group applies generally accepted valuation techniques using, insofar as is possible, market data and, to a lesser extent, specific Group data.

At 31 December, the Group's position is as follows:

	2024				
	Level 1	Level 2	Level 3	Book value	Measurement method
Debentures and bonds (Note 15.1)	29,670	—	—	32,244	Amortized Cost
Derivative instrument assets (Note 8.2)	—	—	—	—	Fair Value
Derivative instrument liabilities (Note 15.1)	—	1,802	—	1,802	Fair Value

	2023				
	Level 1	Level 2	Level 3	Book value	Measurement method
Debentures and bonds (Note 15.1)	26,622	—	—	31,848	Amortized Cost
Derivative instrument assets (Note 8.2)	—	2,530	—	2,530	Fair Value
Derivative instrument liabilities (Note 15.1)	—	1,762	—	1,762	Fair Value

For Level 2 instruments, the Group allocates the assets and liabilities related to its over-the-counter (OTC) derivative positions to this hierarchy level and measures them using observable market data.

The book value of other financial assets and liabilities does not differ significantly from their fair value.

There have been no transfers among valuation levels of financial assets or liabilities measured at fair value.

16. PROVISIONS

The detail and evolution during the year was as follows:

Thousands of euros	Provisions for long-term employee benefits and defined benefit plans	Tax provisions	Social security provisions	Legal provisions	Other provisions	Total long-term provisions
At 1 January 2024	**6,659**	**48,104**	**20,031**	**16,778**	**1,108**	**92,680**
Provisions	5,346	647	5,944	5,024	619	17,580
Applications	—	—	(3,917)	(3,683)	—	(7,600)
Reversals	(187)	—	(3,130)	(5,608)	(475)	(9,400)
Exit from the perimeter	—	(17,395)	(13,653)	(5,213)	—	(36,261)
Other movements (*)	(587)	(7,644)	3,857	177	4	(4,193)
Translation differences	(206)	(400)	(455)	(408)	(25)	(1,494)
At 31 December 2024	**11,025**	**23,312**	**8,677**	**7,067**	**1,231**	**51,312**

(*) Other movements mainly include the provisions and reversals recorded in the Brazil business up to the time of its exit from the Group, amounting to 4,721 and 9,493 thousand euros, respectively.

Thousands of euros	Provisions for long-term employee benefits and defined benefit plans	Tax provisions	Social security provisions	Legal provisions	Other provisions	Total long-term provisions
At 1 January 2023	**2,603**	**46,394**	**14,075**	**19,048**	**1,395**	**83,515**
Provisions (*)	5,440	790	8,781	3,787	160	18,958
Applications	—	(224)	(2,453)	(1,652)	—	(4,329)
Reversals (*)	(1,107)	—	(1,418)	(1,258)	(100)	(3,883)
Transfers held for sale	(933)	(2,063)	(68)	(1,783)	—	(4,847)
Other movements (*)	656	2,163	3,198	491	6	6,514
Translation differences	—	1,044	(2,084)	(1,855)	(353)	(3,248)
At 31 December 2023	**6,659**	**48,104**	**20,031**	**16,778**	**1,108**	**92,680**

(*) Data re-presented as a result of the classification of the Brazil business as discontinued operations (Note 13).

At 31 December 2024, as at the end of the previous year, the Group's main provisions are of a tax, social and legal nature. During 2024, a provision of 17,580 thousand euros (18,958 thousand euros at 31 December 2023) was recognised, which was mostly related to corporate litigation in progress mainly in Argentina and Brazil, long-term employee remuneration obligations and other legal matters for which a probable outflow of resources is expected. For its part, 7,600 thousand euros was applied and 9,400 thousand euros reversed in 2024, the latter for contingencies that did not materialise (4,329 thousand euros and 3,883 thousand euros, respectively, at 31 December 2023).

Exit from perimeter includes the balances derecognised due to the exit from Brazil.

Legal proceedings in Argentina

In December 2018, the Argentine Social Security Authorities (Directorate for Social Security Resources), attached to the Federal Administration of Public Revenue (AFIP) brought an economic-criminal proceeding against Dia Argentina S.A. and certain executives for alleged tax evasion in relation to Social Security payment obligations. Specifically, the AFIP's Social Security department questioned the status of franchisees as employers, given their apparent lack of financial solvency.

According to AFIP's assumption, the franchisees would be employees of Dia Argentina, S.A. and therefore their Social Security debts could be claimed from Dia Argentina, S.A. This assumption is refuted by the company's defence council, based essentially on (i) similar legal proceedings resolved in the Company's favour in the past on similar matters and (ii) favourable resolutions by the National Ministry of Labour recognising the autonomous and independent nature of franchisor and franchisee.

The total amount determined by AFIP was 808 million Argentine pesos for the 2014-2018 period. However, the court ordered that 462 million Argentine pesos be deducted from the total debt due as it corresponds to amounts already paid by former franchisees.

In December 2020, the prosecutor assigned to the case asked the judge to proceed with the formal accusation against Dia Argentina, S.A. and some of its directors and former directors. At the same time, Dia Argentina, S.A. deposited the debt of its former franchisees as part of the tax amnesty regime in force at the time, in its capacity of joint and several liability, for a total of 156 million Argentine pesos.

On 6 April 2022, the Criminal Judge summoned Dia Argentina, S.A. and its former directors, in connection with the prosecutor's request to proceed with the formal prosecution for the months of October and November 2022. However, these summons have been suspended pending a decision by the Criminal Judge as a result of the application for tax amnesty and payment of amounts referred to in the following paragraphs.

On 29 April 2022, three of the former directors summoned by the court (as they were jointly and severally liable) requested their application for a new tax amnesty in force at the time (Law 27.653). In this context, 175 million Argentine pesos of nominal capital was paid, whose interest calculation (calculated at a maximum of 75%) with the elimination of all fines on the basis of the benefits of the tax regulations, determined a total of 257 million Argentine pesos.

By virtue of the above payment and the payment made in December 2020, Dia Argentina, S.A. requested the benefits of said inclusion in the new tax amnesty, requesting the termination of the criminal action on 17 May 2022 due to satisfaction of the debt. Should this application be accepted and the termination of the criminal action decreed, the discussion on the merits would be reduced or limited to the original administrative file.

On 21 December 2022, Dia Argentina, S.A. was notified of the favourable pre-judgment of the prosecutor (accusing body) investigating this case, validating the position of Dia Argentina, S.A. requesting the termination of the criminal action by satisfaction of the debt, recognising the timely payments made by the franchisees, as well as the payment of all the amounts paid in all the tax amnesties.

On 24 February 2023, the Prosecutor of the case issued a resolution considering that, by virtue of the facts revealed by Dia Argentina in its request of 17 May 2022, the requirements to decree the termination of the criminal action against Dia Argentina and its former directors had been met.

On 23 March 2023, the judge in the case decided to extinguish the criminal proceedings against Dia Argentina and the former directors in relation to the alleged evasion of social security contributions by Dia Argentina for the periods between January 2014 and December 2018 and, consequently, dismiss the named parties, ordering the case be closured.

This ruling was expressly consented to by the Prosecutor investigating the case, however, by legal mandate, the AFIP's legal representative filed an appeal against the ruling on 31 March 2023.

In May 2024, the Economic Criminal Chamber confirmed the termination of the criminal action against the former directors who were jointly and severally sued (with the exception of one of them, who did not appear in the case). It also validated the entry into the tax amnesties and the timely payments made by the former franchisees in terms of Social Security. On the other hand, it partially revoked the previous resolution with respect to Dia Argentina, S.A., on the grounds that this company did not comply with all the formal requirements for joining the aforementioned regime, in order to avail itself of its tax benefits.

In June 2024, both Dia Argentina, S.A. and the lawyers of the Federal Administration of Public Revenues (AFIP) lodged an appeal before the Criminal Cassation against the Economic Criminal Chamber's ruling.

In the opinion of the Directors of the Dia Group, supported by their legal advisors, no future liabilities are expected to arise in this case. There is no provision in respect of this litigation in these consolidated annual accounts, as no likely outflow of resources is estimated.

Civil proceedings brought by minority shareholders

On 12 June 2020, the Parent Company was notified of a civil claim having been filed by an individual minority shareholder for damages, under which they claim 110,605 euros from the Parent Company for damages suffered, alleging the Parent Company having breached its obligation to reflect a true and fair view of its equity in its 2016 and 2017 annual accounts, as well as the decrease in the share value in the context of the restatement of the Parent Company's annual accounts that took place in 2018. The Company responded to the lawsuit in due time and form. On 25 June 2021, the first session of the trial proceedings was held, and ended on 19 July 2021. On 30 September 2021, a judgment was handed down from the court of first instance dismissing the claim. On 9 November 2021, the Parent Company received notice of an appeal against the judgment. On 7 January 2022, the Parent Company lodged its objection to the appeal.

The judgment of second instance dismissed the claimant's appeal and confirmed the judgment of first instance. On 8 February 2024, the claimant lodged an appeal in Cassation against the judgment of second instance, requesting the Supreme Court set aside the judgment handed down by the Provincial Court. On 15 February 2024, the Provincial Court allowed the appeal and summoned the parties to appear before the Supreme Court within 30 days. Dia appeared before the Supreme Court and argued the grounds on which it considers that the action should be dismissed as inadmissible.

There is no provision in respect of this litigation in these consolidated annual accounts, as no likely outflow of resources is estimated.

17. INCOME TAX

17.1. Income tax

The detail of the income tax expense is as follows:

In thousands of euros	2024	2023
Current tax		
For the period	1,729	5,726
Current income tax in previous periods	—	(35,108)
Total current tax	**1,729**	**(29,382)**
Deferred taxes		
Source of taxable temporary differences	14,074	15,645
Source of deductible temporary differences	(13,563)	(30,020)
Reversal of taxable temporary differences	(2,296)	(660)
Reversal of deductible temporary differences	9,665	26,059
Total deferred taxes	**7,880**	**11,024**
Total tax (income) / expense	**9,609**	**(18,358)**

Due to the different treatment of certain transactions permitted by tax legislation, the accounting profit of each Group company differs from the taxable bases.

The reconciliation between Profit/loss before tax from continuing operations and the Group's total tax (income)/expense is shown below:

In thousands of euros	2024	2023
Result before tax from continuing operations	37,838	69,501
Share in profit/(loss) for the year of entities accounted for under the equity method	75	5
Pre-tax results for the period	**37,913**	**69,506**
Tax calculated at the tax rate of each country	6,503	21,223
Unrecognised tax credits generated	4,246	20,455
Non-taxable income	(5,359)	(40,864)
Non-deductible expenses	14,982	9,065
Unrecognised deferred taxes	(1,510)	(7,540)
Deductions and allowances for the current period	(6,760)	460
Current adjustments for prior periods	—	(35,717)
Deferred tax from prior periods	—	(467)
Adjustment for hyperinflation	(3,141)	14,429
Other adjustments	648	598
Income tax (Income)/Expense	**9,609**	**(18,358)**
Total tax (income)/expense	**9,609**	**(18,358)**

The tax rates applicable in each of the countries or jurisdictions in which the Group operates are as follows:

Spain	25%
Argentina	35%
Switzerland	14%

In 2024, the Spanish companies Distribuidora Internacional de Alimentación, S.A. (parent) and Dia Retail, S.A., Pe-Tra Servicios a la Distribución, S.L., Dia Finance S.L. y Finandia S.A. (subsidiaries) filed consolidated tax returns as part of Tax Group 487/12, pursuant to Title VII, Chapter VI of Law 27/2014, of 27 November, on Corporation Tax.

17.2. Tax assets and liabilities

The detail of the balances relating to tax assets and liabilities at 31 December are as follows:

In thousands of euros	2024	2023
Non-current tax assets	44,928	63,618
Tax Authority debtor for VAT	8,287	28,584
Government Body Debtors for other concepts	10,172	8,389
Current income tax assets	10,300	71,900
Total tax assets	**73,687**	**172,491**
Deferred tax liabilities	86,672	43,136
Tax Authority creditor for VAT	16,323	15,298
Government Body Creditors for other concepts	24,014	26,148
Current income tax liabilities	4,257	10,377
Total tax liabilities	**131,266**	**94,959**

At 31 December 2023, Current income tax assets included 43,490 thousand euros (35,345 thousand euros of tax and 8,145 thousand euros of late-payment interest) in respect of the collection rights arising from the declaration of unconstitutionality of Royal Decree 3/2016 in January 2024 and the Group's appeal in Spain before the Spanish High Court for Corporation Tax for 2016 and 2017. During financial year 2024, late payment interest has been re-presented and increased by 1,438 thousand euros. In addition, the total receivable amounting to 44,928 thousand euros has been reclassified to Non-current tax assets as the appeal is not expected to be resolved in less than one year.

If the unconstitutionality of Royal Decree 3/2016 is also recognised with respect to article 21.6 of the Corporation Tax Act relating to the non-deductibility of tax losses arising from the transfer of shareholdings, the Group will recognise, for the difference between the tax and book value of the portfolio, an additional negative tax base of 100,133 thousand euros in 2018 for the sale of Dia Shanghai and Dia Consulting, and, in 2024, could recognise tax deductible losses on the sale of the shareholding in Clarel, DIA Portugal and DIA Brasil amounting to 127,500 thousand euros, 8,272 thousand euros and 704,812 thousand euros, respectively, which would imply generating a negative tax base in Spain.

The reconciliation between the detail of the deferred tax (before consolidation offsets) and the deferred tax recognised in the statement of financial position (after consolidation offsets) is as follows:

	2024	2023
Capitalised Taxable Bases	6,005	—
Deferred Tax Assets due to temporary differences	11,592	7,799
Total Deferred Tax Assets	**17,597**	**7,799**
Assets Offset	(17,597)	(7,799)
Deferred Tax Assets	**—**	**—**
Deferred Tax Liabilities	104,269	50,935
Liabilities Offset	(17,597)	(7,799)
Deferred Tax Liabilities	**86,672**	**43,136**

It should also be noted that the detail in the Group's deferred tax assets and liabilities (before offsetting) is as follows:

Deferred Tax Assets and Liabilities

	2024		2023	
In thousands of euros	Recognised	Not recognised	Recognised	Not recognised
Temporary differences	11,592	59,016	—	74,219
Deductions	—	7,004	2,124	9,228
Negative taxable bases	6,005	249,236	5,675	479,054
Total non-current deferred tax assets	**17,597**	**315,256**	**7,799**	**562,501**

In thousands of euros	2024	2023
Amortisation	328	349
Provisions Portfolio	6,005	6,005
Adjustment for hyperinflation	76,966	41,467
Others	20,970	3,114
Total non-current deferred tax liabilities	**104,269**	**50,935**

In 2019, following the considerations published by the European Securities and Markets Authority (ESMA), the Group derecognised all capitalised tax bases except for those of Dia Argentina and has only recognised deferred tax assets to the extent that deferred tax liabilities exist in the same jurisdiction. Consequently, at 31 December 2024, the Group recognised a net deferred tax liability of 86,672 thousand euros, consisting of assets of 17,597 thousand euros and liabilities of 104,269 thousand euros.

According to current income tax returns, Group companies have the following accumulated taxable bases to offset in future years, amounting to 1,021,030 and 1,721,099 thousand euros in 2024 and 2023, respectively. The decrease in tax bases in 2024 mainly derives from the sales of the companies Dia Brasil, Dia Portugal and Clarel.

		Statute of limitation years					
Thousands of euros	Years generated	No statue of limitation	> 2029	Total	NTBs CAPITALISED	NTBs pending capitalisation	NTBs CAPITALISED IN QUOTA
Distribuidora Internacional de Alimentación, S.A.	2014-2021	383,001	—	383,001	24,021	358,980	6,005
Finandia, S.A.U.	2017-2023	2,736	—	2,736	—	2,736	—
Dia Retail, S.A.U.	2006-2023	532,803	—	532,803	—	532,803	—
Pe-Tra Servicios a la distribución, S.L.U.	1997-1999	18,549	—	18,549	—	18,549	—
Dia Finance, S.L.	2020-2023	57,571	—	57,571	—	57,571	—
Luxembourg Investment Company 317, S.A.R.L.	2019-2024	—	309	309	—	309	—
Luxembourg Investment Company 318, S.A.R.L.	2019-2024	—	307	307	—	307	—
Luxembourg Investment Company 319, S.A.R.L.	2019-2024	—	25,180	25,180	—	25,180	—
Luxembourg Investment Company 320, S.A.R.L.	2019-2024	—	328	328	—	328	—
Luxembourg Investment Company 321, S.A.R.L.	2019-2024	—	246	246	—	246	—
Total negative tax bases (NTBs)		**994,660**	**26,370**	**1,021,030**	**24,021**	**997,009**	**6,005**

This table does not include the Negative Taxable Bases that could derive from the declaration of unconstitutionality of Royal Decree 3/2016 regarding the non-deductibility from the sale of shareholdings.

Pillar 2 Directive

Within the framework of the rules relating to Pillar 2 of the OECD, the European Union adopted Directive EU2022/2523 on 15 December 2022, according to which large multinationals with a global turnover of over 750 million euros will be subject to a minimum taxation on profits.

On 21 December, Law 7/2024 was published in Spain, which, inter alia, establishes a Supplementary Tax applicable from the 2024 financial year to ensure that multinational groups and large domestic groups comply with an overall minimum level of taxation of 15% in each of the jurisdictions in which they operate ("Pillar 2 Law").

With the information at year-end 2024, the company has performed the routine profit test: profit before tax (Country by Country) in a jurisdiction equal to or less than the substance-based income exclusion (reduction for cost of workers (10% in 2024) and value of tangible assets (8% in 2024) that the group employs in the jurisdiction). Compliance with this test allows the company to avoid paying the supplementary tax without having to carry out the calculations required to determine it.

By having a pre-tax loss in both Spain and Argentina, the Group can consider the routine profit test fulfilled and conclude that supplementary tax should not be paid in 2024.

On the other hand, the Group applies the exception to recognise and disclose information on deferred tax assets and liabilities related to this tax, as provided for in the amendments to IAS 12 issued in May 2023.

17.3. Main inspection actions

Argentina

In 2022, Dia Argentina received notifications on value added tax for 2016 and 2017 for an updated principal amount of 129 thousand euros (137,962 thousand Argentine pesos) and principal of 195 thousand euros (208,867 thousand Argentine pesos), respectively. In 2023, they were appealed in court, and the risk of loss classified as possible. In 2024, there were no procedural developments.

In 2023, Dia Argentina received notification of the value added tax in the 2018 financial year for an updated principal amount of 324 thousand euros (290,121 thousand Argentine pesos). The Company has appealed this settlement via administrative proceedings, and external legal advisors rate the probability of loss from this litigation as possible. In 2024, there were no procedural developments.

In addition, it should be noted that the litigation in relation to the Social Security payment obligations in Argentina, which is managed by the Federal Administration of Public Revenues (AFIP), is explained in Note 16 "Provisions".

Spain

In 2023, two inspection notifications were received by:

- The Parent Company for corporation tax from 2018 to 2020, and for VAT, withholdings and non-resident income tax from June 2019 to December 2020.
- The subsidiary Dia Retail España, S.A., for corporation tax from 2018 to 2020, for VAT from June 2019 to December 2020, and for withholdings and non-resident income tax from July 2019 to December 2020.

The communications were addressed to the Parent Company, as the parent company of the Tax Group for Corporation Tax and VAT, and therefore the statute of limitations for the Tax Administration's rights and actions for the entire Tax Group in respect of these taxes is interrupted for the periods indicated.

Also, in 2024, two further inspection notifications were received:

- The subsidiary Grupo el Árbol, S.A., liquidated in November 2023, received an inspection notification on 18 January 2024 for corporation tax from 2018 to 2020, for VAT from June 2019 to December 2020, and for withholdings and non-resident income tax from January 2020 to December 2020.
- The subsidiary DIA Finance, S.A. received a tax audit notice on 13 November 2024 for corporation tax for 2019 to 2020.

Lastly, on 29 January 2025, the Parent Company received notification of the extension of partial tax audits for 2016 and 2017.

None of the above 5 inspection processes has been concluded at the date of closure of these accounts.

In 2023, the Parent Company received notification of the Supreme Court ruling in respect of corporation tax for the years 2008 to 2010, which upholds the company's claims in full. Also in 2023, the Company received notification of another Supreme Court ruling on personal income tax for the years 2008 to 2010, which upheld the company's claims in respect of which it considered there to be an interest in appeal.

At the closing date of these consolidated annual accounts, the Parent Company has two cases in administrative litigation for corporation tax, for the following periods and updated amounts as follows: 2011 to 2012, 1,177 thousand euros, and 2013 to 2014, 2,083 thousand euros. These cases are not provided for, as the company has assessed the probability of loss as possible.

According to the administrative criteria, the years open to inspection at 31 December 2024 for the main taxes to which the Companies of the various jurisdictions are subject are as follows.

Tax	SPAIN	ARGENTINA
Corporation tax	2016 and following	2019 and following
Value Added tax	2019 and following	2018 and following
Personal Income tax	2019 and following	2019 and following

The directors do not expect that any additional material liabilities to the consolidated annual accounts taken as a whole will arise from the years open for review or the appeals submitted.

18. LONG-TERM INCENTIVE PLANS AND SHARE-BASED PAYMENT TRANSACTIONS

Long-term Incentives Plan (LTI 2023-2025)

On 26 October 2022 the Board of Directors approved a Long Term Incentives Plan for 2023-2025 (LTI 2023-25), adapted to the Group's strategy and with the aim of motivating and recompensing key management for their commitment to the Dia project, and attract and commit to the talent needed to achieve the sustainability of the business in the medium term. As a result of the 2023-2025 LTI, a long-term provision of 10,463 thousand euros was made at 31 December 2024 (5,725 thousand euros at 31 December 2023), (Note 16).

Long-term Incentives Share Plan (LTI 2023-2027)

On 23 May 2023, the Board of Directors approved a new Long Term Incentives Plan for 2023-2027 (LTI 2023-2027) orchestrated in shares aimed at a restricted number of key management, with the intention of motivating the creation of value with an increase in the Parent Company's share value.

The 2023-2027 long-term value creation incentive plan consists of an allocation of an "Estimated Monetary Target Award" that will serve as the basis for determining the number of Dia shares to be delivered to the beneficiaries if the minimum target market capitalisation for Dia set out in the plan is met. Once this minimum target is met, the final number of shares to be delivered will be calculated by applying a percentage to the shares initially determined according to the degree of achievement of the targets.

To obtain the valuation, simulations were carried out using Monte Carlo techniques of a large number of scenarios for the evolution of the Dia's share price that determines the company's market capitalisation on the date on which the target was set. These simulations were carried out on the basis of an evolution in the Black-Scholes Log Normal scenario, taking into account an estimate of the volatility of the share, as well as the wholesale market interest rates for the leeway of the process. The variance reduction by antithetic variables technique is applied to improve the accuracy of the simulations.

At 31 December 2024, an expense of 339 thousand euros was recorded against Equity Instruments for the 2023-2027 LTI (525 thousand euros in 2023).

Long-term Incentives Share Plan (LTI 2025-2029)

On 11 December 2024, the Board of Directors of the Parent Company agreed to implement a long-term incentive plan linked to the creation of value in Dia during the period 2025-2029 (hereinafter the "Plan"). The Plan is aimed at certain strategic professionals of Dia and the companies that make up the Group, with the purpose of fostering the creation of long-term value.

The Plan is implemented by granting beneficiaries the right to receive an incentive payable in Dia ordinary shares, the delivery of which is subject, among other things, to the fulfilment of certain targets linked to the Plan and to the beneficiary remaining in the Group for a certain period of time. Two measurement periods are foreseen, being an initial period from 1 January 2025 to 31 December 2027, and a second period from 1 January 2028 to 31 December 2029. At the end of each measurement period, the level of performance will be assessed, the gross amount of the incentive corresponding to each period will be determined, if applicable, and the number of shares to be delivered to the beneficiaries will be calculated.

Coinciding with the aforementioned periods, beneficiaries will undertake to keep the shares actually delivered until 31 December 2029 (those corresponding to the first measurement period) and until 31 December 2031 (those corresponding to the second measurement period).

The conditions for beneficiaries to be eligible for the incentive are: (i) the minimum threshold of performance set for the targets being reached at the end of each Measurement period. Failure to reach this minimum threshold will result in the loss of the right to receive the shares arising from the settlement of the incentive on each delivery date. If this threshold is not reached in relation to the first measurement period, the possibility of obtaining 100% of the second measurement period's share of the incentive will be maintained. (ii) The beneficiary having an uninterrupted active employment relationship with the Group from the date they became a beneficiary until the end of each measurement period.

Beneficiaries will lose their status as beneficiaries and, consequently, their expectation of entitlement to receive any incentive amount, should they leave the Group prior to the end of each measurement period, unless certain special cases do not materialise.

The Plan provides, among others, for malus and clawback clauses in the event of certain events specified in the Plan occurring, as well as an adjustment clause should any event that could affect the determination of the achievement of the Plan's targets or its settlement arise.

Given that at 31 December 2024 the Plan had not yet been communicated to the employees concerned and, therefore, they had not accepted the Plan, the Company has not recorded any accounting impact related to this plan, with the granting date being after 2024.

In order to avoid the overlap of benefits between different incentive programs, certain conditions of the ILP 2023-2027 plan were adjusted for those beneficiaries who were already part of it.

Share-based remuneration for Non-proprietary directors

In applying the remuneration policy approved at the 30 August 2019 Extraordinary General Meeting and the remuneration policy approved at the 7 June 2022 General Shareholders' Meeting, deferred remuneration in shares established for non-proprietary directors accrued in 2024 amounted to 366 thousand euros (300 thousand euros in financial year 2023) (Notes 20.3 and 22). Likewise, there has been a delivery of treasury shares valued at 2,568 thousand euros (Note 14.4), net of withholdings, the market value of which was 356 thousand euros (Note 22), which has been recorded in Other equity instruments, and which has generated a difference in reserves of 2,316 thousand euros (Consolidated Statement of Changes in Equity).

All Board decisions were taken at the proposal of the Appointments and Remuneration Committee.

19. NET SALES

Net sales corresponds to sales income in own stores, sales and services rendered to franchisees and online sales derived from the Group's activity, which is essentially focused on the markets of Spain and Argentina. The distribution of net sales for the year is as follows:

	2024			Re-presented (*) 2023		
	Ordinary income of the segment	Ordinary income between segments	Ordinary income of external clients	Ordinary income of the segments	Ordinary income between segments	Ordinary income of external clients
Sales in own stores	**2,963,226**	**(65)**	**2,963,161**	**2,479,584**	**(160)**	**2,479,424**
Spain	1,678,947	(65)	1,678,882	1,702,462	(160)	1,702,302
Argentina	1,284,279	—	1,284,279	777,122	—	777,122
Sales in franchise stores	**2,690,751**	**—**	**2,690,751**	**2,348,240**	**—**	**2,348,240**
Spain	2,380,647	—	2,380,647	2,187,247	—	2,187,247
Argentina	310,104	—	310,104	160,993	—	160,993
Online sales	**225,590**	**—**	**225,590**	**164,087**	**—**	**164,087**
Spain	204,598	—	204,598	155,921	—	155,921
Argentina	20,992	—	20,992	8,166	—	8,166
Other sales	**755**	**—**	**755**	**856**	**—**	**856**
Spain	755	—	755	856	—	856
Total	**5,880,322**	**(65)**	**5,880,257**	**4,992,767**	**(160)**	**4,992,607**

(*) Data re-presented as a result of the classification of discontinued operations of the Brazil business (Note 1.1.b)).

20. OTHER INCOME AND EXPENSES

20.1. Other income

The detail of the main items in this heading is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Transfer of right of use and other income from franchises	6,076	5,815
Income from the sale of packaging	4,489	3,371
Income from information services to suppliers	3,708	3,398
Fees and interest from financial companies	—	21
Other income	4,373	3,900
Total other operating income	**18,646**	**16,505**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

20.2. Goods and other consumables used

This heading includes purchases, less rebates and other trade discounts as well as changes in inventories.

The detail of the main items in this heading is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Purchases of goods and other consumables	4,882,407	4,100,441
Discounts	(538,464)	(425,886)
Change in inventory	58,352	(1,815)
Other costs of sale	48,712	41,773
Total use of goods and other consumables	**4,451,007**	**3,714,513**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

20.3. Personnel expenses

The detail of the main items in this heading is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Salaries and wages	413,970	377,491
Social Security	102,969	96,926
Severance payments	18,431	33,268
Defined benefit plans	9,055	6,450
Other social expenses	2,726	(319)
Subtotal personnel expenses	**547,151**	**513,816**
Expenses for share-based payment transactions (Notes 18 and 22)	705	825
Total personnel expenses	**547,856**	**514,641**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

On 25 September 2024, the Parent Company announced a Redundancy Plan (ERE) and informed the workers' representatives of the opening of a consultation period for the termination of a maximum of 65 employment contracts. Subsequently, on 4 November 2024, the Parent Company, after reaching an agreement with the workers' representatives, notified the relevant labour authority of the result of the consultation period for the announced redundancy programme. As a result of the consultation period, 47 people were affected, all of them belonging to the Group's head offices in Spain. In particular, out of this total number, 28 were subject to collective severance payments and 19 joined outsourced annuity schemes. The expense incurred for the redundancy programme is included under "Severance payments".

20.4. Other operating expenses

The detail of the main items in this heading is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Repairs and maintenance	104,093	101,338
Utilities	72,447	63,744
Fees	66,539	51,982
Advertising	40,069	32,600
Taxes	20,505	17,921
Property leases (Note 7.2)	19,486	28,524
Furniture rentals	5,406	4,335
Transport	170,716	140,103
Travel expenses	7,367	8,339
Security	25,991	19,132
Other general expenses	47,829	38,745
Total other operating expenses	**580,448**	**506,763**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

The increase in "Transport" occurred in Argentina and was due to the increase in the cost of fuel as well as wage increases in the sector. In addition there is the effect of hyperinflation which affects all lines.

20.5. Amortisation, depreciation and impairment

The detail of the main items in this heading is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Depreciation of right-of-use assets (Note 7.1)	155,649	140,606
Total Depreciation of right-of-use assets	**155,649**	**140,606**
Amortisation of intangible assets (Note 6.2)	17,021	14,665
Depreciation of property, plant and equipment (Note 5)	132,445	110,093
Total depreciation of property, plant and equipment and amortisation of other intangible assets (Notes 5 and 6.2)	**149,466**	**124,758**
Impairment of goodwill (Note 6.1)	43	—
Impairment of other intangible assets (Note 6.2)	62	—
Impairment of property, plant and equipment (Note 5)	9,699	(15,086)
Impairment of right-of-use assets (Note 7.1 and 7.2)	2,518	(177)
Total impairment	**12,322**	**(15,263)**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

The impairment on right-of-use assets includes 2,518 thousand euros corresponding to the derecognition of right-of-use assets (Note 7.1) and associated liabilities (Note 7.2) in Spain as they are considered as short-term leases due to the impairment test on stores (-177 thousand euros in 2023).

Total net impairment for the year by country is as follows:

Thousands of euros	España	Argentina	Total
Total impairment at 31 December 2024	(11,031)	(1,291)	**(12,322)**
Total impairment at 31 December 2023	16,174	(911)	**15,263**

Impairment in Spain at 31 December 2024 mainly includes 3,942 thousand euros for impairment on stores with a negative EBIT, 3,540 thousand euros for impairment of assets in inventory process in Spain, 3,809 thousand euros for impairment of assets associated with the S.Antonio and Mallén warehouses, 440 thousand euros for impairment of logistics equipment and 700 thousand euros for reversal of impairment of other assets.

20.6. Result of non-current asset derecognition

The detail of the main items in this heading is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Net book value of non-current assets	(5,953)	(29,620)
Proceeds obtained form the disposal of non-current asset	7	8,123
Result of non-current asset derecognitions	**(5,946)**	**(21,497)**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

The losses recorded in 2024 and 2023 mainly relate to the derecognitions associated with the refurbishments carried out in Spain and Argentina.

In 2023, the proceeds from the disposal of non-current assets mainly relate to the sale of assets in Spain.

20.7. Financial result

The detail of "Financial income" is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Interest on other loans and receivables	30,480	18,363
Result of financial instruments at fair value with changes in equity	1,911	10,187
Foreign currency exchange gains (Note 20.8)	144	556
Other financial income	4,665	32,738
Total financial income	**37,200**	**61,844**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

Interest on other loans and receivables mainly relates to interest associated with cash equivalents in Argentina, which has increased 8,055 thousand euros compared to the previous year.

Other financial income mainly includes the negative effect of updating financial assets and liabilities in Argentina and late-payment interest in Spain. The decrease in this year compared to the previous year was due to the restatement of financial assets and liabilities in Argentina, mainly generated by the reduction in applicable interest rates.

The detail of "Other financial expenses" and "Financial expenses for leases" is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Interest on bank loans	38,463	41,999
Interest on debentures and bonds	1,334	1,084
Foreign currency exchange losses (Note 20.8)	5,014	9,189
Sundry finance expenses	30,337	18,505
Total other financial expenses	**75,148**	**70,777**
Financial expenses for leases	61,946	37,593
Total financial expenses for leases	**61,946**	**37,593**

(*) Data re-presented as a result of the classification of the Brazil business to discontinued operations (Note 13).

Sundry financial expenses mainly include the bank debit and credit fee in Argentina linked to its turnover of 12,772 thousand euros at 31 December 2024 (5,068 thousand euros at 31 December 2023).

Financial expenses for leases mainly increased in Argentina due to the effect of hyperinflation.

20.8. Foreign currency transactions

The detail of exchange gains/(losses) on foreign currency transactions is as follows:

Thousands of euros	2024	Re-presented (*) 2023
Negativel exchange differences (Note 20.7)	(5,014)	(9,189)
Positive exchange differences (Note 20.7)	144	556
Trade exchange losses	—	(176)
Trade exchange gains	179	100
Total	**(4,691)**	**(8,709)**

(*) Data re-presented as a result of the classification of discontinued operations of the Brazil business (Note 1.1.b)).

20.9. Result from net monetary position

Due to the application of IAS 29 (Note 2.7), a gain arose from the net monetary position amounting to 141.6 million euros in the year (114.4 million euros in 2023). The causes of this increase are mainly due to the change in the inflation index (117.76% in 2024 and 211.49% in 2023) and the change in net monetary positions. Given the nature of the business, the monetary position is negative.

21. COMMITMENTS AND CONTINGENCIES

a) Commitments

Commitments made and received by the Group that have not been recognised in the consolidated statement of financial position relate to contractual obligations that have not yet been performed. There are two types of commitments, relating to cash and expansion operations. The Group also has lease agreements that represent future commitments made and received.

Commitments outside the consolidated statement of financial position linked to treasury operations consist of:

- available credit facilities and revolving syndicated loans unused at the closing date;
- bank commitments received.

Expansion operations include commitments acquired to undertake operations of this type at a Group level.

Itemised details of commitments, in thousands of euros, are as follows:

21.1. Delivered

In thousands of euros - 31 December 2024	in 1 year	in 2 years	3 to 5 years	+5 años	Total
Guarantees	3,683	4,337	9,771	4,717	22,508
Liquid assets	**3,683**	**4,337**	**9,771**	**4,717**	**22,508**
Purchase options	—	—	550	—	550
Commercial contract commitments	156	42	—	—	198
Other commitments	1,425	—	—	—	1,425
Operations / real estate / expansion	**1,581**	**42**	**550**	**—**	**2,173**
Total	**5,264**	**4,379**	**10,321**	**4,717**	**24,681**

In thousands of euros - 31 December 2023	in 1 year	in 2 years	3 to 5 years	+5 años	Total
Guarantees	569	3,604	2,309	6,468	12,950
Mortgage security	27,275	—	—	—	27,275
Liquid assets	**27,844**	**3,604**	**2,309**	**6,468**	**40,225**
Purchase options	15,125	—	550	—	15,675
Commercial contract commitments	2,284	542	702	11	3,539
Other commitments	—	—	—	6,326	6,326
Operations / real estate / expansion	**17,409**	**542**	**1,252**	**6,337**	**25,540**
Total	**45,253**	**4,146**	**3,561**	**12,805**	**65,765**

Cash and bank guarantees mainly include those that secure commitments relating to store and warehouse leases.

Mortgage guarantees in 2023 included the value of assets pledged as collateral for bilateral loans in Dia Portugal for commercial paper and confirming facilities.

During the 2023 financial year, customers were informed of the withdrawal of the Finandia card, on which date it ceased to operate, thereby eliminating the credit facilities to customers linked to the card.

Purchase options include the option to purchase a store amounting to 550 thousand euros (additional 15,125 thousand euros at 31 December 2023 for options on warehouses).

Sales contract commitments include commitments acquired with franchises regarding compliance with certain contributions and payment obligations in the event of non-compliance by the franchisee with financing operations with third parties.

In addition, the Parent Company had been granted a guarantee in respect of certain obligations with the subsidiary in Portugal, guaranteed by Société Générale for a maximum amount of 30,990 thousand euros and maturing on 29 March 2024.

21.2. Received

In thousands of euros - 31 December 2024	in 1 year	in 2 years	3 to 5 years	+5 años	Total
Unused revolving credit facilities (RCF)	92,230	—	—	—	92,230
Credit Facilities	35,000	—	—	—	35,000
Unused Confirming facilities	21,726	—	—	—	21,726
Unused guarantee facilities	2				2
Treasury	**148,958**	**—**	**—**	**—**	**148,958**
Guarantees received for commercial contracts	9,708	4,805	4,520	39,359	58,392
Operations / real estate / expansion	**9,708**	**4,805**	**4,520**	**39,359**	**58,392**
Total	**158,666**	**4,805**	**4,520**	**39,359**	**207,350**

In thousands of euros - 31 December 2023	in 1 year	in 2 years	3 to 5 years	+5 años	Total
Syndicated financing (Notes 15.1.b) and 15.3)	187,976	—	—	—	187,976
Unused confirming facilities (not included in syndicated credits) (Note 15.3)	489	—	—	—	489
Treasury	**188,465**	**—**	**—**	**—**	**188,465**
Guarantees received for commercial contracts	11,326	2,402	6,346	48,752	68,826
Other commitments	—	—	7	78	85
Operations / real estate / expansion	**11,326**	**2,402**	**6,353**	**48,830**	**68,911**
Total	**199,791**	**2,402**	**6,353**	**48,830**	**257,376**

b) Contingencies

The Group is subject to legal proceedings and tax audits in various jurisdictions, some of which have already been carried out at 31 December 2024 by the tax authorities and appealed by the Group companies (Note 17). If it is probable that an obligation exists at year-end that will result in an outflow of resources, a provision is recognised if the amount can be reliably estimated. As a result, management exercises significant judgement in determining whether it is probable that an outflow of resources will result from the resolution of these proceedings and in estimating the amount.

Note 16 details the legal contingencies and Note 17 details the tax contingencies.

22. INFORMATION ON RELATED PARTIES

The detail of transactions and balances with related parties is as follows:

Transactions outside the ordinary course of business or on other than arm's length terms carried out by the Directors of the Parent Company

During 2024 and 2023, the Directors of the Parent Company carried out no transactions with the Parent Company or with Group companies other than in the ordinary course of business or on other than arm's length terms.

Transactions and balances with related companies

During the 2024 and 2023 financial years, the Group entered into transactions with the LetterOne Group in connection with the agreement between the parties which terminated in the current financial year. The trade debtors balance at 31 December 2024 and 2023 is shown in Notes 8.1 c) and 15.3. The transactions carried out in both periods were as follows:

Thousands of euros	2024	2023
LetterOne Group (*)	(42)	(150)
Total transactions	**(42)**	**(150)**

(*) The impact on the consolidated income statement in 2023 was (99) thousand euros with LetterOne Group entities and corresponded to transactions amounting to (150) thousand euros in relation to the service contract, and 51 thousand euros to the difference between the provision of 300 thousand euros allocated at 31 December 2022 and the number of subsequent charges received prior to 31 December 2022, which amounted to 249 thousand euros.

Transactions with Directors and Senior Management

The aggregate remuneration accrued by the Group's Directors and Senior Management is as follows:

Thousands of euros			
2024		2023	
Directors	**Senior Management**	**Directors**	**Senior Management**
1,136	12,778	750	11,269

In the 2024 and 2023 financial years, the Parent Company directors accrued remuneration (included in the previous breakdown) of 1,136 thousand euros and 750 thousand euros respectively, in their capacity as board members.

Pursuant to Article 38.5 of the Articles of Association, the total individualised remuneration accrued in 2024 and 2023 by members of the Parent Company's Board of Directors is shown below:

2024			Thousands of euros	Miles de euros
Board members	From	To	Financial instruments (Note 18)	Fixed pay
D. José Wahnon Levy	01/01/2024	31/12/2024	83	120
Sergio Antonio Ferreira Dias	01/01/2024	31/12/2024	54	120
Marcelo Maia	01/01/2024	31/12/2024	—	120
Vicente Trius Oliva	01/01/2024	31/12/2024	—	120
Ms Luisa Delgado	01/01/2024	31/12/2024	122	150
Ms Gloria Hernández	01/01/2024	31/12/2024	97	150
Mr Benjamin J. Babcock	01/01/2024	31/12/2024	—	—
Mr Alberto Gavazzi	19/01/2024	31/12/2024	—	—
Total			**356**	**780**

2023			Miles de euros
Board members	From	To	Fixed pay
D. José Wahnon Levy	01/01/2023	31/12/2023	124
Mr Stephan DuCharme	01/01/2023	22/09/2023	—
Sergio Antonio Ferreira Dias	01/01/2023	31/12/2023	90
Marcelo Maia	01/01/2023	31/12/2023	120
Vicente Trius Oliva	01/01/2023	31/12/2023	120
Ms Luisa Delgado	01/01/2023	31/12/2023	150
Ms Gloria Hernández	01/01/2023	31/12/2023	146
Mr Benjamin J. Babcock	25/05/2023	31/12/2023	—
Total			**750**

In addition, as a result of the applicable remuneration policy, there is deferred remuneration in shares for non-proprietary directors, the accrual of which for the shares initially allocated has been estimated at 366 thousand euros at 31 December 2024 (300 thousand euros in 2023) (Notes 18 and 20.3). In 2024, shares net of withholdings amounting to 252 thousand euros (356 thousand euros gross) were delivered to Mr José Wahnon Levy, Ms Gloria Hernández García, Ms Luisa Desplazes de Andrade Delgado and Mr Sergio Antonio Ferreira Dias. This last amount of 356 thousand euros was incorporated as remuneration in financial instruments in the 1,136 thousand euros overall remuneration accruing to the Directors in 2024 in their capacity as board members.

During 2024 and 2023, the Group's Directors and Senior Management have not entered into any transactions with the parent company or Group companies outside the ordinary course of business or on other than arm's length terms.

The Civil Liability insurance premiums paid in respect of directors and senior management personnel totalled 305 thousand euros in 2024 (2023: 299 thousand euros).

Conflicts of interest situations of Directors

During the reporting period, the Company entered into a consultancy agreement with Mr Sergio Antonio Ferreira Dias, a member of the Board of Directors. The decision to hire Mr Dias was based on his extensive experience in the retail sector and his in-depth knowledge of the Brazilian market. In addition, senior and technical support and a dedicated commitment to analysing Dia Brasil's recovery activities and performance was considered relevant.

Under this agreement, Mr Dias provided advisory services related to the Group's investment in Dia Brasil, focusing on monitoring the business, formulating improvement proposals and overseeing their implementation. This agreement constitutes a related party transaction due to Mr Dias' dual role as a member of the Board and advisor to the Company. The agreement, which had an initial duration of three months and established an hourly rate, with a limit of 144 hours per month, reached a total amount of 57.6 thousand euros.

This transaction was carried out in compliance with the Group's policies and the applicable regulations on conflict of interest situations, having been approved by the Board of Directors following a report from the Audit and Compliance Committee and the Appointments and Remuneration Committee, which considered the transaction to be fair and reasonable from the Company's point of view.

It is important to note that, with the exception of this situation, the other Directors of the Parent Company and persons related to them had no conflicts of interest requiring disclosure in accordance with Article 229 of the Revised Spanish Companies Act.

23. RISK MANAGEMENT

Financial risk management is centralised in the Group's Senior Management, which, through the Group's Finance Management, in close collaboration with the operating units, oversees management and verifies that financial risk-taking activities are regulated by corporate policies and procedures approved by the Board of Directors as well as ensuring financial risks are identified, measured and managed in accordance with these policies.

The Group's Finance Management has established the necessary mechanisms to control the exposure to changes in interest and exchange rates, as well as credit and liquidity risk in accordance with the structure and financial position and the economic variables of the environment, resorting to hedging transactions if necessary. The Group's main financial risks and corresponding policies are described below:

23.1. Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities when due.

The Group carries out prudent management of liquidity risk, based on having sufficient cash and marketable securities, the availability of finance with a sufficient amount of credit facilities undertaken, and sufficient capacity to settle market positions. Given the dynamic nature of its underlying business, the Group's Finance Department aims to be flexible with regard to financing with drawdowns on credit facilities taken out (Note 15.1).

A portion of the Group's trade debtors is included in the Group's supplier financing arrangements and are, therefore, to a single counterparty (the syndicated creditors) and not to individual suppliers. This results in the Group having to settle a significant amount with a single counterparty, rather than less significant amounts with several counterparties. However, the Group's payment terms for trade payables covered by the agreements are identical to those for other trade creditors. In addition, the Group has sufficient liquidity to meet the available amount of the confirming and, therefore, the latter does not represent a risk factor. For more information on these agreements, see Note 15.3.

Liquidity risk is monitored by a Cash Committee which meets every two weeks to check that the Group's financing requirements are covered by the resources available.

The Group's exposure to liquidity risk at 31 December is shown below. The tables below reflect the analysis of financial liabilities by contractual dates for remaining maturities:

Thousands of euros	Maturity	2024
Syndicated financing	2026-2029	498,259
Other financial debt	2026-2040/According to the contract	19,896
Lease liabilities	2026-2037	233,677
Other non-current financial liabilities	2026-2027	4,924
Total non-current financial liabilities		**756,756**
Debentures and bonds	2025	32,244
Syndicated financing	2025	877
Other financial debt	2025	3,321
Lease liabilities	2025	197,218
Trade creditors and other accounts payable	2025	1,025,137
Suppliers of fixed assets	2025	41,460
Personnel	2025	46,821
Other current liabilities	2025	58,020
Total current financial liabilities		**1,405,098**

Thousands of euros	Maturity	2023
Debentures and bonds	2026	31,046
Syndicated financing	2025	407,248
Other loans and other credit facilities	2027	120
Other financial debt	2027/According to the contract	19,156
Lease liabilities	2024-2042	285,408
Other non-current financial liabilities	2024-2025	193
Total non-current financial liabilities		**743,171**
Debentures and bonds	2024	802
Syndicated financing	2024	32,195
Other loans and other credit facilities	2024	39,885
Other financial debt	2024	4,405
Lease liabilities	2024	143,665
Trade creditors and other accounts payable	2024	1,091,471
Suppliers of fixed assets	2024	41,634
Personnel	2024	54,784
Other current liabilities	2024	53,360
Total current financial liabilities		**1,462,201**

The finance costs accrued on these financial liabilities totalled 101,743 thousand euros and 80,676 thousand euros in 2024 and 2023, respectively. The change compared to the previous year is mainly due to financial expenses for financial leases (Note 20.7).

The amounts shown below correspond to the cash flows stipulated in each contract:

At 31 December 2024

Thousands of euros	Carrying amount	Contractual cash flow	Year 1	Year 2	Year 3	Year 4	Other
Debentures and bonds	32,244	32,378	32,378	—	—	—	—
Syndicated Financing	535,000	535,000	—	13,375	25,755	24,484	471,386
Formalisation expenses	(36,741)	15,714	15,714	—	—	—	—
Interest debt	877	250,768	51,124	52,479	51,913	48,815	46,437
Other financial debt	23,217	23,217	3,321	518	—	—	19,378
Lease liabilities	430,895	552,828	215,013	154,702	101,675	38,450	42,988
Trade creditors and other accounts payable	1,025,137	1,025,137	1,025,137	—	—	—	—
Other financial liabilities	151,225	151,225	146,301	2,704	2,220	—	—
	2,161,854	**2,586,267**	**1,488,988**	**223,778**	**181,563**	**111,749**	**580,189**

At 31 December 2023

Thousands of euros	Carrying amount	Contractual cash flow	Year 1	Year 2	Year 3	Year 4	Other
Debentures and bonds	31,848	33,373	931	933	31,509	—	—
Syndicated Financing	435,510	435,510	25,000	410,510	—	—	—
Formalisation expenses	1,480	—	—	—	—	—	—
Interest debt	2,454	59,805	28,958	30,847	—	—	—
Other loans and other credit facilities	40,005	43,870	43,751	119	—	—	—
Other financial debt	23,561	23,561	4,405	2,656	2,138	1,603	12,759
Lease liabilities	429,073	526,206	181,167	138,756	99,992	54,236	52,055
Trade creditors and other accounts payable	1,091,471	1,091,471	1,091,471	—	—	—	—
Other financial liabilities	149,971	149,971	149,778	193	—	—	—
	2,205,373	**2,363,767**	**1,525,461**	**584,014**	**133,639**	**55,839**	**64,814**

23.2. Cash flow interest rate and fair value risks

The Group's interest rate risk arises from fluctuations in interest rates that affect the financing costs of long-term debt issued at variable rates.

The Group contracts various interest rate hedging transactions to mitigate its exposure, in accordance with its Risk Management Policy. At 31 December 2024, derivatives are contracted with external counterparties to hedge the interest rate risk of long-term financing. Hedge accounting is applied in all cases where the required criteria are met.

During 2024, fixed-rate debt as a percentage of the volume of average gross debt totalled 74%, compared with 63% in the previous year.

On the other hand, the Group's policy for financial assets is to keep them available for use. These balances are held in financial institutions with high credit ratings.

The sensitivity of the result considering a 50 b.p. increase in interest rates for all maturities would have resulted in a change in the net result of 431 thousand euros in financial year 2024 (841 thousand euros in financial year 2023).

23.3. Currency risk

Foreign currency transaction risk is the risk that an unfavourable change in exchange rates will have an adverse effect on cash flows from commercial transactions denominated in a foreign currency (a currency other than the functional currency of the entity making the transaction).

The Group conducts its international operations through subsidiaries in Argentina and Brazil, which operate mainly in their home country, so that purchases and sales are denominated almost exclusively in the local currency. The Group's exposure to foreign exchange risk in commercial transactions is therefore mainly naturally hedged. The small exposure is generated from the import of products. In accordance with Group policy, these imports must be hedged wherever possible using currency hedges, which are generally for periods of under 12 months. There were no exchange rate hedges at year-end.

In addition, at 31 December 2024, the balances with Group companies that the Spanish subsidiaries maintain with their subsidiary in Argentina amount to 4,709 thousand euros (at 31 December 2023: 2,734 thousand euros) and there is no financing in euros.

Currency translation risk is the risk that an unfavourable change in exchange rates will reduce the value of the net assets of a subsidiary whose functional currency is not the euro. The consolidated statement of financial position and the consolidated income statement are exposed to currency translation risk.

Had the Argentine peso devalued/appreciated by 10%, changes in translation differences would have been +/-6.86%, respectively.

23.4. Credit risk

Credit risk is the risk faced by the Group should a customer or counterparty to a financial instrument fail to meet its contractual obligations, and arises mainly from the Group's trade debtors and investments in financial assets.

The Group does not have significant concentrations of credit risk. The risk of concentration is minimised with diversification, managing and combining various areas of impact. Firstly, there are different types of customers such as franchisees and retail customers; and secondly, there is a trade portfolio with a certain geographical distribution. The Group believes that the evolution of macroeconomic conditions would not have significant impacts on estimated credit risk.

The Group has policies to ensure that wholesale sales are made to customers with an adequate credit history. Sales to retail customers are made in cash or by credit card. Derivative transactions are only arranged with financial institutions that have a high credit rating in order to mitigate credit risk. The Group has policies to limit the amount of risk with any one financial institution.

The Group's credit risk is due to its operations with most of its franchisees and is mitigated by the deposits linked to the 2020 franchise management model mentioned in Notes 8.1 and 15.4 and the guarantees and collateral received mentioned in Note 21.2, as indicated below:

Thousands of euros	2024	2023
Non-current accounts receivable (Note 8.1 a))	194	10,799
Current accounts receivable (Note 8.1 a))	131,437	200,130
Franchisee deposits (Note 8.2)	481	151
Current deposits and guarantees received (Note 15.4)	(56,220)	(51,792)
Guarantees and collateral received (Note 21.2)	(58,392)	(68,826)
	17,500	**90,462**

The Group did not enter into any non-recourse supplier trade receivable assignment agreements in 2024 (Note 15.1.b)).

The Group's exposure to credit risk at 31 December is shown below. The accompanying tables reflect the analysis of financial assets by remaining contractual maturity dates:

Thousands of euros	Maturity	2024
Guarantees and other deposits	per contract	40,300
Equity instruments	—	36
Other loans	2027	10,853
Accounts receivable and other debtors	2026-2040	194
Non-current assets		**51,383**
Franchise deposits	2025	481
Loans to personnel	2025	761
Other loans	2025	52
Other financial assets	2025	464
Trade debtors and other receivables	2025	133,059
Current assets		**134,817**

Thousands of euros	Maturity	2023
Guarantees and other deposits	per contract	60,102
Equity instruments	—	36
Other loans	2025	30
Accounts receivable and other debtors	2025-2040	10,799
Non-current assets		**70,967**
Franchise deposits	2024	151
Loans to personnel	2024	1,354
Other loans	2024	77
Other financial assets	2024	10,384
Trade debtors and other receivables	2024	161,189
Interest rate hedging derivatives	2024	2,530
Current assets		**175,685**

The returns generated by these financial assets in the year amounted to 5 thousand euros (2023: 27 thousand euros).

Details of trade debtors and other receivables by maturity is as follows:

	Thousands of euros					
Current	Total	Not due	Less than 1 month	2 and 3 months	4 and 6 months	7 and 12 months
31 December 2024	**133,059**	126,667	1,474	3,038	1,880	—
31 December 2023	**161,189**	157,548	1,397	474	102	1,668

	Thousands of euros			
Non-current	Total	2 years	3 - 5 years	> 5 years
31 December 2024	**194**	59	70	65
31 December 2023	**10,799**	10,551	171	77

Details of the impairment policy can be found in Note 8.

24. OTHER INFORMATION

Information on employees

The average number of full-time equivalent personnel, distributed by professional category, is as follows:

	2024	2023
Directors	109	143
Middle management	1,833	2,058
Other employees	18,114	26,657
Total	**20,056**	**28,858**

The average number of employees includes 3,727 from the Clarel, Portugal and Brazil businesses in 2024 (10,785 employees in the Clarel, Portugal and Brazil businesses in 2023), whose personnel expenses are presented in the result of discontinued operations in the consolidated income statement. At year-end the distribution by sex of Group personnel and the Directors is as follows:

	2024		2023	
	Women	Men	Women	Men
Board members (not employees)	2	6	2	5
Directors (Senior management)	3	7	3	11
Other Directors	22	52	39	90
Middle management	731	741	1,026	990
Other employees	9,629	5,711	17,599	9,018
Total	**10,387**	**6,517**	**18,669**	**10,114**

The average number of people employed by the Group in the 2024 financial year with a disability rating of 33% or above (or a local equivalent classification) is no Directors (one in 2023), eight middle management personnel (eight in 2023) and 279 other employees in 2023 (450 in 2023).

Audit fees

The audit firm for the annual accounts of the Group and other international affiliate entities, Ernst & Young, S.L., accrued fees for professional services during the year as follows:

	2024		
Thousands of euros	Ernst & Young, S.L.	Other companies affiliated with EY International	Total
Audit services	678	141	819
Other services relating to audit	443	62	505
Other services	15	—	15
Total	**1,136**	**203**	**1,339**

	2023		
Thousands of euros	Ernst & Young, S.L.	Other companies affiliated with EY International	Total
Audit services	762	515	1,277
Other services relating to audit	325	122	447
Total	**1,087**	**637**	**1,724**

Other audit-related services and other services billed by these audit firms relate to limited review services of the Interim Financial Statements, as well as agreed-upon financial reporting procedures services provided to Dia.

Climate change

Identifying and assessing climate-related risks and business opportunities play a key role in the sustainable development of the Group. Appropriate monitoring of these aspects provides the organisation with additional information on these potential risks, as well as a clearer view of social movements and transformations, and the expectations of its stakeholders.

In preparing these consolidated annual accounts, the Group considered the potential impacts of climate change, especially in reviewing the useful lives of property, plant and equipment and in carrying out impairment tests.

At year end, the Dia Group has no environmental liabilities, expenses, assets, provisions or contingencies that could be significant in relation to the Group's equity, financial position and results.

Climate change has been evaluated in the estimates and judgements made in preparing the consolidated financial statements (Note 2.8) and is not considered to have a significant impact on them.

For further information, refer to Section 6.1. of the Consolidated Non-Financial and Sustainability Statement for 2024 included in the consolidated management report.

25. SUBSEQUENT EVENTS

On 27 December 2024, the Extraordinary General Shareholders' Meeting approved the Dia contrasplit, whereby (i) all the shares into which the Company's share capital is divided are grouped and cancelled in order to exchange them for newly issued shares in the proportion of one (1) new share for every one thousand (1,000) old shares, increasing the unit par value of the shares from 0.01 euros to 10.00 euros, and (ii) prior to the execution of the contrasplit, reduce the Company's share capital by 0.79 euros through the redemption of seventy-nine (79) treasury shares, each with a par value of 0.01 euros (the "technical capital reduction"). The capital reduction and contrasplit agreement was executed by Dia's Board of Directors on 8 January 2025, while its stock market effective date was 5 February 2025. Following the capital reduction and immediately prior to the contrasplit, the share capital is set at 580,655,340 euros, divided into 58,065,534,000 ordinary shares, each with a par value of 0.01 euros. Additionally, on February 7, 2025, the Company repurchased 6,636 excess shares from minority shareholders (in new shares) for a total amount of 117,457.20 euros, proceeding to a capital reduction by amortization for the same amount and simultaneously creating an unavailable reserve charged to the Company's free reserves for an amount equal to the nominal value of the shares redeemed in the technical capital reduction and in the capital reduction by amortization (Note 14.1).

On 14 November 2024, Lyra II Fundo de Investimento em Participaçoes Multiestratégia (vendor) and Arila Fundo de Investimento Financeiro Multimercado (purchaser) signed a purchase agreement for 100% of the shares of Dia Brasil. According to the agreement, the Dia Group had to grant the necessary waivers for the service contracts between Dia Retail and Dia Brasil to remain in force despite the change of control in the Brazilian company. The agreed compensation for the Group was 10 million Brazilian reais. On 21 January 2025, the Group received 1,589 thousand euros from Lyra, as all conditions precedent of the purchase agreement had been fulfilled.

After the refinancing process carried out in December 2024, the Company notified the Paying Agent on 6 January 2025 of the decision to exercise the option to redeem all of the bonds issued early. The effective redemption date was 5 February 2025 and the total redemption amount was 32,378 thousand euros. This amount is made up of 30,800 thousand euros corresponding to the principal and 1,578 thousand euros in accrued interest (Note 15.1).

ANNEX I. SUBSIDIARIES

Details of Dia Group's subsidiaries, as well as their activities, registered offices and shareholding percentages at 31 December are shown below. The country of incorporation is also the main centre of its activity.

Name	Registered address	Activity	% shareholding/ control	
			2024	2023
Dia Portugal Supermercados, S.A. (*)	Lisbon	Wholesale and retail distribution of food products.	—	100.00
Dia Portugal II, S.A. (*)	Lisbon	Wholesale and retail distribution of food products.	—	100.00
Dia Argentina, S.A. (**)	Buenos Aires	Wholesale and retail distribution of food products.	100.00	100.00
Distribuidora Internacional, S.A. in liquidation (***)	Buenos Aires	Consultancy services.	—	100.00
Dia Brasil Sociedade Limitada (*)	Sao Paulo	Wholesale and retail distribution of consumer products.	—	100.00
DBZ Administraçao, Gestao de Ativos e Serviços Imobiliarios LTDA. (*)	Sao Paulo	Administration of real estate owned by DIA Brasil.	—	100.00
Dia Retail España, S.A.U. (**)	Madrid	Distribution of food and toiletries through supermarkets.	100.00	100.00
Pe-Tra Servicios a la distribución, S.L.U. (**)	Madrid	Leasing of business premises.	100.00	100.00
Dia World Trade, S.A.U. In liquidation	Geneva	Provision of services to suppliers of Dia Group companies.	100.00	100.00
Beauty by Dia, S.A.U. (*)	Madrid	Marketing of drugstore and perfumery products	—	100.00
Finandia, S.A.U.	Madrid	Lending and credit operations, including consumer loans, mortgages and financing of commercial transactions, as well as issuing and managing credit and debit cards.	100.00	100.00
Dia Finance, S.L.U. (**)	Madrid	Import, export, acquisition, distribution and wholesale and retail sale of food, beverages, household goods and, in general, other products for domestic use and consumption.	100.00	100.00
Luxembourg Investment Company 317, S.à.r.l. (**)	Luxembourg	Share holding company	100.00	100.00
Luxembourg Investment Company 318, S.à.r.l. (**)	Luxembourg	Share holding company	100.00	100.00
Luxembourg Investment Company 319, S.à.r.l. (**)	Luxembourg	Share holding company	100.00	100.00
Luxembourg Investment Company 320, S.à.r.l.(**)	Luxembourg	Share holding company	100.00	100.00
Luxembourg Investment Company 321, S.à.r.l.	Luxembourg	Share holding company	100.00	100.00
Luxembourg Investment Company 322, S.à.r.l. (*) (***)	Luxembourg	Share holding company	—	100.00
Luxembourg Investment Company 323, S.à.r.l. (***)	Luxembourg	Share holding company	—	100.00

(*) Companies audited by Ernst & Young, S.L., and other entities affiliated to EY International with year-end on 31 December 2023.
(*) Companies audited by Ernst & Young, S.L., and other entities affiliated to EY International with year-end on 31 December 2023 and 2024.
(***) Liquidated companies.

Details of Dia Group's associates and joint ventures are as follows:

Name	Registered address	Activity	% shareholding	
			2024	2023
CD Supply Innovation S.L. in liquidation	Madrid	Purchase of private-label products from its partners.	50.00	50.00
Horizon International Services, S.à.r.l. in liquidation	Geneva	Negotiation with private-label suppliers.	25.00	25.00

Consolidated Management Report as of December 31, 2024

2024

Distribuidora Internacional de Alimentación, S.A.
and subsidiaries

COMPANY POSITION

The information relating to "Company position" is included in Section 3. Business model and strategic pillars of the Dia Group's Consolidated Non-Financial and Sustainability Statement of 2024.

Organisational Structure

Dia Group's corporate governance is structured through the following institutional and operational bodies and mechanisms:

- General Shareholders' Meeting
- Board of Directors
- Audit and Compliance Committee
- Appointments and Remunerations Committee

BUSINESS PERFORMANCE AND RESULTS

In 2024, the Group completed a crucial stage of business transformation and simplification, creating two strong growth platforms, being the business in Spain and Argentina. In addition, a refinancing agreement has been reached one year ahead of debt maturity, a milestone that provides the Group with a solid capital structure for the next strategic phase and reinforces the momentum to be the convenience and online store of choice for locals.

In Spain, the year saw the consolidation of our exceptional omnichannel value proposition, which is committed to offering a top quality, balanced assortment of national and international manufacturers and Dia products, with a focus on fresh food and a team that wants to offer a better service every day. Thanks to the tireless commitment to customers, progress has been made in sales, market share, customer satisfaction and the relevance of Dia products in their shopping baskets.

In Argentina, the Group faced a challenging year due to a macroeconomic context that hit household consumption hard. Millions of Argentinians have placed their trust in Dia in a complex year and we are very grateful that we have managed to keep up with the demand. The strength of our brand and our team's ability to navigate uncertainty have, in spite of everything, allowed us to increase market share in volume and comparable surface area.

In addition, the Group started to implement its Strategic Sustainability Plan 2024-25in 20 24, under the slogan 'Cada día cuenta' [Every day counts]. This roadmap has moved from ensuring compliance with the regulatory aspects of ESG to the company's "own and differentiating" leadership.

These achievements have renewed the Group's enthusiasm to face the challenges of both the company and the sector in 2025.

This is how Dia grows step by step, with an eye on customers, on strengthening the resilience of the business and on generating value for our entire ecosystem, from our teams, franchisees and suppliers, to our shareholders and investors.

The Group's main economic figures are presented below:

(millions of euros)	2024	%	Re-presented (*) 2023	%	Change (%)
Gross sales under banner	**6,901.2**		**6,741.9**		**2.4 %**
Net sales	**5,880.3**	**100.0 %**	**4,992.6**	**100.0 %**	**17.8 %**
Cost of sales and other income	(4,767.9)	(81.1)%	(3,993.3)	(80.0)%	19.4 %
Gross profit	**1,112.4**	**18.9 %**	**999.3**	**20.0 %**	**11.3 %**
Personnel expenses	(422.0)	(7.2)%	(388.5)	(7.8)%	8.6 %
Other operating expenses & leases	(331.8)	(5.6)%	(291.6)	(5.8)%	13.8 %
Restructuring and LTIP costs	(39.0)	(0.7)%	(46.0)	(0.9)%	(15.2)%
EBITDA	**319.6**	**5.4 %**	**273.2**	**5.5 %**	**17.0 %**
Depreciation and Amortisation	(305.2)	(5.2)%	(265.4)	(5.3)%	15.0 %
Result on impairment of assets	(12.3)	(0.2)%	15.3	0.3 %	(180.4)%
Result of non-current asset withdrawals	(5.9)	(0.1)%	(21.5)	(0.4)%	(72.6)%
EBIT	**(3.8)**	**(0.1)%**	**1.6**	**— %**	**(337.5)%**
Net financial results	41.7	0.7 %	67.9	1.4 %	(38.6)%
Profit/(loss) of companies accounted for using the equity method	(0.1)	— %	—	— %	— %
Result before tax from continuing operations	**37.8**	**0.6 %**	**69.5**	**1.4 %**	**(45.6)%**
Income tax	(9.6)	(0.2)%	18.4	0.4 %	(152.2)%
Result after tax from continuing operations	**28.2**	**0.5 %**	**87.9**	**1.8 %**	**(67.9)%**
Discontinued operations	(106.9)	(1.8)%	(118.1)	(2.4)%	n/a
Net attributable Result	**(78.7)**	**(1.3)%**	**(30.2)**	**(0.6)%**	**160.6 %**

(*) Data re-presented as a result of the classification to discontinued operations of the business in Brazil (Note 13 of the Notes to the Consolidated Annual Accounts).

The reconciliation between the EBITDA indicated in the Consolidated Annual Accounts and that indicated in the preceding table, due to the allocation based on their nature of the logistics costs charged to the warehouses and the restructuring costs for 2024 and 2023, is explained in the following tables:

2024 (millions of euros)	Income statement	Logistics costs	Restructuring costs	2024 Results
Net sales	**5,880.3**	**—**	**—**	**5,880.3**
Cost of sales and other income	**(4,432.4)**	**(335.5)**	**—**	**(4,767.9)**
Goods and other consumables used	(4,451.0)	(335.5)	—	(4,786.5)
Other income	18.6	—	—	18.6
Gross profit	**1,447.9**	**(335.5)**	**—**	**1,112.4**
Personnel expenses	(547.9)	104.0	21.9	(422.0)
Other operating expenses	(560.9)	228.2	13.6	(319.1)
Furniture rentals	(19.5)	3.3	3.5	(12.7)
Restructuring and LTIP costs	—	—	(39.0)	(39.0)
EBITDA	**319.6**	**—**	**—**	**319.6**

2023 (millions of euros)	Income statement	Logistics costs	Restructuring costs	2023 Results
Net sales	**4,992.6**	**—**	**—**	**4,992.6**
Cost of sales and other income	**(3,698.0)**	**(295.3)**	**—**	**(3,993.3)**
Goods and other consumables used	(3,714.5)	(295.3)	—	(4,009.8)
Other income	16.5	—	—	16.5
Gross profit	**1,294.6**	**(295.3)**	**—**	**999.3**
Personnel expenses	(514.6)	92.6	33.5	(388.5)
Other operating expenses	(478.3)	199.9	9.3	(269.1)
Furniture rentals	(28.5)	2.8	3.2	(22.5)
Restructuring and LTIP costs	—	—	(46.0)	(46.0)
EBITDA	**273.2**	**—**	**—**	**273.2**

(*) Data re-presented as a result of the classification to discontinued operations of the business in Brazil (Note 13 of the Notes to the Consolidated Annual Accounts).

The reconciliation between the income statement reclassifying the impacts derived from the Clarel business, the business in Portugal and the business in Brazil (hereinafter Discontinued Operations) as presented in the annual accounts and the income statement resulting from including all the activities of the Dia Group is presented below.

(millions of euros)	2024 with reclassification to discontinued operations	Clarel	Portugal	Brazil	2024 without reclassification to discontinued operations
Gross sales under banner	**6,901.2**	**79.3**	**250.9**	**307.7**	**7,539.1**
Like-for-like sales growth (%)	n/a	(0.1)%	(2.4)%	(15.1)%	n/a
Net sales	**5,880.3**	**62.8**	**183.9**	**242.6**	**6,369.6**
Cost of sales and other income	(4,767.9)	(40.2)	(147.3)	(217.4)	(5,172.8)
Gross profit	**1,112.4**	**22.6**	**36.6**	**25.2**	**1,196.8**
Personnel expenses	(422.0)	(14.6)	(16.9)	(30.2)	(483.7)
Other operating expenses & leases	(331.8)	(4.7)	(11.8)	(43.8)	(392.1)
Restructuring and LTIP costs	(39.0)	—	(0.1)	(36.9)	(76.0)
EBITDA	**319.6**	**3.3**	**7.8**	**(85.7)**	**245.0**
Depreciation and Amortisation	(305.2)	(2.7)	(5.8)	—	(313.7)
Net Gain/(loss) on impairment of assets	(12.3)	(0.4)	—	4.6	(8.1)
Result of non-current asset withdrawals	(5.9)	—	2.0	(21.3)	(25.2)
EBIT	**(3.8)**	**0.2**	**4.0**	**(102.4)**	**(102.0)**
Net financial results	41.7	(0.4)	(3.3)	(4.4)	33.6
Result of companies accounted for using the equity method	(0.1)	—	—	—	(0.1)
Losses before tax from continuing operations	**37.8**	**(0.2)**	**0.7**	**(106.8)**	**(68.5)**
Income tax	(9.6)	—	(0.6)	—	(10.2)
Losses after tax from continuing operations	**28.2**	**(0.2)**	**0.1**	**(106.8)**	**(78.7)**
Discontinued operations	(106.9)	0.2	(0.1)	106.8	—
Net attributable Result	**(78.7)**	**—**	**—**	**—**	**(78.7)**

The reconciliation between adjusted EBITDA to profit or loss for the period reclassifying the impacts of Discontinued Operations as presented in the annual accounts is explained in the following table:

2024 (millions of euros)	Spain without Clarel	Clarel	Portugal	Argentina	Brazil	Group Total
Adjusted EBITDA	**265.7**	**—**	**—**	**26.1**	**—**	**291.8**
IAS 29 hyperinflationary effect	—	—	—	(131.9)	—	(131.9)
IFRS16 effect on leases	162.4	—	—	36.2	—	198.6
Expenses related to the closure of stores and warehouses	(4.5)	—	—	—	—	(4.5)
Expenses related to efficiency processes	(18.0)	—	—	(2.2)	—	(20.2)
Other Expenses	(8.7)	—	—	—	—	(8.7)
Expenses related to long-term incentive plans	(4.5)	—	—	(1.1)	—	(5.6)
Restructuring costs	**(35.7)**	**—**	**—**	**(3.3)**	**—**	**(39.0)**
EBITDA	**392.5**	**—**	**—**	**(72.9)**	**—**	**319.6**
Result of non-current asset derecognition	(2.6)	—	—	(3.3)	—	(5.9)
Impairment of non-current assets	(11.0)	—	—	(1.3)	—	(12.3)
Depreciation and Amortisation	(243.5)	—	—	(61.6)	—	(305.1)
EBIT	**135.4**	**—**	**—**	**(139.1)**	**—**	**(3.7)**
Results from monetary position	—	—	—	141.6	—	141.6
Profit/loss from discontinued operations	—	(0.2)	0.1	—	(106.8)	(106.9)
Income tax	(10.0)	—	—	0.4	—	(9.6)
Net financial results	(66.5)	—	—	(33.6)	—	(100.1)
Result for the period	**58.9**	**(0.2)**	**0.1**	**(30.7)**	**(106.8)**	**(78.7)**

The reconciliation between adjusted EBITDA to profit or loss for the period for the years 2024 and 2023 considering all activities of the Dia Group, i.e. including Discontinued Operations, is as follows:

2024 (millions of euros)	Spain without Clarel	Clarel	Portugal	Argentina	Brazil	Group Total
Adjusted EBITDA	**265.7**	**0.5**	**0.1**	**26.1**	**(48.7)**	**243.7**
IAS 29 hyperinflationary effect	—	—	—	(131.9)	—	(131.9)
IFRS16 effect on leases	162.4	2.8	7.9	36.2	—	209.4
Expenses related to the closure of stores and warehouses	(4.5)	—	—	—	0.3	(4.1)
Expenses related to efficiency processes	(18.0)		(0.2)	(2.2)	(22.3)	(42.7)
Other Expenses	(8.7)	—	—	—	(15.5)	(24.3)
Expenses related to long-term incentive plans	(4.5)	—	—	(1.1)	0.6	(5.0)
Restructuring costs	**(35.7)**	**—**	**(0.2)**	**(3.3)**	**(36.9)**	**(76.1)**
EBITDA	**392.5**	**3.3**	**7.8**	**(72.9)**	**(85.6)**	**245.1**
Result of non-current asset derecognition	(2.6)	—	2.0	(3.3)	(21.3)	(25.2)
Impairment of non-current assets	(11.0)	(0.4)	—	(1.3)	4.6	(8.1)
Depreciation and Amortisation	(243.5)	(2.7)	(5.8)	(61.6)	—	(313.6)
EBIT	**135.3**	**0.2**	**4.0**	**(139.1)**	**(102.3)**	**(101.9)**
Results from monetary position	—	—	—	141.6	—	141.6
Income tax	(10.0)	—	(0.6)	0.4	—	(10.2)
Net financial results	(66.4)	(0.4)	(3.3)	(33.6)	(4.5)	(108.2)
Result for the period	**58.9**	**(0.2)**	**0.1**	**(30.7)**	**(106.8)**	**(78.7)**

2023 (millions of euros)	Spain without Clarel	Clarel	Portugal	Argentina	Brazil	Group Total
Adjusted EBITDA	**184.2**	**12.2**	**14.9**	**59.5**	**(55.2)**	**215.6**
IAS 29 hyperinflationary effect	—	—	—	(108.9)	—	(108.9)
IFRS16 effect on leases	158.9	12.3	23.1	16.5	44.1	254.9
Expenses related to the transfer of own stores to franchises	—	—	(0.2)	—	—	(0.2)
Expenses related to the closure of stores and warehouses	5.8	(0.2)	—	(0.3)	(3.9)	1.4
Expenses related to efficiency processes	(20.9)	(0.4)	(0.3)	—	—	(21.6)
Other Expenses	(25.1)	—	—	(0.1)	(0.7)	(25.9)
Expenses related to long-term incentive plans	(4.2)	—	(0.6)	(1.2)	(0.6)	(6.6)
Restructuring costs	**(44.4)**	**(0.6)**	**(1.1)**	**(1.6)**	**(5.2)**	**(52.9)**
EBITDA	**298.7**	**23.9**	**36.9**	**(34.5)**	**(16.3)**	**308.7**
Result of non-current asset derecognition	56.3	(2.5)	(0.5)	(14.9)	(5.3)	33.1
Impairment of non-current assets	16.2	(9.8)	(0.8)	(0.9)	(60.3)	(55.6)
Depreciation and Amortisation	(232.5)	(10.8)	(26.7)	(33.0)	(49.1)	(352.1)
EBIT	**138.7**	**0.8**	**8.9**	**(83.3)**	**(130.9)**	**(65.8)**
Results from monetary position	—	—	—	114.4	—	114.4
Income tax	36.1	(1.1)	(1.0)	(31.2)	—	2.8
Net financial results	(53.3)	(1.9)	(9.1)	6.1	(23.5)	(81.6)
Result for the period	**121.5**	**(2.2)**	**(1.2)**	**6.0**	**(154.4)**	**(30.2)**

Information by country

Spain

Spain (millions of euros)	2024	%	2023	%	Change
Gross sales under banner	**5,123.0**		**4,855.8**		**5.5%**
Like-for-like sales growth	5.6%		10.7%		
Net sales	**4,264.9**		**4,046.3**		**5.4%**
Adjusted EBITDA	**265.7**	**6.2%**	**193.5**	**4.8%**	**37.3%**

- Gross sales under banner in Spain achieved two consecutive years of growth, and advanced by 5.5% to 5,123.0 million euros, with an increase in comparable sales of 5.6%, exceeding inflation (2.8%) and above the market (4.0%).
- Sales growth is driven by a sustained increase in the number of tickets (+7.1% compared to 2023) and by a balanced offering of Dia products and national brands.
- Adjusted EBITDA grows 41.6% to 265.7 million euros.
- The total number of stores reached 2,302 after a net reduction of 16 stores.
- 66% of the store network is with franchisees.
- Customer NPS improves 17% compared to 2023.
- The online business exceeds 200 million euros, reaching a digitalization of 50% of customers, with e-commerce already representing 5% of total sales.

Argentina

Argentina (millions of euros)	2024	%	2023	%	Variation
Gross sales under brand	**1,778.3**		**1,886.0**		**(5.7)%**
Comparable sales growth	(17.1)%		(1.2)%		
Net sales	**1,615.4**		**946.3**		**70.7 %**
Adjusted EBITDA	**26.1**	**1.6%**	**59.5**	**6.3%**	**(56.1)%**

- Comparable sales were strongly impacted in '24 (-17.1%) by the fall in consumption (-14%) and the devaluation of the peso (in local currency, growth was +220%, higher than inflation for the period).
- Despite the drop in sales, the impact on Adjusted EBITDA and margin has been reduced thanks to strong control over expenses, maintaining profitability at around 2% of net sales.
- Total park reaches 1,041 stores after a net reduction of 7 stores.
- Despite the -14% drop in consumption, the decrease in the number of tickets is -1.4%, while Dia brand products gain weight in the basket
- Customer NPS continues to reach historical highs for the business (73 in 2024 vs 66 in 2023 and 63 in 2022).
- Advances in omnichannel are notable. Digital customers accounted for 41% of total customers and online sales accounted for 1.3% of total sales.
- Market share gain on a comparable basis +0.5 pp, with growing number of customers.

Store Overview

Dia Group	Own	Franchises	Total
Total stores as of December 31, 2023	2,471	2,937	5,408
New openings	1	12	13
Net transfers from own stores to franchises	(18)	18	—
Exit from the perimeter	(1,090)	(601)	(1,691)
Closures	(327)	(60)	(387)
Total Dia Group stores as of December 31, 2024	**1,037**	**2,306**	**3,343**

The total portfolio reached 3,343 stores after a net reduction of 2,065 stores (374 excluding exits from the perimeter). The franchise mix reached 69% of the network (+14.7 pp compared to 2023).

At 31 December 2023, this included 1,048 Brazil and Portugal stores, which left the Group during 2024 (607 company-owned and 441 franchises). Net transfers of company-owned stores to franchises in these countries were 20 company-owned and -20 franchises. The closures were -309 company-owned and -40 franchises, and the exit from the perimeter was -318 company-owned and -381 franchises.

Spain	Owned	Franchises	Total
Total stores at 31 December 2023	1,612	1,700	3,312
New openings	1	8	9
Net transfers of owned stores to franchises	(37)	37	—
Closings	(14)	(11)	(25)
Exit from the perimeter of the Clarel business	(772)	(222)	(994)
Total Spain stores at 31 December 2024	**790**	**1,512**	**2,302**

The total portfolio reached 2,302 stores after a net reduction of 1.010 stores (16 excluding the exit from the perimeter).

Argentina	Owned	Franchises	Total
Total stores at 31 December 2023	252	796	1,048
New openings	—	4	4
Net transfers of owned stores to franchises	(1)	1	—
Closings	(4)	(7)	(11)
Total Dia Argentina stores at 31 December 2024	**247**	**794**	**1,041**

The total portfolio reached 1,041 stores after a net reduction of 7 stores.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The available liquidity at 31 December is as follows:

(millions of euros)	2024	2023	Change
Cash and cash equivalents	333.0	131.1	201.9
Available credit facilities	149.0	188.4	(39.4)
Available liquidity	**482.0**	**319.5**	**162.5**

Financial debt

(millions of euros)	2024
Non-current financial debt	518.2
Non-current lease liabilities	233.7
Current financial debt	36.4
Current lease liabilities	197.2
Cash & Cash equivalents	(333.0)
Interest rate hedging derivatives	—
Total net debt	**652.5**
IFRS 16 lease effect (debt)	(411.1)
Net financial debt	**241.4**

(millions of euros)	2023 with Clarel, large format stores and Portugal not reclassified to discontinued operations	Clarel business	Large format stores business	2023 without Clarel and large format stores, reclassified to discontinued operations
Non-current financial debt	458.6	(1.1)	—	457.5
Non-current lease liabilities	346.7	(8.3)	(53.0)	285.4
Current financial debt	116.9	—	(39.6)	77.3
Current lease liabilities	167.4	(10.2)	(13.5)	143.7
Cash & Cash equivalents	(165.4)	4.1	30.2	(131.1)
Interest rate hedging derivatives	(2.5)	—	—	(2.5)
Total net debt	**921.7**	**(15.5)**	**(75.9)**	**830.3**
IFRS 16 lease effect (debt)	(499.5)	17.7	66.3	(415.4)
Net financial debt	**422.2**	**2.2**	**(9.6)**	**414.9**

The actual gross drawn down debt maturity profile at 31 December 2024, excluding IFRS 16, was 611.1 millions of euros (574.4 millions excluding the capitalization of financial expenses for an amount of 36.7 millions).

(millions of euros)	2025	2026	2027	2028	2029	2030 onward	Total
Debentures and bonds	32.2	—	—	—	—	—	32.2
Syndicated financing	—	13.3	25.8	24.5	471.4	—	535.0
Other current financial debts	3.3	—	—	—	—	19.9	23.2
Interest debt	0.9	—	—	—	—	—	0.9
Gross debt	**36.4**	**13.3**	**25.8**	**24.5**	**471.4**	**19.9**	**591.3**
Lease liabilities	11.3	4.1	2.2	1.4	0.8	—	19.8
Total gross financial debt	**47.7**	**17.4**	**28.0**	**25.9**	**472.2**	**19.9**	**611.1**

Working capital

Working capital at a Group level during 2024 improved 14 millions of euros.

(millions of euros)	2024	2023	Change
Inventory	290.0	315.0	(25.0)
Trade debtors and other receivables	133.1	161.2	(28.1)
Trade creditors and other accounts payable	1,025.1	1,091.5	(66.4)
Working capital	**(602.0)**	**(615.3)**	**13.3**

The Group did not enter into any non-recourse supplier trade receivable assignment agreements in 2024. The Group entered into non-recourse supplier trade credit assignment contracts in 2023 amounting to 11.6 million euros. At year-end 2024, the amount of confirming used by the Group stood at 178.3 millions of euros (December 2023: 206.3 millions of euros).

Analysis of contractual obligations and off-balance sheet operations

Commitments delivered and received by the Group but not recognised in the consolidated statement of financial position comprise contractual obligations that have not yet been executed. At 31 December 2024, commitments delivered amounted to 25 millions of euros (31 December 2023: 66 millions of euros). The details and nature of these commitments are set out in Note 21.1. to the Consolidated Annual Accounts.

MAIN RISKS AND UNCERTAINTIES

Financial risk management is centralised in the Group's Senior Management, which, through the Group's Finance Management, in close collaboration with the operating units, oversees management and verifies that financial risk-taking activities are regulated by corporate policies and procedures approved by the Board of Directors as well as ensuring financial risks are identified, measured and managed in accordance with these policies.

The Group's Finance Management has established the necessary mechanisms to control the exposure to changes in interest and exchange rates, as well as credit and liquidity risk in accordance with the structure and financial position and the economic variables of the environment, resorting to hedging transactions if necessary. The Group's main financial risks and corresponding policies are described below:

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities when due.

The Group carries out prudent management of liquidity risk, based on having sufficient cash and marketable securities, the availability of finance with a sufficient amount of credit facilities undertaken, and sufficient capacity to settle market positions. Given the dynamic nature of its underlying business, the Group's Finance Department aims to be flexible with regard to financing with drawdowns on credit facilities taken out.

A portion of the Group's trade debtors is included in the Group's supplier financing arrangements and are, therefore, to a single counterparty (the syndicated creditors) and not to individual suppliers. This results in the Group having to settle a significant amount with a single counterparty, rather than less significant amounts with several counterparties. However, the Group's payment terms for trade payables covered by the agreements are identical to those for other trade creditors. In addition, the Group has sufficient liquidity to meet the available amount of the confirming and, therefore, the latter does not represent a risk factor. For more information on these agreements, see Note 15.3 of the Consolidated Financial Statements.

Liquidity risk is monitored by a Cash Committee which meets every two weeks to check that the Group's financing requirements are covered by the resources available.

Note 23.1 to the Consolidated Annual Accounts details the Group's exposure to liquidity risk at 31 December 2024 and 2023.

Cash flow interest rate and fair value risks

The Group's interest rate risk arises from fluctuations in interest rates that affect the financing costs of long-term debt issued at variable rates.

The Group contracts various interest rate hedging transactions to mitigate its exposure, in accordance with its Risk Management Policy. At 31 December 2023, derivatives are contracted with external counterparties to hedge the interest rate risk of long-term financing. Hedge accounting is applied in all cases where the required criteria are met.

During 2024, fixed-rate debt as a percentage of the volume of average gross debt totalled 72%, compared with 63% in the previous year.

On the other hand, the Group's policy for financial assets is to keep them available for use. These balances are held in financial institutions with high credit ratings.

The sensitivity of the result considering a 50 b.p. increase in interest rates for all maturities would have resulted in a change in the net result of 431 thousands of euros in financial year 2024 (84 thousands of euros in financial year 2023).

Currency risk

Foreign currency transaction risk is the risk that an unfavourable change in exchange rates will have an adverse effect on cash flows from commercial transactions denominated in a foreign currency (a currency other than the functional currency of the entity making the transaction).

The Group conducts its international operations through subsidiaries in Argentina and Brazil, which operate mainly in their home country, so that purchases and sales are denominated almost exclusively in the local currency. The Group's exposure to foreign exchange risk in commercial transactions is therefore mainly naturally hedged. The small exposure is generated from the import of products. In accordance with Group policy, these imports must be hedged wherever possible using currency hedges, which are generally for periods of under 12 months. There were no exchange rate hedges at year-end.

In addition, at 31 December 2024, the balances with Group companies that the Spanish subsidiaries maintain with their subsidiary in Argentina amount to 4,709 thousand euros (at 31 December 2023: 2,734 thousand euros) and there is no financing in euros.

Currency translation risk is the risk that an unfavourable change in exchange rates will reduce the value of the net assets of a subsidiary whose functional currency is not the euro. The consolidated statement of financial position and the consolidated income statement are exposed to currency translation risk.

Had the Argentine peso devalued/appreciated by 10%, changes in translation differences would have been +/-6.86%, respectively.

Credit risk

Credit risk is the risk faced by the Group should a customer or counterparty to a financial instrument fail to meet its contractual obligations, and arises mainly from the Group's trade debtors and investments in financial assets.

The Group does not have significant concentrations of credit risk. The risk of concentration is minimised with diversification, managing and combining various areas of impact. Firstly, there are different types of customers such as franchisees and retail customers; and secondly, there is a trade portfolio with a certain geographical distribution. The Group believes that the evolution of macroeconomic conditions would not have significant impacts on estimated credit risk.

The Group has policies to ensure that wholesale sales are made to customers with an adequate credit history. Sales to retail customers are made in cash or by credit card. Derivative transactions are only arranged with financial institutions that have a high credit rating in order to mitigate credit risk. The Group has policies to limit the amount of risk with any one financial institution.

The Group's credit risk is due to its operations with most of its franchisees and is mitigated by the deposits linked to the 2020 franchise management model mentioned in Notes 8.1 and 15.4 to the Consolidated Annual Accounts and the guarantees and collateral received mentioned in Note 21.2 to the Consolidated Annual Accounts.

Non-current accounts receivable correspond to the financing of the franchisee's starting inventory, which is repaid on a monthly basis according to the business's cash generation profile. This funding of the initial inventory order corresponds to the previous Dia franchise model, which was essentially based on payment for the delivery of goods. Current accounts receivable correspond to the financing of the supply of goods and to maturities of less than 12 months from the initial financing of the previous model. With the change of franchise management model introduced in 2020, the franchisee pays for the sale of both initial stock and recurring sales and not for the goods invoiced at the time of receipt, i.e. the collection is based on the cash generated at the franchisee's point-of-sale terminal, so the entire debt is recognised as current.

The Group did not enter into any non-recourse supplier trade receivable assignment agreements in 2024.

Note 23.4 to the Consolidated Annual Accounts details the Group's exposure to credit risk at 31 December 2024 and 2023.

The returns generated by these financial assets in the year amounted to 5 thousand euros (2023: 27 thousand euros).

The maturity analysis of trade debtors and other receivables is shown in Note 23.4 to the Consolidated Financial Statements, while the impairment policy is set out in Note 8 to the Consolidated Annual Accounts.

SUBSEQUENT EVENTS TO THE CLOSE OF THE PERIOD

On 27 December 2024, the Extraordinary General Shareholders' Meeting approved the Dia contrasplit, whereby (i) all the shares into which the Company's share capital is divided are grouped and cancelled in order to exchange them for newly issued shares in the proportion of one (1) new share for every one thousand (1,000) old shares, increasing the unit par value of the shares from 0.01 euros to 10.00 euros, and (ii) prior to the execution of the contrasplit, reduce the Company's share capital by 0.79 euros through the redemption of seventy-nine (79) treasury shares, each with a par value of 0.01 euros (the "technical capital reduction"). The capital reduction and contrasplit agreement was executed by Dia's Board of Directors on 8 January 2025, while its stock market effective date was 5 February 2025. Following the capital reduction and immediately prior to the contrasplit, the share capital is set at 580,655,340 euros, divided into 58,065,534,000 ordinary shares, each with a par value of 0.01 euros. Additionally, on February 7, 2025, the Company repurchased 6,636 excess shares from minority shareholders (in new shares) for a total amount of 117,457.20 euros, proceeding to a capital reduction by amortization for the same amount and simultaneously creating an unavailable reserve charged to the Company's free reserves for an amount equal to the nominal value of the shares redeemed in the technical capital reduction and in the capital reduction by amortization (Note 14.1 to the Consolidated Annual Accounts).

On 14 November 2024, Lyra II Fundo de Investimento em Participaçoes Multiestratégia (vendor) and Arila Fundo de Investimento Financeiro Multimercado (purchaser) signed a purchase agreement for 100% of the shares of Dia Brasil. According to the agreement, the Dia Group had to grant the necessary waivers for the service contracts between Dia Retail and Dia Brasil to remain in force despite the change of control in the Brazilian company. The agreed compensation for the Group was 10 million Brazilian reais. On 21 January 2025, the Group received 1,589 thousand euros from Lyra, as all conditions precedent of the purchase agreement had been fulfilled.

After the refinancing process carried out in December 2024, the Company notified the Paying Agent on 6 January 2025 of the decision to exercise the option to redeem all of the bonds issued early. The effective redemption date was 5 February 2025 and the total redemption amount was 32,378 thousand euros. This amount is made up of 30,800 thousand euros corresponding to the principal and 1,578 thousand euros in accrued interest (Note 15.1 to the Consolidated Annual Accounts).

INFORMATION ABOUT THE FORESEEABLE EVOLUTION OF THE GROUP

The Dia Group's future outlook involves:

1) Continuing organic growth in Spain and starting the store expansion plan:

- Gaining market share at national level supported by volume growth.
- Attracting more customers and increasing the frequency of purchases, increasing total spend in Dia, with Club Dia and continuous improvement of the selection and value proposition.
- Increasing digitisation, extending the coverage and services of the online business.
- Implementing operational improvements to improve profitability (logistics and technology).
- Executing the store expansion plan and exploring inorganic opportunities.

2) Gaining market share in Argentina while protecting profitability:

- Leveraging the strength of the local business based on proximity to navigate the current macroeconomic context, defend the profitability and gain market share.

3) Consolidating the improved financial profit/loss of the business:

- Continuing to improve profitability and increase cash generation capacity, returning to profit at consolidated level.

4) Presenting the Group's strategic plan during Capital Markets Day.

5) Increasing the visibility and perception of Dia's shares.

R&D ACTIVITIES

Since its creation, Dia has placed a strong emphasis on developing knowledge, management methods and business models that have allowed the Group to generate sustainable competitive advantages. Through franchising, Dia transfers all of its expertise to franchisees so that they can run a profitable and efficient business.

As established in IAS 38, Dia Group includes the development costs generated internally in the assets, once the project has reached a development phase, as long as they are clearly identifiable and linked to new commercial model projects and IT developments, to the extent that it can be justified that they will result in an increase in future profit for the Group.

The costs associated with R+D+i incurred by Dia during 2024 are, as a percentage, much smaller compared to the rest of the costs incurred from developing activities within its company purpose.

The amount activated in 2024 is 3.5 millions of euros, corresponding to the capitalisation of IT developments in Spain (4 millions of euros in 2023).

ACQUISITION AND DISPOSAL OF OWN SHARES

The movement in own shares during 2024 and 2023 is as follows:

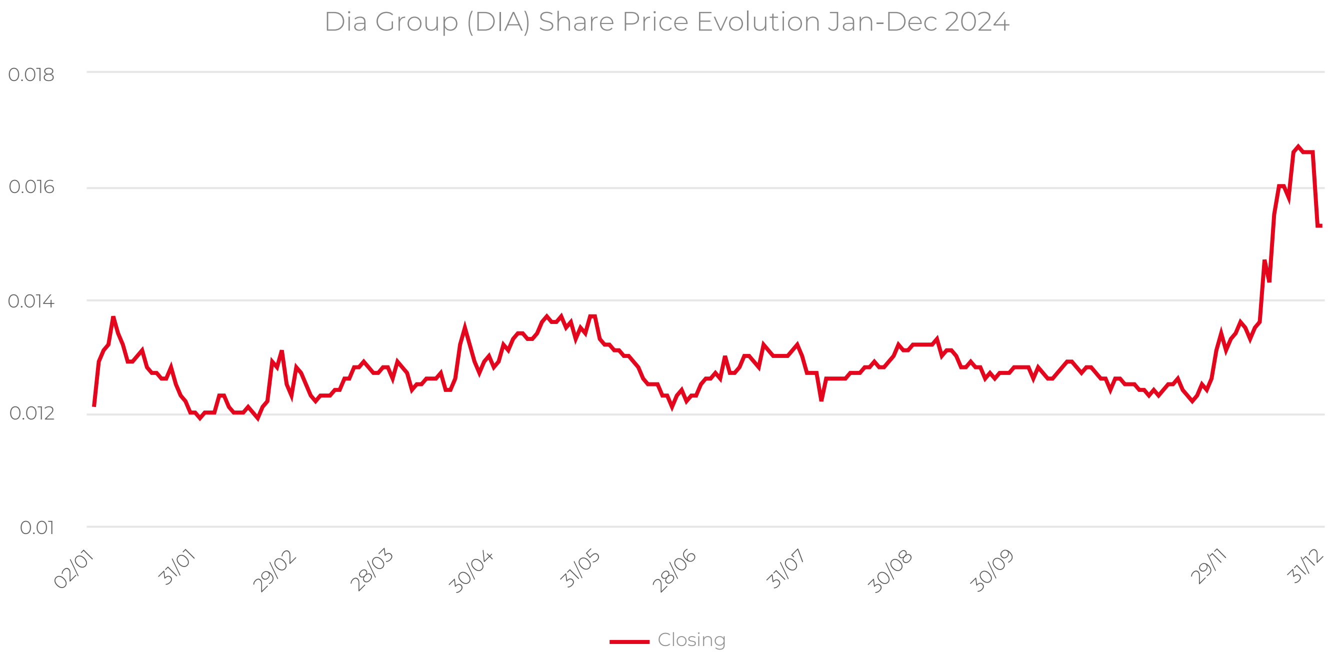
	Number of shares	Average price	Total
At 31 December 2022	**23,699,636**	**0.1329**	**3,149,788.91**
At 31 December 2023	**23,699,636**	**0.1329**	**3,149,788.91**
Delivery of shares to Board members	(19,323,660)		(2,568,201.89)
At 31 December 2024	**4,375,976**	**0.1329**	**581,587.02**

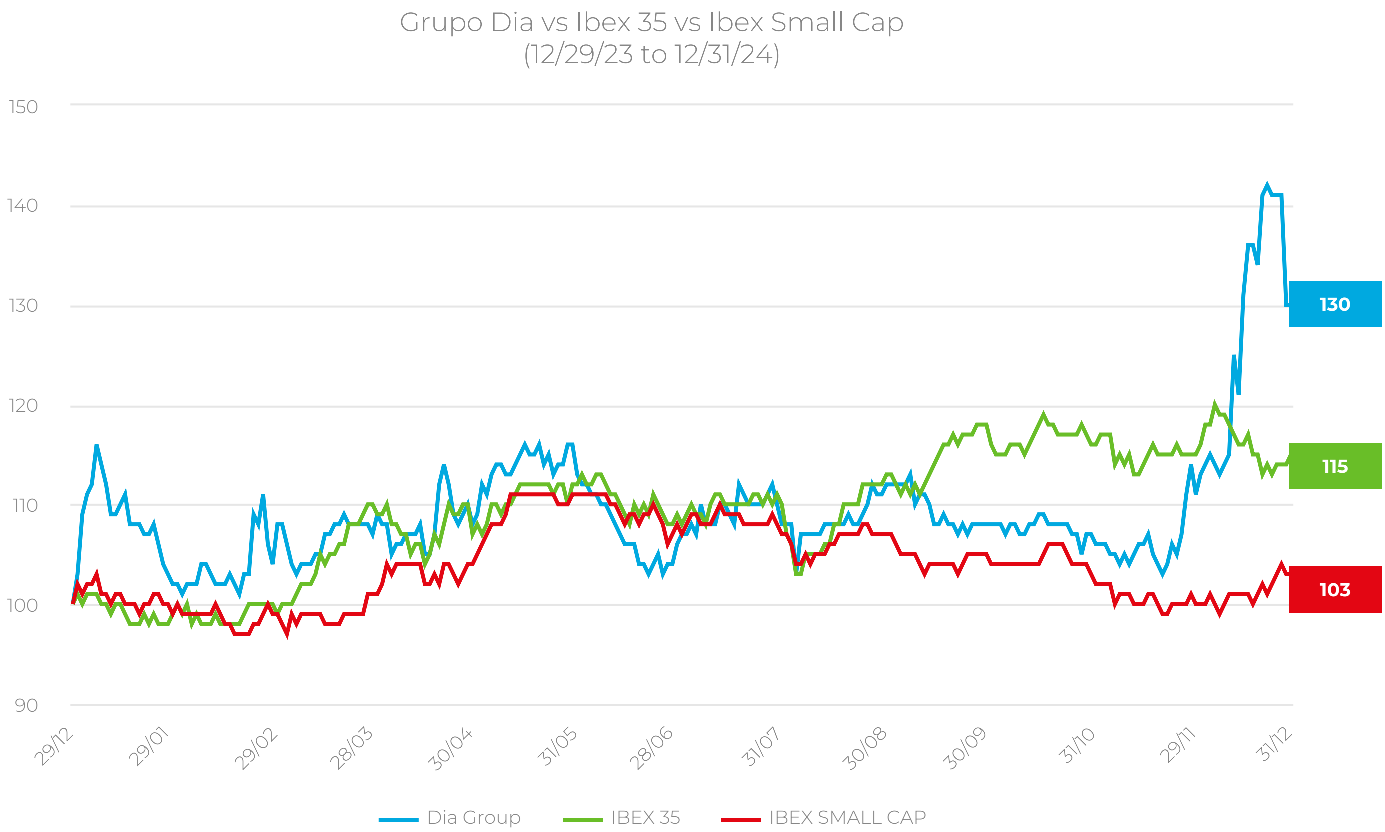
During financial year 2024, 19,323,660 shares valued at 2,568 thousand euros in own shares, net of withholdings, were distributed to directors as remuneration, the market value of which was 356 thousand euros. The difference between the net value of the shares delivered, due to the import of 2,316 thousand euros, and their value in own shares has been recorded by decreasing reserves.

The number of own shares in the Parent Company at 31 December 2024 and 2023 amounted to 4,375,976 and 23,699,636 shares, respectively, with a rounded average purchase price of 0.1329 euros/share representing a total amount at 31 December 2024 of 581,587.02 euros and 3,149,788.91 euros at 31 December 2023.

OTHER RELEVANT INFORMATION

Stock market information





Dividend distribution policy

The Group entered into a Syndicated Financing Agreement with various Financial Creditors signed on 27 December 2024, which includes a commitment not to distribute dividends from the Company to its shareholders until the New Syndicated Financing has been repaid in full (intra-group dividends are permitted, subject to a maximum cash balance restriction in Dia of 5,000 thousand euros).

Average payment period to suppliers

The information required by the Third Additional Provision of Spanish Law 15/2010 of 5 July as amended by the Resolution of 29 January 2016 of the Spanish Institute of Accounting and Auditing and by Spanish Law 18/2022 of 28 September on the creation and growth of companies, regarding the information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in the commercial transactions of the Dia Group's Spanish companies, is detailed below:

	2024	2023
	Days	**Days**
Average payment period to suppliers	44	43
Ratio of transactions paid	45	44
Ratio of transactions pending payment	33	34
	Amount in thousands of euros	**Amount in thousands of euros**
Total payments made	4,172,269	4,033,882
*Total payments pending	410,134	436,848

*This amount excludes unbilled receipts or invoices that have been used at year-end under the aforementioned confirming facilities.

The amount of payments made during the 2024 financial year in a period shorter than the maximum permitted is 2,776,814 thousand euros (67% of the total), corresponding to 718 thousand invoices (62% of the total).

The amount of payments made during the 2023 financial year in a period shorter than the maximum permitted is 2,379,741 thousand euros (59% of the total), corresponding to 612 thousand invoices (52% of the total).

The average payment period is calculated taking confirming facilities with suppliers into account.

Other information

Dia's Annual Corporate Governance Report and the Annual Report on Directors Remuneration are part of this consolidated management report and are available at www.diacorporate.com and published as other relevant information on the CNMV (Spanish National Securities Market Commission) website.

In accordance with Law 11/2018, of December 28, regarding non-financial information and diversity, the Dia Group has prepared the "Consolidated Non-Financial information statement and Sustainability Information" relating to the 2024 financial year, which, as established in articles 44 and 49 of the Commercial Code, is part of this report and which is attached as a separate document.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES (APMs)

When preparing the financial information reported internally and externally, Dia's Board of Directors has adopted a series of Alternative Performance Measures (APMs) to gain a better understanding of the evolution of the business. These APMs have been selected according to the nature of the Company's business and the APMs commonly used by listed companies in the sector internationally. Nevertheless, these APMs may or may not be totally comparable with those of other companies in the same industry. In any event, these APMs are metrics used by the company in its day-to-day management and are not intended to replace, or be more important than, the measures presented under IFRS regulations.

The purpose of these APMs is to help better the underlying performance of the business better using comparable information across different periods and geographic areas. APMs are therefore used by the Board of Directors and Senior Management for analysis, planning, reporting, and incentive-setting purposes.

Gross Sales under banner: total value of in-store turnover, including indirect taxes (value of till receipts) in all the Company's stores, both owned and franchised. This concept therefore includes, among others:

- Franchisees' sales to end customer. Net Sales record the value of sales of goods by Dia to the franchisee. In addition to the sale of goods and associated discounts and incentives, amounts invoiced as a percentage of the franchisee's final sales figure are recorded in net sales for licensed rights and ancillary technical and commercial assistance services, and for the provision for the assignment of commercial use and monthly operation of the 2020 franchise model.

- Mobile phone top-up transactions. Net sales only include the amount of commission associated with these transactions.

- Concessions' turnover from sales to end customer (meat and fish counters among others). In general, the concession-holder makes use of the point of sale space for which it is invoiced for a sublease recorded as "other income". In addition, Dia charges a commission to the concession-holder for point-of-sale terminal collection management, which is registered as "net sales". As for the purchase of goods, the concession-holder may purchase goods from a third party or purchase goods from Dia. Group net sales include sales of Dia goods to the concession-holder and the collection management fee. Gross sales under banner nonetheless include all sales by the concession-holder to the end customer.

In the case of Argentina, the Gross Sales under banner are adjusted using domestic price inflation to isolate the hyperinflationary effect.

Gross sales under banner is a metric used to monitor turnover at the Group's points of sale compared to its competitors in terms of market share and total sales to the end consumer.

RECONCILIATION OF NET SALES TO GROSS SALES UNDER BANNER

(millions of euros)	2024	2023	Change (%)
Net sales (Revenues)	**5,880.3**	**4,992.6**	**17.8%**
VAT	809.0	804.7	0.5%
Others	211.9	944.6	-77.6%
Domestic inflation adjustment in Argentina	—	—	n/a
Gross sales under banner	**6,901.2**	**6,741.9**	**2.4%**

The different components of the growth of Gross Sales under banner are broken down below - following adjustment for domestic inflation in Argentina - and include:

A) Comparable Sales Growth (Like-for-Like or "LFL"): the calculation of the LFL sales growth is performed daily and is based on the growth of the gross sales figure under banner for that day with respect to the same day of the period being compared and at constant exchange rates, for all stores that have operated for a period of over twelve months and a day under similar business conditions.

   A store is not considered to have operated under similar business conditions, and therefore does not form part of the LFL calculation basis, in the event that it has been temporarily closed throughout the period considered to carry out refurbishment work or has been significantly affected by objective external causes (e.g. force majeure events such as flooding, among others).

   As an illustrative example, if a store opened on 1 October 2023, its sales are excluded from the daily basis for LFL sales until 30 September 2024. From 1 October 2024 onwards, the store's sales will be considered in the basis of the LFL sales calculation, and for the purposes of assessing growth over the same period of the previous year, the store's sales on the same day of the previous year are taken into account. As an additional illustrative example, if a store remains closed for three days during the 2024 financial year for painting and cleaning tasks, the basis for calculation excludes sales by that store on the same days of the previous year when it was open.

   In addition, as indicated above, the gross sales figures under banner for Argentina have been adjusted previously using domestic inflation to reflect the LFL in volume terms, avoiding miscalculations due to hyperinflation.

   Like-for-Like comparable sales growth is used to analyse the evolution of sales in a period compared to a previous period for a comparable sales area and isolating the effects of changes in exchange rates.

B) The growth in gross sales is due to changes in the perimeter of stores due to openings and closures during the period.

C) Currency effect growth related to the devaluation or appreciation of the currencies in which the Group operates.

Gross profit: Profit calculated mainly by deducting from net sales and other income: (i) goods consumed and other consumables; (ii) impairment of trade receivables; and (iii) personnel costs, other operating expenses and lease expenses related to logistics activities, as set out in the reconciliation presented in the "Evolution and results of the businesses" section of this Management Report. This metric is used as an indicator of the return obtained from the sale of goods after deducting the acquisition costs of the goods sold, including the logistics costs incurred to deliver the goods to the point of sale, irrespective of the nature of the cost (personnel, other operating costs, etc.).

In its Management Report, the Group presents a functional profit and loss account in order, first of all, to show the operational performance of the activity once the logistics costs required to deliver the goods to the point of sale have been reclassified (including, among others, the cost of warehouse personnel and transport costs), which form part of the gross profit, and, secondly, to be able to isolate the restructuring costs and long-term incentive plans, which are exceptional in nature.

Adjusted EBITDA: Adjusted EBITDA is the net operating result (EBIT) plus amortisation and depreciation, net gains/(losses) on impairment of assets, gains/(losses) on disposal of non-current assets, restructuring costs (as described below), costs relating to the long-term incentive programme (LTIP) and the effects of applying IAS 29 and IFRS 16. Note 4 to the Consolidated Annual Accounts includes a complete reconciliation of Adjusted EBITDA with the headings on the consolidated income statement.

RECONCILIATION EBIT TO ADJUSTED EBITDA

(millions of euros)	2024	2023	Change
EBIT	(3.8)	1.6	(5.4)
Depreciation and Amortisation	305.2	265.4	39.8
Net Gain/(loss) on impairment of assets	12.3	(15.3)	27.6
Result of non-current asset derecognition	5.9	21.5	(15.6)
EBITDA	**319.6**	**273.2**	**46.4**
Restructuring costs	33.4	29.4	4.0
Long-term incentive program (LTIP)	5.6	5.4	0.2
IFRS 16 lease effect	(198.7)	(169.8)	(28.9)
IAS 29 hyperinflation effect	131.9	108.9	23.0
ADJUSTED EBITDA	**291.8**	**247.1**	**44.7**

Restructuring costs are considered to be costs that are exceptional by nature, either because they arise from events that cannot be controlled by the Company (e.g. costs incurred due to strike action or natural disasters) or because they concern one-off store/warehouse/central office restructuring plans and the procurement of one-off independent advisory services that are strategic to the Group. The main restructuring costs considered by the company are as follows:

- Costs and payments directly associated with scheduled store/warehouse/central office restructuring or closure plans and the conversion of owned stores into franchised stores and vice versa. These costs mainly include compensation to staff and penalties for early termination of lease agreements.

- Occasionally, other strategic advisory costs such as those associated with drawing up strategic plans or the refinancing of financial debt.

The IFRS 16 effect on leases of 198.7 millions of euros and 169.8 millions of euros in 2024 and 2023, respectively, corresponds to costs that would have been accounted for as lease expenses had IFRS16 not been implemented, taking into account discontinued operations. The difference between these amounts and the payments for leases according to Note 7.2) on the Consolidated Annual Accounts, Financial debt, amounting to 205.4 millions of euros and 177.9 millions of euros in 2024 and 2023, respectively, is due to the fact that the payments include financial leases that were already part of property, plant and equipment before the application of the new standard, as well as adjustments for hyperinflation and others.

LEASE EXPENSES IF NOT APPLYING IFRS 16

		Re-presented (*)
(millions of euros)	2024	2023
Lease expenses if not applying IFRS 16	**198.7**	**169.8**
Lease payments for financial leases prior to the implementation of the standard	7.0	8.4
Others	(0.3)	(0.3)
Lease payments for financial leases (Note 7.2)	**205.4**	**177.9**

The IAS 29 effect represents the impact of hyperinflation in Argentina based on the application of indices and involving the use of the closing exchange rate of the period instead of the average exchange rate, for the conversion of each of the income statement lines to euros. This effect is adjusted in the calculation of the Adjusted EBITDA as if it were not a hyperinflationary economy and in this way be able to evaluate the behaviour of business unit activity evolution.

The Adjusted EBITDA attempts to explain the Group's operating performance by isolating those non-operational effects that are exceptional in nature or are effects arising from the application of specific accounting regulations (application of IFRS 16, IAS 29), restructuring costs and incentive plans.

EBIT: coincides with the Results from Operating Activities of the Consolidated Income Statement.

Capex: investment calculated as the sum of additions of property, plant and equipment and other intangible assets as described in Notes 5 and 6 to the Consolidated Annual Accounts. Capex is a measure of the Company's investment in fixed assets to contribute to the future growth of its business.

INVESTMENT RECONCILIATION

(millions of euros)	2024	2023	Change (%)
Additions-Property, plant and equipment	99.1	120.5	-17.8%
Additions-Other intangible assets	13.9	16.1	-13.7%
Total Group investment	**113.0**	**136.6**	**-17.3%**

Net financial debt: The Company's financial position calculated by deducting the total value of current and non-current financial debt, the total value of cash and cash equivalents, the interest rate hedge derived asset and the debt on leased assets already in place at 31 December 2018 as indicated in Note 7.2 and Note 15.1 to the Consolidated Annual Accounts.

Net financial debt is an indicator of the Group's financial debt levels excluding liabilities relating to finance leases that result from applying IFRS 16.

Available liquidity: this is the result of adding together the cash and cash equivalents as described in Note 12 to the Consolidated Annual Accounts, and the undrawn balance of available lines of finance and confirming described in Note 21 of the Notes to the Consolidated Annual Accounts. Available liquidity is a metric used to measure the Group's capacity to meet its payment commitments using available liquid assets and finance.

Working Capital (trade): this is the sum of inventories and trade creditors and other receivables less the total Inventories and trade debtors and other accounts receivable. Working capital is a metric used to measure the level of enforceability to meet payment of short-term trade commitments.

In the retail sector, this parameter tends to be negative given the fast rotation of produce in stores and the fact that customer collection periods are very short compared to supplier payment terms.

Consolidated Non-Financial and Sustainability Statement

2024

Distribuidora Internacional de Alimentación, S.A..
and Subsidiaries
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Index

1 Welcome to Dia Group

1.1. Letter from the Chairman of the Board of Directors of Dia Group

Committed to sustainable long-term value creation

The completion of Financial year 2024 marks an important pivotal moment for Dia Group. A moment when we can look past the operational and financial transformation of the last several years and now turn decisively to a future focused on growth and the pursuit of market leadership.

Today, Dia is a stronger, more focused business than it was one, two and five years ago. Today, Dia has two outstanding franchises in Spain and Argentina and a strong capital structure. It is poised for a new growth trajectory.

On behalf of the Board, I want to take a moment to thank each of you for your unwavering belief in Grupo Dia. We have followed our strategic roadmap with precision under the firm guidance of an experienced Board and the relentless focus on performance by the management team. The path has not been easy but the results could not be clearer. More customers are choosing Dia. We are now seeing a consistent increase in customer, employee and franchisee satisfaction, a rise in market share, and continuous improvement in our financial performance. We have become a leaner, stronger, and more profitable business, delivering value to every stakeholder. We have taken actions to position our shares to better reflect the value of the business and we are seeing the benefits of these actions. We have more to do.

This success is not just about numbers. It is also about the people at Grupo Dia and their passion for serving our customers every day. I would like to express our sincere gratitude to the commitment and support shown by all our customers, employees, franchisees, suppliers, shareholders and investors during our transformation.

While we are all proud of what has been accomplished, Grupo Dia must now look forward and take the business to its full potential to become the unquestioned market leader. Furthermore, we must communicate our story broadly to ensure investors and all stakeholders fully appreciate the sustainable long term value being created.

We have an exciting year ahead of us in 2025. The Management Board will present the ambitions for the business at Grupo Dia's first Capital Markets Day in eight years. Just as manage, ment will set out our plans to re-new the growth focus for the business we will also be taking steps to re-align our governance to ensure we have the skills and representation to drive tomorrow's success. A strong alignment of interest with management has been put in place to ensure there is a clear focus on the delivery of sustained long term performance for Dia and its shareholders. Dia's Directors receive a significant component of their remuneration in shares, unlike most public companies in Spain.

I would like to express our sincere gratitude to the commitment and support shown by all our customers, employees, franchisees, suppliers, shareholders and investors during our transformation

Dia's ambition—to be the preferred food retailer in each neighbourhood and online – to be the leading proximity retailer in our markets — will be achieved by our employees, franchisees and suppliers working together, focused on our customers, collaborating, innovating, bringing a growth mindset to the business. The reward will be sustained long term value creation. At this pivotal moment, accomplishments of 2024 are a clear demonstration of how much higher we can take Grupo Dia.

Thank you for your commitment to Dia Group and its truly exciting future.

Benjamin Babcock
Chairman of the Board of Directors of Dia Group

1.2. Letter from the Global CEO

2024, a year that strengthens our leadership in proximity

Dia faces an extraordinary future. In 2024, we have completed a crucial stage of business transformation and simplification, creating two strong growth platforms in the business in Spain and Argentina. In addition, we have reached a refinancing agreement one year before the debt maturity, a milestone that provides us with a solid capital structure for the next strategic stage and reinforces our ambition to be the favourite neighbourhood and online store for local residents.

In Spain, the year has seen the consolidation of our exceptional omnichannel value proposition, which is committed to offering a balanced assortment between the most recognised national and international brands and top-quality Dia products, gives prominence to fresh and local food and a team that wants to offer better service every day. Thanks to our tireless commitment to the customer, we have won over new customers who visit us more frequently. More and more people come to our stores and online channel because they trust Dia and, more importantly, they decide to stay and make us their ally. It gives us great pride to feel like such an important part of millions of households.

In Argentina, we have faced a challenging year due to a macroeconomic context that has had a severe impact on household consumption. Millions of Argentines have trusted Dia in a complex year and we are very grateful that we have managed to meet their expectations. The strength of our brand, the commitment and professionalism of our team in navigating the uncertainty have allowed us to achieve progress in market share in volume and comparable area.

These accomplishments renew our determination to accelerate growth. At Dia, we will strengthen our focus on being closer to households every day, winning over and capturing more and more customers, and thus boosting the local economy.

I would like to thank our team, franchisees and suppliers for their daily commitment to making Dia's value proposition unique. Going forward, we will continue to improve the future performance of the business. A joint effort of great value to fulfil our commitment to customers, the community and shareholders. Thank you all for being part of this exciting journey.

More and more people come to our stores and online channel because they trust Dia and, more importantly, they decide to stay and make us their ally

Martin Tolcachir
Global CEO of Dia Group

Q&A with Martin Tolcachir

QUESTION: What do you think are the main milestones achieved in 2024?

ANSWER: It has undoubtedly been a year of great importance for the present and future of Dia. Completing the Company's turnaround and perimeter simplification stage has required making decisions that have not been easy, but were the right ones to give the Company a solid and profitable base. Added to this is the fact that we achieved the refinancing of the syndicated debt one year before its maturity.

These are two milestones that allow us to begin 2025 with the necessary energy and resources to make progress in our vision and I am very grateful to the whole team for the great effort and the commitment they have shown to get to this point. And I extend my thanks to all our customers, franchisees, suppliers, shareholders and investors. Their support and trust is key to Dia's success.

In 2024, uncertainty has continued to impact consumer habits. How has Dia handled this situation?

A The distribution sector is dynamic and competitive, it forces you to always be ready to change course. If we add to this other factors that add uncertainty, the best we can do for our customers is to work towards their satisfaction, be their ally in times when we are aware that they have to trim their budgets, but do not want to sacrifice quality.

That is why Dia, as a long-standing ally of household savings, maintains its commitment to freedom of choice by offering a balanced assortment of national and international manufacturer brands and Dia products of the highest quality. To this we add a powerful savings lever in the form of Club Dia, which we have improved and expanded to offer an even more personalised experience.

> We face the future of Dia with renewed enthusiasm. We want to take customer satisfaction to a new level and we will put all our efforts into achieving this.

Q: In four years, we have renewed more than 3,000 Dia products in terms of quality and image, succeeding in winning over customers again. What is the next step for the private label?

A Dia products have been part of household pantries in Spain and Argentina for decades. They have earned their position of trust thanks to their quality at an affordable price. We are proud of the complete transformation of our product range, raising its quality and its perception as a modern and attractive brand. After rethinking the product range and creating entire new product categories, we are at an exciting stage where we aim to surprise our customers with innovations that make their daily lives easier. From new products, with ranges aimed at special needs, to convenient formats and presentations, aligned with current consumer trends.

Q: What are your sustainability priorities for the coming year?

A The focus for 2025 is on going ahead with the execution of our Strategic Plan 'Every day counts', focused on four lines: development of the local economy; promotion of a diverse and inclusive culture; care for our natural environment; and driving a more sustainable value chain. The first two encompass our priority commitments to generate differential value and we will address them through initiatives in our Eat Better Every Day program and by supporting job creation through our franchise network.

In addition, aware of the need to mitigate the impact of our operations on the natural environment, we will make progress in decarbonising the business and continuing to reduce food waste through prevention.

Q: What challenges does Dia face in 2025?

A We face the year with renewed enthusiasm. We have the ambition to be the favourite online and local food store in every neighbourhood and, to achieve this, the efforts and focus of our team will be on our customers. We want to get to know them better every day, so that every time they come to our store or access the online channel, they have the best possible experience, always finding a range that satisfies their tastes and needs and with attention and service that will make them come back. We want to raise their satisfaction to a new level and we are going to put all our efforts into achieving this.

2 Basis for preparation of the Consolidated Non-Financial and Sustainability Statement (ESRS-2)

2.1 Basis for preparation (BP-1)

This Consolidated Non-Financial and Sustainability Statement is part of the Consolidated Management Report for 2024 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[1]. It sets out the Company's business strategy in a detailed, clear and transparent manner and combines its financial and sustainability information, highlighting the issues that are relevant to the Group.

It has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) adopted by the European Union through Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34 / EU of the European Parliament and of the Council as regards to sustainability reporting standards. Directive (EU) 2022/2064 of the European Parliament and of the Council of 14 December 2022, known as the "CSRD" (hereinafter the "CSRD"), introduces amendments to the Code of Commerce, the Companies Act (Consolidating Act), the Accounts Auditing Act and its implementing regulation. At the year end (31/12/2024) and at the date of submission of the report (28/02/2025), the aforesaid Directive has not been transposed into the national legislation of Spain, the country in which the head office of the parent company the Report refers to is located and where the Company is listed on the Continuous Market of the Stock Exchanges of Madrid, Barcelona, Valencia and Bilbao.

As the deadline for transposition established by the European Union has passed, and in accordance with the recommendations received from the National Securities Market Commission (CNMV), the Company voluntarily and following the established format presents its "Consolidated Non-Financial and Sustainability Statement" under the reporting requirements set out in the CSRD and in Commission Delegated Regulation 2023/2772 of 31 July 2023 (ESRS Requirements).

With this "integrated" approach, in addition to information on the Group's financial position, the information necessary to understand the impact of the Dia Group's activity regarding environmental, social and employee-related issues is also provided.

The Directors of the Company expect that the Consolidated Non-Financial and Sustainability Statement 2024, which was drawn up on 27 February 2025, will be approved by the General Shareholders' Meeting without modification. The Consolidated Non-Financial Information Statement for the year 2023 (current Consolidated Non-Financial and Sustainability Statement) was approved at the General Shareholders' Meeting held on 28 June 2024 and filed at the Mercantile Registry of Madrid.

The Consolidated Non-Financial and Sustainability Statement has been prepared by the Board of Directors of the Dia Group and signed by all its members.

2.1.1 Contents

The definition of the Report's content is based on the matters that are relevant to the Dia Group's activity, its value chain and its main stakeholders, based on the Double Materiality Analysis carried out during the year, paying special attention to the provisions of Commission Delegated Regulation (UE)23/34 of the European Parliament and of the Council as regards sustainability reporting standards.

The Company has different systems for dialogue with its stakeholders, which are a source of analysis in defining the relevant content to be included in the Report. The results of this communication allow the mechanisms to identify their needs to be kept active, as well as allowing us to monitor the commitments made and the degree of compliance with the challenges posed in previous years.

In terms of reporting quality, Dia Group seeks to convey balanced information, reflecting both the positive and negative aspects of its performance in the key materiality areas identified in 2024, offering its stakeholders how material matters have evolved over time for their knowledge and comparability with other companies and industries.

2.1.2 Scope

The information reported corresponds to a control perimeter aligned with the parent company and subsidiaries that consolidated in the Consolidated Annual Accounts. This scope corresponds to the consolidated perimeter. However, certain indicators also include a reporting perimeter with a scope that may also include information pertaining to franchises. In such cases, this scope will be explicitly indicated where appropriate.

Furthermore, information regarding chapter S1 "Own workforce" includes figures of FTEs (Full Time Equivalents) for all types of own employees identified. In this regard, it should be noted that the figures for salaried Own Workforce include all types of workers (except interns) reflected in Dia Group's ERP management system.

In the case of information on energy and water consumption, as well as on the carbon footprint (scope 1, 2 and 3), the data are reported in accordance with the consolidated perimeter, including franchises. In this regard, the main environmental impact of Dia Group derives from the activity carried out in its stores.

[1] As in the previous year, the entire perimeter of companies that make up the Dia Group is 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 Management Report. The figures stated throughout this report include the part of the activities sold during the year (Clarel, Portugal and Brazil) up to the respective dates of exit from the Group, as in Consolidated Annual Accounts, unless otherwise specified. Appendix 1 includes a breakdown of all the Group's key performance indicators without these three divisions. Where indicators refer to the company's value chain (mainly Dia Group's franchise network and its suppliers), this is indicated appropriately.

In those cases where the scope of the information varies from the criteria described above, this will be explicitly indicated.

It should be noted that this year the Company has not chosen to omit a specific element of information on intellectual property, know-how or results of innovation, and has not opted to omit the disclosure of imminent events or matters under negotiation.

2.1.3 Principles governing the preparation of the Sustainability Statement

This Consolidated Non-Financial and Sustainability Statement contains consolidated sustainability information with quantitative indicators and measurement data and qualitative information on the Company's sustainable management. In accordance with the provisions of Appendix B of ESRS 1, the process followed in preparing it has been guided by the following principles:

- Accuracy: the information presented reflects data in both quantitative and qualitative terms in a detailed and consistent manner, allowing stakeholders to evaluate the Company's impacts.
- Balance: the information contained in the Report is presented without bias, representing the positive and not so positive impacts of the Company's performance in order to prevent the information presented from inappropriately affecting the conclusions or evaluations of the users of the information.
- Understandability: the information contained in the Report is presented in a clear, accessible, comprehensible and concise manner. This allows any interested party to understand the information communicated.
- Relevance: the information presented is explained in the current market context and in a connected manner. It allows users to relate the information, providing them with the necessary data for decision making.
- Comparability: the information provided contains references to previous years so that the main stakeholders can analyse the evolution of the Company's performance. It also allows for comparability with the performance of other organisations. Consistency contributes to achieving comparability.
- Completeness: the Company reflects the main impacts identified as material, as well as the different actions and measures that Dia Group is carrying out to meet information needs and expectations. This Report details the Company's ESG performance during the reporting period, providing sufficient information to assess its impacts.
- Faithful representation: the information provided reflects the essence of the business's operations in terms of sustainability from a perspective of neutrality and prudence. In this regard, it allows the different stakeholders to know how the company has adapted its strategy and impact, risk and opportunity management to the reality of the business it operates.
- Sustainability context: the information is presented taking into account the global context in which it operates, with the objective of growing and creating value in a broad environment and context of sustainable development.
- Timeliness: the information is published on a regular annual basis and is made available to all stakeholders, giving them the ability to make decisions in accordance with the information provided.
- Verifiability: the information is verified by an independent third party, to assure that stakeholders can rely on it.

As a result, the Consolidated Non-Financial and Sustainability Statement aims to publish a neutral, accurate and consistent report on Dia Group's performance in relation to relevant matters for its strategy and its stakeholders. To this end, the Company establishes appropriate links between retrospective and prospective information, where appropriate, to facilitate understanding of the relationship between historical data and future projections.

Furthermore, the information contained herein represents the Company's prospects and forecasts at the date of preparing this statement. Such information involves known and unknown risks, uncertainties and other factors that may affect future forecasts such as the achievement of the stated objectives. Therefore, future events and occurrences may cause changes to the prospects and forecasts presented throughout the Consolidated Non-Financial and Sustainability Statement.. In this regard, Dia Group may choose to update this information with future forecasts at a later time, but wishes to expressly state that it is not required to do so.

For Dia Group, the comparability of data and information with respect to previous years is key as a tool for their traceability and evolution. This Report, as in previous editions, has been prepared with the involvement and participation of the personnel responsible for the business areas and through dialogue with each stakeholder group, which allows us to align with and respond to relevant information expectations for Dia Group's value chain.

2.2 Disclosures in relation to specific circumstances (BP-2)

2.2.1 Time horizons

For the purposes of the information contained in this Consolidated Non-Financial and Sustainability Statement and in accordance with the information provided in Dia Group's Consolidated Annual Accounts, the Company refers to the following time intervals and time horizons:

- Current time horizon: year 2024;
- Short-term time horizon: less than 1 year (until 31/12/2025);
- Medium-term time horizon: between 1 and 5 years (from 01/01/2026 to 31/12/2030);
- Long-term time horizon: between 5 and 25 years (from 01/01/2031 to 31/12/2050).

Where the temporal scope of the information varies with respect to the criteria described above, this will be explicitly indicated.

2.2.2 Value chain estimation

Calculation of FTEs in franchised and managed stores: For franchised stores on which no data of persons in the system is available, an estimate has been made based on the information available in the system for stores with similar characteristics, for a total of 1,913 COFO (Company-Owned, Franchise-Operated, hereinafter "COFO") stores and a total of 393 FOFO (Franchise-Owned, Franchise-Operated, hereinafter "FOFO") stores. In this way, the aim is to obtain an approximation that is as precise as possible, ensuring the consistency and representativeness of the estimate in the overall context of the Company.

2.2.3 Sources of estimation and outcome uncertainty

- Taxonomy: the details of the estimated calculation of the key performance indicators referred to in Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 related to CAPEX and OPEX can be consulted in detail in "Appendix 3: Disclosure Activities Taxonomy.
- Waste generation: details regarding the assumptions, criteria and methodologies followed for the calculation can be seen in section E5-5 "Responsible waste management"
- Scope 3 emissions: details regarding the assumptions, criteria and methodologies followed to calculate the Company's scope 3 footprint can be found in chapter E1-6 "Gross scope 1, 2 and 3 GHG emissions and total GHG emissions". Dia Group will continue to work to improve the quality of the information reported in those categories in which it has used an estimate based on expenditure.

2.2.4 Changes in the preparation of sustainability information

This year the reported information has been adapted to the CSRD. Among the changes made to adopt its provisions, attention should be drawn to the extension of the categories considered in scope 3 according to the new legislation and the reclassification of the transport of goods from scope 1 to scope 3, as the CSRD refers directly to the consolidated perimeter, while the transfer of goods in Dia Group is a service provided by a third party.

2.2.5 Reporting errors in prior periods

No errors in prior periods have been identified.

2.2.6 Sustainability reporting standards and frameworks

In addition to the CSRD, the Company presents other applicable provisions of the regulatory framework:

- The Company's response to the legal requirements of Act 11/2018 of 28 December 28 regarding on non-financial and diversity reporting, and to Act 5/2021, of 12 April, amending the Companies Act (Consolidating Act) and EU guidelines 2017/C215/01 on non-financial reporting and the climate supplement incorporating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- 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, available in "Appendix 3: Disclosure Activities Taxonomy"

Regarding the voluntary sustainability reporting frameworks:

- The recommendations of the “Guide for the Preparation of the Management Report of Listed Entities” of the CNMV.
- Commitment to the Ten Principles of the United Nations Global Compact and the Sustainable Development Goals (SDG) approved by the United Nations General Assembly, which Dia integrates into its Strategic Sustainability Plan.

2.2.7 Incorporation by reference

Information is incorporated by reference to the Consolidated Annual Accounts for a better understanding, and is linked to the following disclosure requirements: BP-2, E1-3, E1-4, E1-5, S-11 and G1-6 and the Corporate Governance report in GOV-5.

Dia Group has not used the option of incorporating disclosures under ESRS requirements by reference to information not included in this report.

2.2.8 Use of phase-in provisions in accordance with Appendix C of ESRS 1

ESRS	Disclosure requirement	Full name of the disclosure requirement	Phase-in or effective date (including the first year)
ESRS 1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The undertaking may omit the information prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E1-9 by reporting only qualitative disclosures for the first three years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E2	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E2-6 for the first year of preparation of its sustainability statement. It may comply with ESRS E2-6 by reporting only qualitative disclosures for the first three years of preparation of its sustainability statement.
ESRS 3	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E3-5 in the first year of preparation of its sustainability statement. The undertaken may comply with ESRS E3-5 by reporting only qualitative disclosures for the first three years of preparation of its sustainability statement.
ESR E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E4-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E4-6 by reporting only qualitative disclosures for the first three years of preparation of its sustainability statement.
ESRS E5	E5-6	Anticipated financial effects from resource used and cicrcular economy-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E5-6 in the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E5-6 by reporting only qualitative disclosures for the the first three years of preparation of its sustainability statement.

Table 1: Use of phase-in provisions under Appendix C of ESRS 1

2.2.9 Subsequent events

This report considers the shareholder situation on the date of issue, and therefore the events after the end of the reporting period described in Note 14.1 to the Consolidated Annual Accounts have been considered in describing the shareholder structure in section 4.11 "Shareholders and General Shareholders' Meeting".

2.2.10 Queries

For any general queries regarding this report, please contact the Global Reporting and Communications Departments, located at Calle Jacinto Benavente 2A, post code 28232, Las Rozas de Madrid, or send an email to comunicacion@diagroup.com

2.2.11 Verification of the Consolidated Non-Financial and Sustainability Statement

The Consolidated Non-Financial and Sustainability Statement has been verified by Ernst&Young S.L., an independent third party.

The Independent Review Report can be found in Appendix 4.

3 Dia Group: business model and strategic pillars (SBM-1)

BUSINESS MODEL AND STRATEGIC PILLARS (SBM-1)

Being closer every day so that we can offer great quality within everyone's reach is Dia Group's mission and the driving force behind the strategy to build a business model that seeks to create value by satisfying the daily food and hygiene needs of all families, regardless of where they live and what their needs are. This value is ratified by the more than 9.7 million loyal Dia customers around the world, to whom we provide access to healthy, quality food with a first-class experience, both in-store and online, which is the reason for our "Eat Better Every Day" programme.

By analysing the competitive context in which the Group operates and identifying its strengths, the company defines a set of systems and activities to transform these assets into value created for its customers, employees, franchisees, suppliers, shareholders and other stakeholders.

3.1. Presentation of Dia Group

Dia Group (Distribuidora Internacional de Alimentación S.A.) is the leading network of local stores with 3,343 own and franchised establishments in Spain and Argentina (5,408 in 2023). Currently, Spain works with 1,120 suppliers and 493 in Argentina.

Founded in 1966 in Madrid, Dia opened its first store in Madrid in 1979. Its headquarters are located in Las Rozas de Madrid, it has been listed on the Continuous Market of the Spanish Stock Exchanges since 2011 and has a market share of close to 5% in Spain and 15% in Argentina, according to data from NIQ[2]. With 45 years of history, Dia Group's vast experience in local food distribution has allowed it to become what it is today:

- The local and online store that provides an easy, fast and complete shopping experience, with a wide range that gives prominence to fresh, locally sourced products and Dia products of the highest quality at affordable prices.
- A naturally diverse team that is committed to an inclusive environment with equal opportunities for all, free from labels and prejudices, that shares Dia's mission and values. Together, we move forward with the ambition of being the favourite neighbourhood and online store for customers.
- Another neighbour in the communities where we are present, working to achieve a positive impact on the economy and society by boosting the local economy with employment and entrepreneurship opportunities.

Dia Group achieved global net sales of 5.88 billion euros in 2024 (4.99 billion euros in 2023)[3]

Dia directly employs 16,896 people globally (28,776 in 2023, the decrease compared to 2024 is due to the sale of the Clarel, Brazil and Portugal businesses this year), and adds 1,491 franchisees and their 15,567 employees to its ecosystem. Franchising is a strategic focus for Dia. At the end of 2024, franchises managed 69% of the store network globally (54% in 2023) and are a key ally in the deployment of the proximity strategy and ensuring that Dia reaches all types of neighbourhoods and municipalities with a differential value proposition.

In addition, Dia Group relies on around 1,530[4] local suppliers (2,881 in 2023) from whom it makes 96% (94% in 2023) of its purchases locally. Suppliers are chosen based on strict quality and food safety criteria to supply its wide range and to develop Dia products, synonymous with high quality at affordable prices. Together with them, and thanks to a logistics distribution system that has more than 17 warehouses in Spain and Argentina, it is possible to offer customers a complete range that focuses on fresh products, combines our own brand and manufacturer brands, and adapts to the needs of customers at local, regional and national levels.

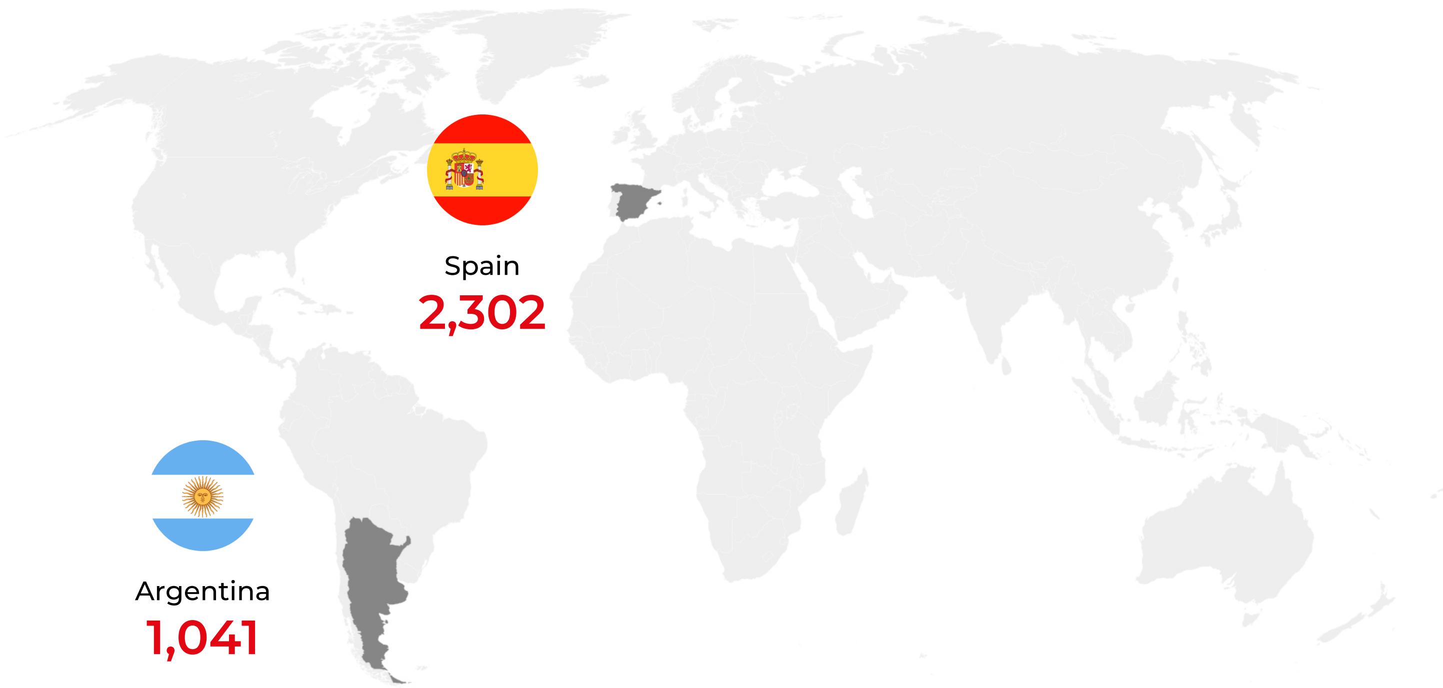
Because of its business model and the countries in which it operates, Dia Group does not have products and services that are prohibited in certain markets.

Suppliers are chosen based on strict quality and food safety criteria to supply its wide range and to develop Dia products, synonymous with high quality at affordable prices

[2] Source: Market share provided by NIQ at the end of November 2024 calculated over the last twelve-month period.
[3] Excludes the sale of transferred stores in Spain, the sale of Clarel stores and the sale of the businesses in Portugal and Brazil.
[4] The variation with respect to 2023 is due to the sale of the Portugal, Brazil and Clarel business in 2024.

3.2. Dia Group, in figures

Store network map



Dia Team
16,896
people in stores, warehouses and offices

1,491
franchisees globally

that manage
69%
of the network of stores

and add
15,567
jobs to the Dia ecosystem

2.4 %
growth in Gross Sales under banner

€5.88 B
Net Sales
4.26 B €
1.61 B €

9.7 M
Club Dia loyalty programme customers

292 M €
Adjusted EBITDA

FIRST HALF

Cada Dia cuenta

The implementation of the 2024-25 Strategic Sustainability Plan, '**Every day counts**'

Dia Argentina ranks 46th in **Merco Talent**.

#MaximumQuality: Dia Láctea natural yogurt and El Caprichoso creme caramel receive the "Flavour of the Year" seal, the VegeDia range of plant-based desserts is awarded the "Product of the Year 2024" prize, and the Imaqe Vitamin C range receives the "Beauty Victory" award.

Máximo Ventas, new CIO of Dia Group

Approval of the first Dia Group **Diversity Policy**

Dia Spain celebrates its '**Big Day**' after achieving a net profit of 122 million in 2023 and completing the transformation of its Dia brand assortment to offer the highest quality on the market.

#StrategicAllies: Dia Argentina holds its first **national call for suppliers** to produce Dia products with the aim of expanding the value chain and contributing to the economic development of the communities where it operates.

Closing of corporate transactions for the sale of the Portugal, Brazil and Clarel businesses.

With the help of Voices!, Dia Argentina launches the **#El28EsParaVos study** to raise awareness about the barriers to equitable access to menstrual hygiene and management products.

merco EMPRESAS ESPAÑA 2024 Ranking 200 EMPRESAS CON MEJOR REPUTACIÓN

Dia Spain moves up 8 places to 105, in the **Merco Business** best reputation ranking.

SECOND HALF

Dia presents the first edition of **Radar SaluDiable**, a study carried out within the framework of Eating Better Every Day to better understand consumption and eating habits in Spain and Argentina

Ricardo Álvarez, recognised as CEO of the Year in the Distribution sector by La Razón and part of the Top 100 CEO 2024 by Forbes magazine

#DiaOmnichannel. First anniversary of the Dia app in Spain and Argentina with great success among customers. In Argentina, Dia's online channel wins the 'e-Commerce Awards 2024' in the Grocery&Foods category and gold in the Consumer Loyalty category of the +Digital 2024 Awards for its WhatsApp channel. In Spain, dia.es wins the award for the best website in the agri-food sector at the XIII Qcom.es Awards.

Approval of Dia Group's first **Responsible Marketing Policy**

Joana Neto, new Chief People & Culture Officer

ESG Committee Creation of cross-cutting committee in the organisation

Diverse Inclusive Equal Company

#TalentDia: Dia Group obtains the European 'Diverse, Inclusive & Equal Company' distinction from the Excellence in Sustainability Club. Dia Spain, in turn, obtains the Intrama award in the 'Generational Diversity' category and the distinction as a company committed to generational diversity from the Generation & Talent Observatory, and is recognised among the 50 best-rated companies by the Infojobs Awards 2024.

Approval of the **Environmental and Cibersecurity Policies** and update of the **Sustainability Policy**

Dia Argentina moves up 3 places in the **Merco Business** ranking. It reaches 48th place and is among the **50 companies with the best reputation** in the country.

Dia Group closes the **syndicated debt refinancing agreement** one year before maturity.

Dia Spain closes 2024 with nine logistics centres certified in waste management with the Saic Natur '**Zero to Landfill**' seal.

DE RESIDUOS A RECURSOS SAICANATUR ZERO A VERTEDERO

3.4. Business context: trends and risks affecting the food distribution sector

To ensure business sustainability and take advantage of the strategic opportunities that both the retail sector context and changes in behaviour can offer, it is necessary to proactively address the challenges that the food distribution market currently presents.

In 2024 and looking ahead, some of the **most relevant** trends to take into account are:

Proximity

Among the main challenges facing the sector is the growing importance of proximity in food retail and consumers' preference for this type of format. The proximity of establishments is valued because it reduces the time and cost of getting to stores, and at the same time is perceived as the best option for buying fresh food[5].

Another key for proximity formats is to offer consumers a varied range, with a sufficient supply of healthy products and at different price ranges. It can also be seen that although local supermarkets have gained importance in daily shopping, hypermarkets continue to be relevant for more planned shopping and large family units[5].

Price sensitivity and commitment to distributor brands

Price remains a determining factor in consumer purchasing decisions. Although there has been a relative improvement compared to previous years, the persistence of the inflationary context continues to affect household finances and reinforces the need to optimise food spending, as well as to show greater prudence in purchasing decisions[6]

The period of high inflationary tension has led to a consumer with new purchasing skills, who prioritises special offers and discounts and choosing distributor brands (seeking the best value for money)[6] and establishments that offer them personalised discounts. Even so, unlike other periods in which households have shown prudence in spending, consumers are willing to pay more for value-added experiences and healthy eating.[6]

Health and wellbeing

Health and wellbeing continue to gain prominence in consumer purchasing decisions, driving key trends in the food industry such as functional nutrition (foods enriched with proteins, probiotics and other ingredients) or the demand for transparency in labelling, with clear information on the origin of the product they consume.[7]

Digitalisation and personalisation of the experience

The search for convenience and flexibility is driving the evolution towards omnichannel value propositions, allowing consumers to buy how and when they need to, choosing the delivery method that best fits their lifestyle. Digital transformation represents a strategic opportunity for companies in the sector that opt for it, taking advantage of the digitalization and automation of logistical processes to improve operational efficiency and the customer experience.

In addition to digitalisation, personalisation has become a key factor in encouraging customer loyalty. Retailers who stand out through their loyalty programmes based on personalisation achieve higher growth rates and emotional connection with their customers.

---

[5] Dunnhumby, 'Barometer of Retail Preferences in Spain 2024'
[6] Panorama by Kantar Q4 2024
[7] Deloitte Global Retail Outlook 2024; Dunnhumby, 'Spain Retail Preference Barometer 2024'

Responsible companies

In a context marked by uncertainty, trust in a company and its ability to respond to current sustainability challenges is becoming more and more valuable. Consumers are looking for sustainable products and transparency in the supply chain, making sustainability a factor in purchasing decisions. In addition, the emotional connection with the consumer is increasingly linked to social and environmental commitment, thus achieving a higher level of loyalty and sales growth.[5]

The inherent risks of the food sector also define the competitive content that Dia faces. The most relevant ones are mentioned below:

Uncertainty and consumer confidence

Economic uncertainty and persistent inflation in the countries where Dia Group operates affect both operating costs due to tension in the supply chain and households' purchasing power, perception and confidence, changing their consumption habits.

Many of Dia Group's private label and national brand products include highly volatile ingredients such as wheat, corn, oils, milk, sugar, proteins, cocoa and other commodities. Any increase in the prices of commodities or utilities, such as electricity or gas, can trigger a price increase that can affect the company's gross margins, reducing revenues as a result of a decrease in the number and average size of transactions with customers.

Highly competitive environment

Across the world and in all sectors, the intensity of competition has increased, as have its threats. In the food distribution sector, and more specifically for Dia, not only is the entry of new competitors considered a risk, but also the entry of substitute products and the possibility of losing negotiating power (and proximity) with customers and suppliers.

Proliferation of new regulatory requirements in health, environmental or commercial matters and lack of harmonisation of such requirements between the different territorial areas

Adapting to regulatory changes may require redesigning certain products to meet new standards in terms of formulation, packaging, labelling, etc., and may result in the discontinuation of certain items that cannot be reformulated, the creation and maintenance of additional records, or different labelling. In relation to store operations, continuous changes must also be implemented to anticipate and/or adapt to new local regulations in each country (among others, relating to prices, opening hours, environmental aspects, etc.).

Difficulty in responding to changes in customer attitudes and purchasing preferences

In addition to the new demands on value, quality, more sustainable products, price and variety, there are now new preferences regarding purchasing channels, which entail additional operational complexity in the necessary adaptation of companies to satisfy their customers' preferences.

Volatility of international markets

The Group's exposure to volatility in international markets is focused on its business in Argentina, an economy that in the last year has been marked by macroeconomic uncertainty and measures that have led to a sharp drop in household consumption.

3.5. Unique proximity omnichannel value proposition

Dia is a unique business. The in-store and online value proposition sets the Company apart from its competitors in Spain and Argentina. The strength of proximity thanks to the strong capillarity of its network of stores and the reach of the online channel, is combined with a product range of the highest quality and a balance between products of national and international manufacturers and the Dia brand, guaranteeing freedom of choice for customers.

Furthermore, supported by a strong network of franchisees, strategic business allies, Dia can grow and fulfil its commitment to household savings in all types of neighbourhoods and municipalities.

Dia Group's omnichannel value proposition is based on the following pillars:

- The **best in-store and online shopping experience**: thanks to a renewed store network, with larger and brighter spaces and greater emphasis on fresh produce; and the boost to e-commerce with a new app and website in Spain and Argentina. The move towards omnichannel shopping allows us to personalise the shopping experience and strengthen the relationship with the customer. In 2024, efforts have focused on continuing to strengthen logistics, technology and product teams with the aim of accelerating the rollout of the digital offering.

- A **complete range**, with locally sourced fresh food and a balance between leading manufacturer brands and Dia products. The renewal of more than 3,000 **own-brand** products, both in quality and presentation, has managed to surprise and delight the thousands of customers who shop at Dia. The more than 1,500 suppliers in both countries are a key element in achieving the success of this range.

- **Creating loyalty and personalised experience with ClubDia**. Dia fulfils its historical commitment to savings thanks to a firm commitment to special offers and promotions and the advantages of ClubDia, the first loyalty card from a supermarket in Spain and a benchmark for Argentine households. Through ClubDia, the Company has the opportunity to find out customer tastes detail and adapt its commercial proposition, including through personalised promotions that meet their needs.

- The **renewed alliance with our franchisees** thanks to a new franchise model that builds a win-win relationship for both parties.

Dia's strength is its proximity, thanks to the strong capillarity of its network of stores and the reach of its online channel. This is combined with a product range of the highest quality and a balance between products of national and international manufacturers and Dia brands, guaranteeing freedom of choice for customers

4 Sustainability governance and double materiality

Dia Group has a governance model designed to integrate the management of material impacts, risks and opportunities in decision making

4.1 Sustainability governance (GOV-5)

The organisation is governed by the recommendations contained in the Code of Good Governance for Listed Companies of the National Securities Market Commission (CNMV), as well as national and international best practice relating to this matter.

To ensure implementation of Dia Group's sustainability approach, a governance model has been defined in which the Sustainability function reports directly to the CEOs at both Dia Group level and in each of the business units. The Board of Directors also carries out periodic supervision of performance in this area through two of its committees (Appointments and Remuneration Committee and Audit and Compliance Committee).

FUNCTIONS OF THE AUDIT AND COMPLIANCE COMMITTEE IN RELATION TO SUSTAINABILITY

- Periodically review the effectiveness of internal control and sustainability risk management systems
- Supervise and evaluate the the process of drawing up both annual and interim sustainability information, its integrity and presentation to the market, reviewing compliance with regulatory requirements, adequate definition of the consolidation perimeter and correct application of accounting policies, submitting its reports to the Board of Directors.
- Supervise that the company's procedures in relation to environmental and social matters comply with the established policies.
- Monitor compliance with Corporate Governance policies and the internal rules of conduct that apply to the Company and the Group as a whole.

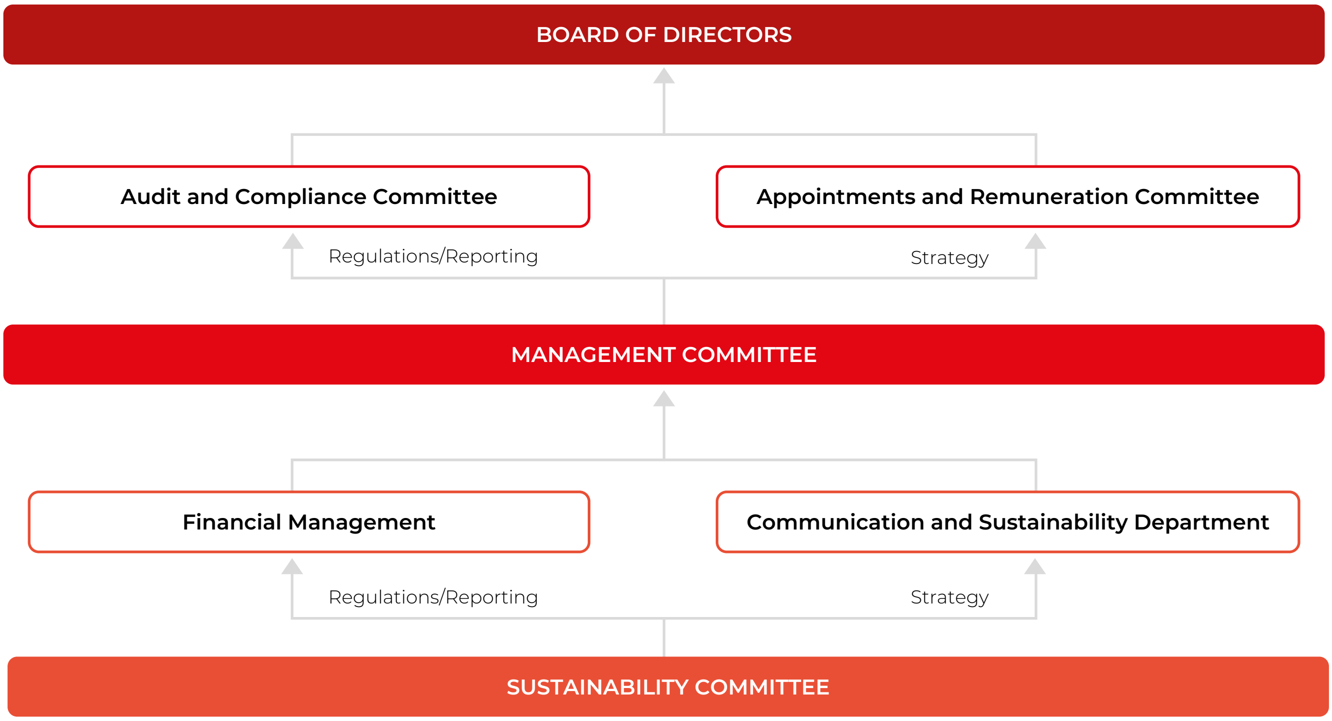
FUNCTIONS OF THE APPOINTMENTS AND REMUNERATION COMMITTEE IN RELATION TO SUSTAINABILITY

- Identify and guide the sustainability and corporate governance policies, rules, commitments and good practice.
- Be familiar with and monitor the sustainability strategy, the goals set, the lines of action and compliance with the key performance indicators defined by the Dia Group, while ensuring that the corporate culture is aligned to its mission and values.

The main environmental, social and governance (ESG) issues discussed by both committees at meetings in 2024 were as follows:

- Approval of the Diversity Policy
- Approval of the Responsible Marketing Policy
- Approval of the Sustainability Policy
- Approval of the Environmental Policy
- Approval of the Information Security Policy
- Approval of the Strategic Sustainability Plan 24-25
- Monitoring sustainability performance, especially in matters related to the Strategic Sustainability Plan 2024-2025
- Monitoring the implementation of the system of Internal Control over Sustainability Reporting (ICSR)
- Implementation of a new Sustainability reporting tool
- Implementation of new CSRD regulation and adaptation of the Double Materiality analysis to that regulation

Additionally, in 2024, Dia Group has created a Sustainability Committee which acts as an instrument of and provides support to the Board in supervision, risk management and the application of best practice in relation to Sustainability reporting. The Committee meets as necessary, normally on a monthly basis.

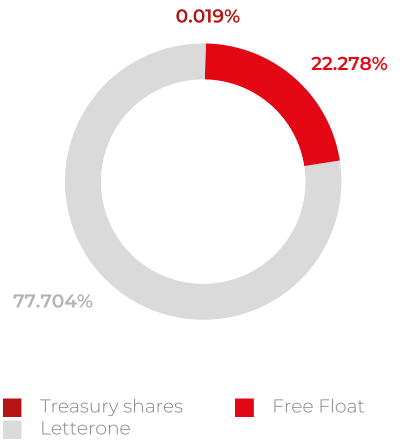


The Non-Financial Information Statement for 2023 was submitted for review and approval by the General Shareholders' Meeting, as required by Act 11/2018, and was approved with a vote in favour of 99.9% of the capital present. Shareholders have the opportunity to comment on the initiatives and performance described.

4.1.1 Shareholders and General Shareholders Meeting

At the date of preparation of this Report, the parent company's share capital is represented by 58,066 thousand ordinary shares, recorded in book entries, with a par value of 10.00 euros each, fully subscribed and paid up.

SHAREHOLDERS AT THE DATE OF PREPARATION OF THIS REPORT



The company's Articles of Association do not contain any type of restriction or maximum limit on the exercise of voting rights by a shareholder.

In relation to the Annual General Shareholders' Meeting (AGM), in order to guarantee and facilitate communication with all shareholders, including minority shareholders, in accordance with the provisions of the Companies Act, Dia Group has an electronic shareholders' forum in place prior to holding the AGM. Proposals intended to be submitted as a supplement to the agenda announced in the notice of the AGM, requests to support proposals, initiatives aimed at reaching a sufficient percentage to exercise a minority right provided for by law, as well as offers and requests for voluntary representation may be published there. Dia Group also establishes communication channels with its shareholders and investors through its Investor Relations department.

Furthermore, on publishing the notice of the AGM, Dia Group makes a system for remote voting via Internet or by post available to shareholders on its website, in order to facilitate the exercise of the right to vote.

The 2024 AGM was held both in person and remotely, making it possible for shareholders or their representatives to participate and follow the meeting, allowing them to ask questions or make comments and exercise their voting rights on the different items of the agenda.

At the Ordinary General Shareholders' Meeting held on 28 June 2024, various matters were discussed, including:

1) Annual accounts, application of the result and corporate management
2) Approval of the individual and consolidated annual accounts and management reports of the Company and its consolidated group for the year 2023.
3) Approval of the non-financial information statement for the year 2023.
4) Approval of the proposed application of the results for the year 2023.
5) Approval of the management by the Board of Directors for the year 2023.
6) Re-election of Ernst & Young, S.L. as auditor of the Company and its consolidated group for the year 2024.
7) Re-election of Mr José Wahnon Levy as independent director of the Company.
8) Re-election of Ms Gloria Hernández García as independent director of the Company.
9) Re-election of Ms Luisa Deplazes de Andrade Delgado as independent director of the Company.
10) Re-election of Mr Vicente Trius Oliva as independent director of the Company.
11) Re-election of Mr Sergio Antonio Ferreira Dias as other external director of the Company.
12) Re-election of Mr Marcelo Maia Tavares de Araújo as other external director of the Company.
13) Ratification of the appointment by co-optation and re-election of Mr Alberto Gavazzi as external proprietary director of the Company.
14) Advisory vote on the annual report on directors' remuneration for the year 2023.

4.1.2 Board of Directors

The Board of Directors, in accordance with its regulations and through its Appointments and Remuneration Committee, ensures that the director selection procedures promote diversity of knowledge, experience, age and gender. In total, the Board brings more than 150 years of experience in the consumer retail sector.

The 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 profile and extensive experience in businesses related to retail and consumer goods.

The career path of the members of the Board of Directors can be consulted on Dia's corporate website, together with the changes in the composition of the Board during the reporting year, which can be consulted in the Annual Corporate Governance Report (ACGR). In the performance of its duties, the Board will always pursue the Company's corporate interest, which is understood to be achieving a profitable and sustainable business in the long term. It is made up of a majority of independent members who entrust the day-to-day management to the Management Committee.

At 31 December 2024, the Board of Directors had the following composition:

Mr Benjamin J. Babcock

Chairman
External Proprietary Director

2023

Mr Alberto Gavazzi

External Proprietary Director

2024

Ms Luisa Deplazes de Andrade Delgado

Independent Director

2021

Chair of the Appointments and Remuneration Committee

Ms Gloria Hernández García

Independent Director

2022

Chair of the Audit and Compliance Committee

Mr Sergio Antonio Ferreira Dias

Other External Director

2019

Audit and Compliance Committee

Mr Marcelo Maia Tavares de Araújo

Other External Director

2021

Appointments and Remuneration Committee

Mr Vicente Tríus Oliva

Independent Director

2021

Appointments and Remuneration Committee

Mr José Wahnon Levy

Independent Director

2019

Audit and Compliance Committee

The evaluation of the performance of the functions and positions of each director, the chairman and the Committee chairs, will be carried out annually based on the report submitted by the Appointments and Remuneration Committee.

During this financial year, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, engaged the services of a specialised company to carry out an assessment of the performance of the Board of Directors and its Committees. The main conclusions of the assessment report were presented, after having been considered by the Appointments and Remuneration Committee, at the meeting of the Board of Directors on 26 February 2025 and, on the basis of these, it was agreed to prepare an action plan to implement the recommendations made by the external consultant and approved by the Board of Directors at the proposal of the Appointments and Remuneration Committee, which will be implemented during the financial year 2025 and thereafter. Without prejudice to the fact that the consultant concluded that, in general, Dia's Board of Directors performs its duties appropriately, the recommendations focused mainly on points of attention to improve the efficiency of the Board of Directors and its Committees.

To prepare this report, interviews were conducted with all members of the Board of Directors to collect their assessment of the functioning of the Board of Directors and its Committees, as well as new areas of action for the future.

The evaluation of the functioning of the Committees and their post holders is also carried out on the basis of the report that each Committee prepares for this purpose. This evaluation includes the contribution and performance of each member.

Article 7 of the Board Regulations establishes that the Board shall evaluate once a year the quality and efficiency of the functioning of the Board, the performance of their functions by the Chairman of the Board and by the Chief Executive of the Company, the functioning and composition of its Committees, the diversity in the composition and powers of the Board, and the performance and contribution of each director, with special attention to those responsible for the different Committees.

For the evaluation of the various Committees, the reports submitted by them to the Board will be used as a starting point, and for the evaluation of the Board, the report submitted by the Appointments and Remuneration Committee will be used as a starting point.

This task is part of the policy of compliance with the corporate governance rules applicable to the Company, complying with recommendation number 36 of the Code of Good Governance.

Attendance and meetings of the Board of Directors and committees in 2024

	Board of Directors	Audit and Compliance Committee	Appointments and Remuneration Committee
Quorum in-person attendance	100%	100%	100%
Number of meetings	12	11	8

Table 2: Attendance and meetings of the Board of Directors and committees in 2024

Board Committees

The Board has two committees that are governed by the Group's Articles of Association, the Regulations of the Board of Directors and the specific regulations of its committee, in the case of the Audit and Compliance Committee. At 31 December 2024, the Board's committees had the following composition:

Audit and Compliance Committee

Chair

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

Members

- **Mr Sergio Antonio Ferreira Dias** (other external director)
- **Mr José Wahnon Levy** (independent director)

Appointments and Remuneration Committee

Chair

- **Ms Luisa Deplazes de Andrade Delgado** (independent director)

Members

- **Mr Vicente Trius Oliva** (independent director)
- **Mr Marcelo Maia Tavares de Araújo** (other external director)

4.1.3 Management Committee

The Management Committee is made up of 9 professionals of five nationalities who, united by a clear vision and roadmap, have taken on the internal and external challenges that have successfully driven Dia's business and relationships with its social and economic ecosystem. Together, the Management Committee brings to the company more than 90 years of experience in the retail industry. This responsible leadership model begins with the CEOs of each business unit to generate a cross-cutting impact and is consolidated in a Committee that, aligned with the vision of the Board of Directors, builds a culture of approachability that breaks silos and works closely and honestly.

Martín Tolcachir

Global CEO

Ricardo Álvarez

CEO of Dia Spain

Agustín Íbero

CEO of Dia Argentina

Guillaume Gras

Chief Financial Officer

Pilar Hermida

Chief Communication & Sustainability Officer

Patricio Morenés

General Counsel
and Secretary of the Board of Directors

Joana Neto

Chief People & Culture Officer

Antonio Serrano

Chief Strategy Officer

Máximo Ventas

Chief Technology Officer

4.2 Strategic Sustainability Plan 2024-25

In 2024, Dia Group has started implementing its Strategic Sustainability Plan 2024-2025 with the motto "Every day counts". This roadmap has gone from ensuring compliance with ESG regulatory aspects to leadership in what is "unique and differentiating" about the company. Leveraging the strength of what differentiates the company in the sector, proximity, and its corporate mission "Closer Every Day", with this plan the company seeks to create value in a differential way by developing the local economy and promoting a diverse and inclusive culture, with Sustainability Governance as a cross-cutting lever.

Cada día más cerca

DEVELOPMENT OF THE LOCAL ECONOMY

- Affordable access to quality food
- Entrepreneurship and local employment
- Creating social value in neighbourhoods

Comer mejor cada Dia

PROMOTING A DIVERSE AND INCLUSIVE CULTURE

- Diversity, equity and inclusion
- Accessibility

TALENTO SIN ETIQUETAS

DRIVING A MORE SUSTAINABLE VALUE CHAIN

- Responsible purchasing
- Training and raising awareness

CARE FOR OUR NATURAL ENVIRONMENT

- Decarbonisation and environmental management
- Circularity and food waste

CROSS-CUTTING LEVER: SUSTAINABILITY GOVERNANCE

These four pillars establish the basis and standards for the 2024-2025 objectives, guaranteeing a minimum sustainability threshold in all aspects (Environment, Social and Governance) and giving more visibility to Dia Group's strengths to boost its recognition as a responsible company.

Dia Group has begun implementing its 2024-25 Sustainability Strategic Plan 'Every day counts', where it has gone from ensuring compliance with ESG regulatory aspects to leadership in what is "unique and differentiating"

The main objectives of the Plan are as follows:

PILLARS	COMMITMENTS	OBJECTIVES	ACTION PLANS
DEVELOPMENT OF THE PROXIMITY ECONOMY	**COMMITMENT #1** Facilitate access **to healthy, quality food** so that everyone can eat better every day	• ↑ % fresh sales share • ↑ % online sales • ↑% sales of EMED categories (focus on fresh products) in certain neighbourhoods/ municipalities	"Eating better every day" program (EMED)
	COMMITMENT #2 Stimulate **entrepreneurship** and employment through our ecosystem of franchisees and **local suppliers**	• ≥95% purchases from national suppliers in products offered to customers • Increase in the number of franchises • Increase in the number of franchisees with multi-franchise	"Employment" Network: Revitalising local business fabric
	COMMITMENT #3 Promote, through our activity, a **positive social impact in the neighbourhoods** and areas where our stores are located	• No. of beneficiaries (donations, Dia Academy...) • No. of socio-economic initiatives or campaigns	Umbrella social value programme
PROMOTING A DIVERSE AND INCLUSIVE CULTURE	**COMMITMENT #4** Ensure equality in a more diverse, inclusive and accessible environment	• Increase in the ratio of women in management positions (levels 1 to 5) • Increase in hiring of older and unemployed people • Increase in DE&I training hours and number of participants • 100% digital channels aligned with accessibility criteria • 100% of new-build stores aligned with accessibility criteria in Spain	DE&I plan for employees Improving accessibility
CARE FOR OUR NATURAL ENVIRONMENT	**COMMITMENT #5** Advance in the **decarbonisation** of our business and supply chain	• Drawing up a Climate Transition Plan • Incorporating Scope 3 emissions measurement*	Climate Transition Plan
	COMMITMENT #6 Increase the **recyclability** of our packaging and the **circular economy**	• 100% recyclable, reusable or compostable own-brand packaging in Spain • ↓20% virgin plastic own-brand packaging, fresh produce and auxiliary material vs. 2020 in Spain • 100% "Zero Waste" warehouses in Spain	Circular economy
	COMMITMENT #7 Reduce **food waste** with strategies based on prevention and redistribution	• Drawing up a Food Waste Prevention Plan • ↓30% food waste in 2030 vs. 2020	Food waste prevention and management plan
DRIVING A MORE SUSTAINABLE VALUE CHAIN	**COMMITMENT #8** Mobilise our **value chain** towards a **sustainable** management model **based on responsible production standards**	• Drawing up responsible sourcing standards for own-brand • Establishing a human rights due diligence system and activating it in the supplier approval system • Integrating ESG criteria (deforestation priority) into the purchasing policy	Food chain standards ESG criteria for suppliers
SUSTAINABILITY GOVERNANCE	Drive a **cultural change** that includes sustainability in all our **business decisions and builds** relationships of trust with our stakeholders	• Improving the NPS score of customers, suppliers and franchisees • Improving ESG Reputation within the GRI	Sustainability governance

*Note: Scope 1 (direct emissions from the combustion of mobile sources, e.g. company cars, air conditioning/refrigeration equipment); Scope 2 (indirect emissions from the consumption of electrical energy) and Scope 3 (indirect emissions from the value chain)

The implementation of the company's sustainability strategy and the fulfilment of its commitments are linked to a percentage of the variable remuneration of executives, managers and part of the technical and support staff.

This annual assessment considers the achievement of sustainability objectives such as the socioeconomic, functional and intergenerational diversity of our staff, gender equality and a safe working environment.

More specifically, the following objectives have been established for each of the areas:

- Human Resources, Operations and Franchise Development.
  - Objectives for implementing socioeconomic, functional and intergenerational diversity. Weight: 10%
  - Implementation objectives of the Group's ESG Plan for 2024. Weight: 10%
- Financial Management
  - Implementation of the Group's ESG Plan for 2024. Weight: 10%
- Commercial Management
  - Implementation of the Group's ESG Plan for 2024. Weight: 10%
- Communication and Sustainability Department
  - Implementation of the Group's ESG Plan for 2024. Weight: 15%

The implementation of the company's sustainability strategy and fulfilment of its commitments are linked to a percentage of the variable remuneration of executives, managers and part of the technical and support staff

4.3 Relationship with stakeholders, interests and views of stakeholders (SBM-3)

Communication and ongoing dialogue are the pillars of the relationship between the Dia Group and the individuals and organisations directly or indirectly affected by the company's activities. In short: employees, customers, local communities, suppliers, franchisees, public administrations, regulatory bodies, shareholders, investors and analysts.

The Corporate External Communication Policy and the Shareholder, Institutional Investor and Proxy Advisor Information, Communication and Contact Policy identify the main stakeholder groups and their needs and expectations to facilitate the generation of shared value and the establishment of long-term relationships.

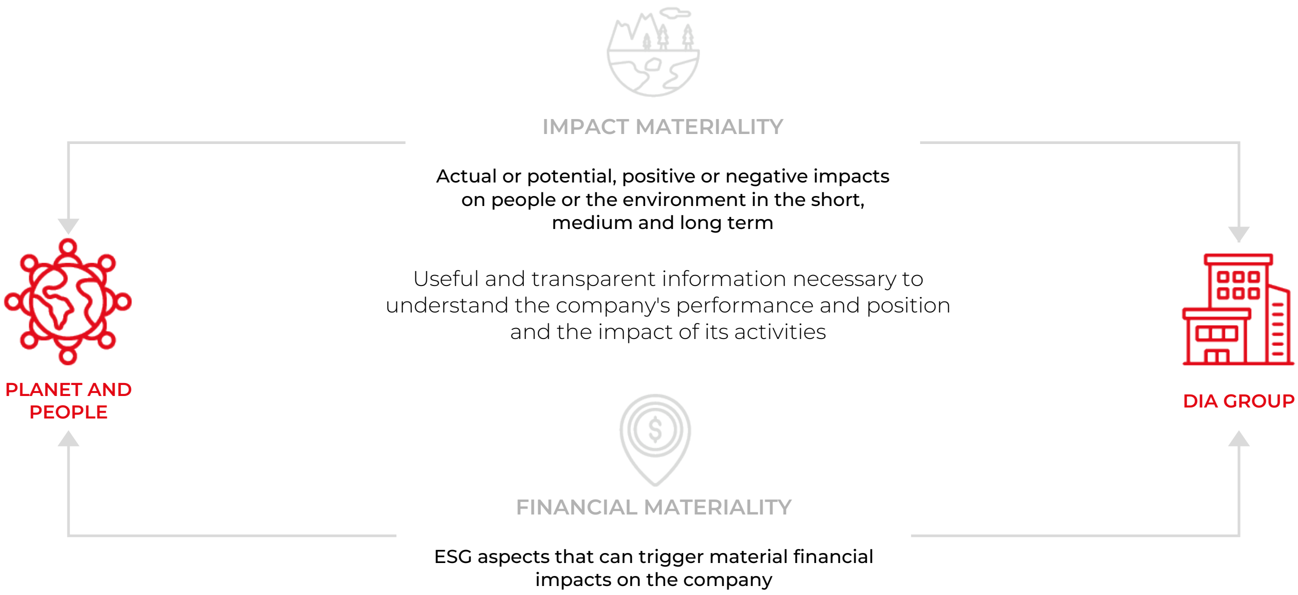
INTERACTIONS WITH STAKEHOLDERS

STAKEHOLDERS *	COMMUNICATION MODEL	RELEVANT MATTERS IN 2024
Employees	E-mail, Intranet, meeting points, surveys, apps, newsletters and corporate videos	Approval of the DEI Plan, Health and Safety, information on general services and sustainability initiatives
Local communities	E-mail, forms, meetings, suggestion boxes and call centres	Information sessions, fundraising and food collections
Customers	Call centre, surveys, e-mail, social media	Sales process, support, quality and product safety
Suppliers	Supplier mailbox, supplier portal, audits, meetings.	Human rights, use of tools for purchasing and incidents. Creation of a newsletter in Spain with relevant information on the company.
Franchisees	Franchisee mailbox, franchisee portal, surveys, newsletter, training	• Implementation of EFT payment , which lets customers make card payments using the same Dia system, favouring the franchisee's productivity and improving both the economic conditions and the results in the NPS of franchisee employees. • Obtaining state subsidies to obtain a "digital kit" (digital screens, background music, smartphones, etc.), offering an innovative and modern image to the store, improving the customer's shopping experience.
Public administrations and regulatory bodies	Public consultation processes	Regulatory frameworks for distribution
Investors and analysts	Conferences, presentation of results, Annual Accounts and Management Report, Sustainability Information, e-mail, call centre and video calls	Integration of ESG issues, transparency, financing.
Shareholders	Website, presentation of results, video calls, social media, e-mail, General Meeting	Sustainability targets, directors' remuneration and financial performance

*For more detailed information on Dia Group's interaction with its various stakeholders, please refer to the corresponding chapters: S1 Own Workforce, S2 Workers in the Value Chain, S3 Affected Communities and S4 Consumers and End-Users.

4.4 Material impacts, risks and opportunities and their interaction with strategy and business model. Double Materiality Analysis (SBM-3)

The Double Materiality analysis was updated in 2024, taking into account the Group's strategy and objectives, the Sustainability strategy and the requirements of different reporting and sustainability frameworks, such as the Global Reporting Initiative (GRI) and the CSRD .



Within the CSRD framework, Double Materiality is critical for the Dia Group, as it identifies the Impacts, Risks and Opportunities (IROs) that the Company faces and assesses their relevance for all stakeholders. It also allows us to visualise which are the most relevant matters that need to be addressed, and thus, define and establish correct management through action plans and objectives.

ANALYSIS PHASES (ESRS 2 IRO-1)

1) Analysis of the context and business model

Analysis of the regulatory framework

- A detailed analysis of the applicable ESG regulations in the context of Dia Group has been carried out, providing information on their potential impact on the organisation.
- The analysis of the regulation allows us to obtain a strategic vision in the evaluation of the double materiality analysis.

Trend analysis

- An analysis of ESG trends has been carried out with the aim of understanding market dynamics. To do so, an approach focused on general trends and ESG principles at a general level has been established, facilitating decision-making.

Analysts' results

- An analysis of the retail sector has been carried out, evaluating its results in the ESG assessments of the analysts MSCI, SASB and S&P. This has allowed us to identify the most relevant topics for the sector analysts.

Value Chain

- All phases of the Día Group's value chain have been identified.
- Upstream: investors, shareholders, suppliers, raw materials, regulators, etc.
- Own operations: own brand production and packaging, logistics, marketing, etc.
- Downstream: own stores, franchises and customers, consumers and local communities

Sector analysis

- An analysis of the main competitors has been carried out, evaluating their sustainability strategies and future actions and double materiality approaches.
- As a result, best practice, potential areas for improvement, as well as key issues for competitors have been identified.

2) Identification of impacts, topics and sub-topics

To identify Dia Group's the impacts, topics and sub-topics, the following have been taken into account:

- The topics and sub-topics proposed by the ESRS.
- The context analysis.
- The topics reflected in Dia's prior double materiality analysis.
- Material topics identified by MSCI, SASB and S&P analysts.
- The topics of the prior materialities of the competitors selected in the analysis carried out.
- How the topics relate to the Dia Risk Map.
- How the topics related to external reports from the distribution sector

In this regard, traceability both of alignment and consistency with the previously reported double materiality and of coverage through the identified IROs, of the different topics and sub-topics proposed by ESRS has been left out, and some topics and sub-topics of importance for the sector have been incorporated that are not contemplated by the ESRS but that, following the EFRAG guidelines, need to be incorporated into the analysis.

In identifying Impacts, Risks and Opportunities (IROs), the company's entire value chain has been taken into account.

3) Evaluation of IROs

Two perspectives were taken into account in the evaluation:

Impact Perspective		Financial Perspective	
Impact: The effect that the entity's processes, activities, products, services or relationships have on people or the environment over time.		**Risk:** Uncertain events or conditions that, if they occur, could have a *negative* effect on the business model, its strategy, its ability to achieve its goals and to create value. They may condition decisions and/or business relationships.	**Opportunity:** Uncertain events or conditions that, if they occur, could have a *positive effect* on the business model, its strategy, its ability to achieve its goals and to create value. They may condition its decisions and business relationships.
Positive or Negative	**Actual or Potential**		

Metrics used to prioritise IROs		
	Scale: Represents the importance of the IRO to stakeholders.	Impacts
	Scope: Represents the perimeter affected by the impact (geographic, value chain, among others).	Impacts
	Remediability: Represents how complex it is to correct the effects of the impact.	Impacts
	Likelihood: Represents the possibility of the IRO occurring.	Impacts / Risks / Opportunities
	Magnitude: magnitude of the R/O outcome in economic terms.	Risks / Opportunities

The impact assessment has taken the following into account:

Impact materiality

Impact

Impacts are classified as follows:

- **Actual Positive:** (Scale + Scope) x 1.5
- **Potential Positive:** (Scale + Scope) x 1.5 x Likelihood
- **Actual Negative:** Scale + Scope + Remediability
- **Potential Negative:** (Scale + Scope + Remediability) x Likelihood

Scale of the Impact	
	The value is obtained by dumping the global data by sub-topic of the surveys carried out with the different stakeholders.

Likelihood of the Impact		Definition
4	Very likely	51-100% probability of occurrence
3	Likely	30-50% probability of occurrence
2	Possible	10 -30% probability of occurrence
1	Remote	0 -10% probability occurrence

Scope of the Impact		Definition
3	Global	**Global impact:** refers to IROs that have an extensive effect on the population (affecting all human beings or all internal and/or external workers) and geography (an entire environment, whether aquatic, terrestrial or aerial, with impacts that have the capacity to move and increase in physical effect).
2	Medium	**Medium impact:** refers to geographically defined groups or spaces (province, autonomous community/ federal state, country) and population (the company's employees, customers, suppliers throughout the supply chain)
1	Limited	**Local impact:** refers to a very specific sector, environment or topic within the general scope to be addressed, with defined margins at the geographic (town/city, local community) and population level (office workers, customers of a service, suppliers of certain materials/products, etc.)

Remediability of the Impact		Definition
5	Irremediable	It is impossible to return to the state before the Impact occurred.
4	Very difficult	It requires an action that extends over a period of more than 5 years, involving resources from several areas of the company and with a periodic budget allocation.
3	Difficult	It requires an action that extends over time between 2 and 5 years with the involvement of resources from several areas of the company and with a one-off budget allocation.
2	With effort	It requires an action that extends over a period of less than 2 years, with specific dedication of resources from the area involved and a one-off budget allocation.
1	Easy	It requires an action that extends over a period of less than 1 year and does not involve significant resources (either economic or human).

The following have been taken into account in assessing risks and opportunities:

Financial Materiality

Risks and Opportunities

Risks and Opportunities are classified as follows:

- **Risks:** (Scale + Magnitude)/2) x Likelihood
- **Opportunities:** (Scale + Magnitude)/2) x Likelihood

Likelihoodd of the Impact		Definition
4	Very likely	51-100% probability
3	Likely	30-50% probability
2	Possible	10 -30% probability
1	Remote	0 -10% probability

Magnitude		Definition	
4	Strong	Negative variation in sales > 1%	Negative variation in EBITDA >3%
3	High	Negative variation in sales 0.5-1%	Negative variation in EBITDA 2.3%-3%
2	Moderate	Negative variation in sales 0.3-0.5%	Negative variation in EBITDA 1.5%-2.3%
1	Slight	Negative variation in sales < 0.3%	Negative variation in EBITDA <1.5%

Remediability of the Impact	Definition
Short-term	Present
Medium-term	Between 2 years and 5 years
Long-term	More than 5 years

4) Consultation with stakeholders

In order to determine the relevance of each of the material impacts and topics, the following methodology has been followed:

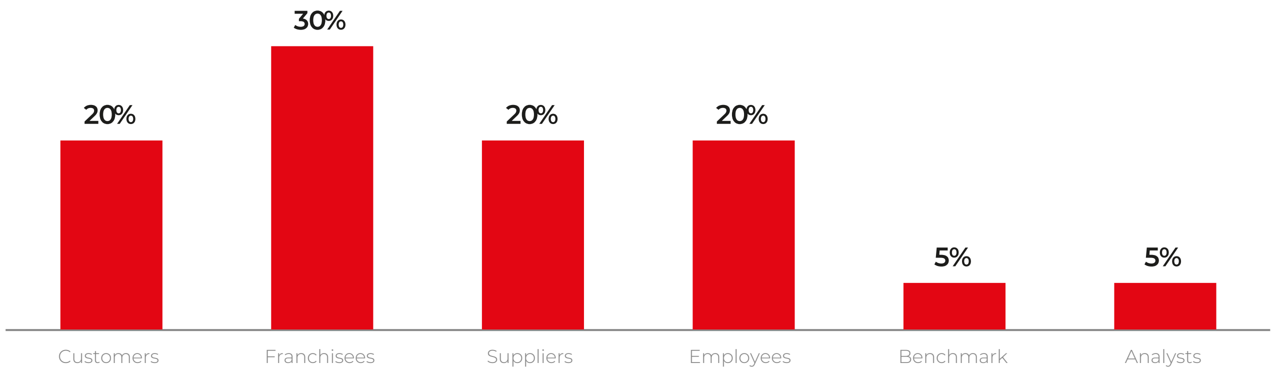
- Identification of stakeholders:

Stakeholders consulted by Dia

Internal: Employees	External: Customers, Suppliers, Franchisees and Investors	Analysts	Benchmark
Online survey	Online survey	Public information from SASB, MSCI and S&P	Public information of competitors

Once the stakeholders that will participate in the double materiality analysis have been selected, they are given a weighting,. This weighting represents the relevance of the responses received from each of the stakeholder groups.

Weighting of stakeholders



5) Understanding results

Materiality	Topic or sub-topic relevant to the company, either due to the importance of one or more impacts (Impact Materiality) and/or one or more risks and opportunities (Financial Materiality). These topics will be divided into two levels, material and non-material, in order to establish a difference in the categorisation between them: **I > Material topic/sub-topic** **I > Non-material topic/sub-topic**
A topic/sub-topic will be material if	Its "impact materiality" is material if its value is greater than 3.6. Its "financial materiality" is material if its value is greater than 3.1. Its "impact materiality" or "financial materiality" is material.
Definition of the threshold	The threshold has been set at 75% of the Impact value with the highest score for Impact Materiality. **The resulting threshold value is 3.6.** The level has been set at 75% of the value of the Risk or Opportunity with the highest score for Financial Materiality. **The resulting threshold value is 3.1.**
The level of relevance of the topics for the stakeholders is obtained by	Comparing the results obtained for each stakeholder individually for each topic/sub-topic. The aim is to highlight those aspects that have been most significant for each of them.

6) Supervision and validation of the double materiality process

In this phase, the results of the double materiality analysis were presented to the ESG Committee and the Audit and Compliance Committee, and were subsequently approved by the Company's Board of Directors.

The involvement of multiple key areas has played a crucial role in the process, providing a holistic and comprehensive view to the double materiality analysis.

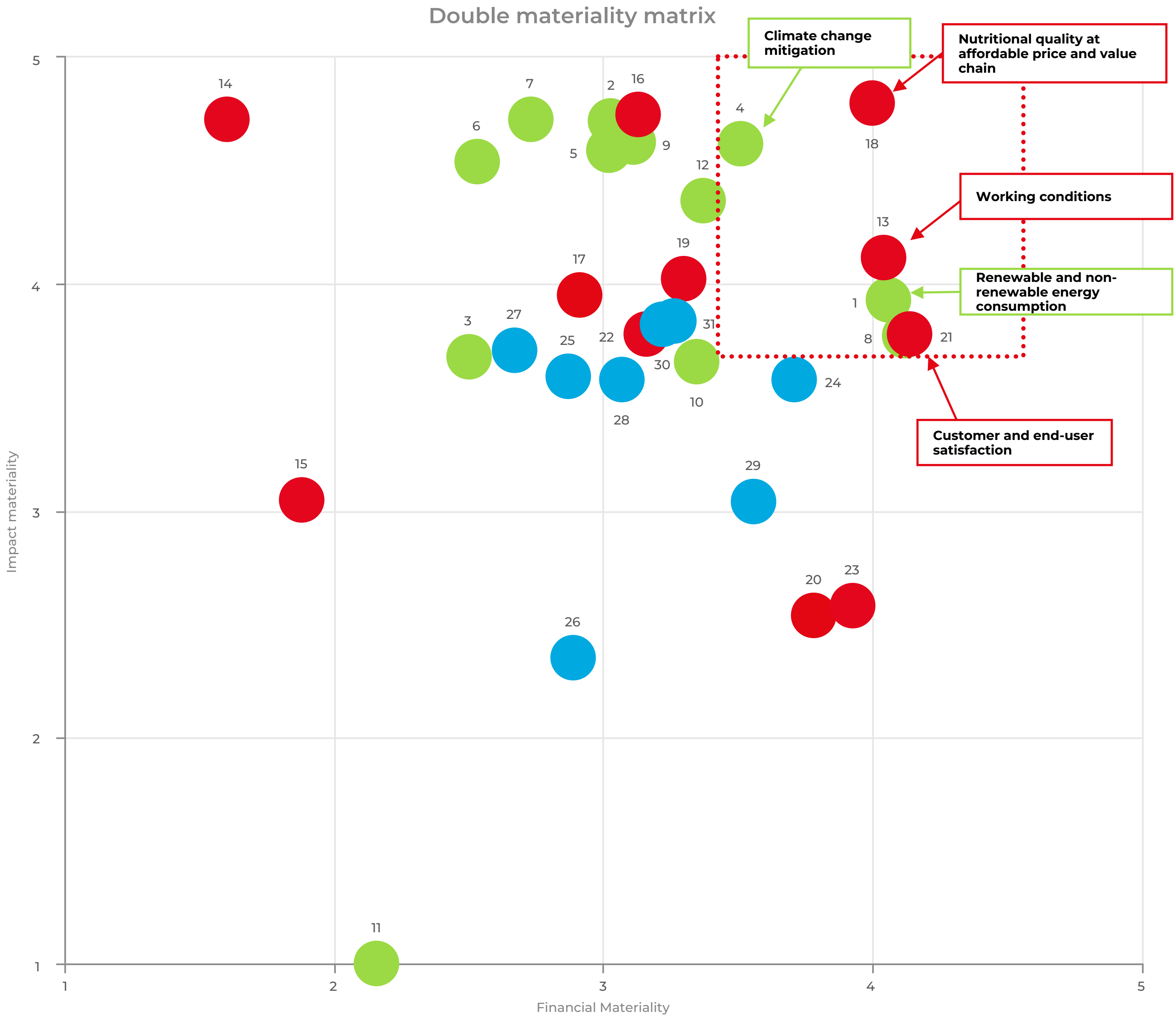
All of this has given senior management a better understanding of and approximation to the reality of the business in ESG terms, distinguishing between external impacts and dependencies, risks and opportunities that the environment offers in the Dia Group business model, both in Spain and Argentina.

In this regard, each of the phases of the process has been reviewed by the corporate manager of the area involved in the process, whose validation is a point and element of internal control for the correct conduct of the analysis, guaranteeing its quality and the consistency of the results obtained.

The combination of internal controls and collaboration with an independent external auditor has ensured the quality, objectivity and reliability of the double materiality analysis.

The analysis has also provided a broad and comprehensive view of the Company's situation, a solid basis for identifying priority issues, risks and emerging opportunities that allows the Company to align these results with its growth strategy.

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



LEGEND

1	Renewable and non-renewable energy consumption	13	Working conditions	25	Communication and whistleblowing channel
2	Energy efficiency measures	14	Diversity, equity and inclusion	26	Animal welfare
3	Climate change adaptation	15	Training and talent development	27	Prevention of money laundering and bribery
4	Climate change mitigation	16	Health and safety	28	Tax transparency
5	Air pollution	17	Workers in the value chain	29	Innovation and new technologies
6	Soil pollution	18	Nutritional quality at affordable price and value chain	30	Cybersecurity
7	Waste management	19	Manufacturer brand suppliers	31	Data privacy
8	Food waste	20	Local communities		
9	Resource use	21	Customer and end-user satisfaction		
10	Water consumption	22	Food safety		Environmental
11	Water pollution	23	Complaints and claims management		Social
12	Impact on biodiversity	24	Good governance, ethics and integrity		Governance

ID	Topic	Impact Materiality	Financial Materiality
	E1 CLIMATE CHANGE		
1. Renewable and non-renewable energy consumption			
1	A high percentage of consumption corresponds to conventional energy due to the lack of measures that prioritise renewable energy consumption.	I (-)	
2	Increase in the consumption of energy from renewable sources, thereby reducing the consumption of non-renewable energy	I (+)	
3	Increased costs due to volatility in fossil fuel and electricity prices due to the geopolitical situation.		R
2. Energy efficiency measures			
6	Reduction in energy consumption through the Remodelling Plan carried out (LED lighting, doors in cold cabinets, consumption monitoring, home automation...) and implementation of the EEM (energy efficiency model)	I (+)	
7	Implementation of the Cold and Climate Renewal Plan, to replace refrigeration equipment with others that use gases with lower GWP.	I (+)	
3. Climate change adaptation			
11	Positive influence on the sector, promoting the incorporation of climate change adaptation measures	I (+)	
4. Climate change mitigation			
14	Greenhouse gas emissions generated by transport inherent to the Dia Group business model	I (-)	
16	Optimisation of delivery routes, thus achieving a reduction in fuel consumption and, consequently, in greenhouse gas emissions	I (+)	
17	Increased costs and resources due to compliance with emerging sustainability regulations		R
	E2 POLLUTION		
5. Air pollution			
21	Replacing high-GWP refrigerant gases with natural gases or low-GWP refrigerants	I (+)	
6. Soil pollution			
27	Absence of microplastics in products that could be susceptible to containing them, backed by supplier certification	I (+)	
28	Replacing products used in business operations with more sustainable and therefore less polluting alternatives	I (+)	
	E3 WATER AND MARINE RESOURCES		
10. Water consumption			
31	Supply problems due to water shortages in areas of water stress and during periods of drought		R
138	High water consumption throughout the entire value chain	I (-)	
	E4 BIODIVERSITY AND ECOSYSTEMS		
12. Impact on biodiversity			
35	Loss of biodiversity due to deforestation for agricultural crops that supply Dia Group	I (-)	
36	Biodiversity loss and deforestation associated to sourcing practices that, according to the EUDR, cause deforestation	I (-)	
37	Economic sanctions due to environmental alteration, soil degradation, loss of biodiversity, social conflicts, among others; as a consequence of the activities of Dia Group's value chain		R
	E5 RESOURCE USE AND CIRCULAR ECONOMY		
7. Waste management			
42	Improving the recyclability of packaging, using mono-material packaging	I (+)	
43	Using recycled materials instead of virgin materials, thus increasing the circularity of raw materials	I (+)	
44	Implementation of a waste management model, separating waste at source (following the hierarchy model)	I (+)	
8. Food waste			
48	Improving management of unsold products, prioritising donations	I (+)	
49	Managing large amounts of food waste requires a significant investment of human and economic resources to manage it.	I (-)	
51	Reputational loss due to a bad image resulting from having large quantities of food waste		R
52	Economic losses attributable to the generation of food waste, since the impossibility of selling the food may be due to the deterioration of the product or to causes such as the end of a campaign, short shelf life, loss of grouper in packs, etc.		R

ID	Topic	Impact Materiality	Financial Materiality
9. Resource use		🔴	🔴
55	Reduction in the quantity of raw materials consumed due to the use of materials with a lower density for the manufacture of packaging	I (+)	
56	Marketing of third-party products containing non-recycled or non-recyclable materials	I (-)	
57	Financial losses due to investments made in sustainability in products, and lack of customer awareness		R
	S1 OWN WORKFORCE		
13. Working conditions		🔴	🔴
59	Low job satisfaction due to low salaries compared to the competition and lack of work-life balance.	I (-)	
61	Rising labour costs due to high inflation, which reduces the purchasing power of wages. (Argentina)		R
62	Improvements in wellbeing policies, to attract and retain talent, reducing staff turnover costs		O
14. Diversity, equity and inclusion		🔴	🟢
63	Employee satisfaction derived from the promotion of Equality, diversity and inclusion - in terms of working conditions, professional growth, etc. - beyond what is established by local legislation and what is required by the market	I (+)	
16. Health and safety		🔴	🔴
74	Reduction in costs associated to work-related accidents and illness through preventive programmes.		O
	S2 WORKERS IN THE VALUE CHAIN		
17. Workers in the value chain		🔴	🟢
75	Improved working conditions for workers in the supply chain through social/labour audits and certifications.	I (+)	
18. Own-brand suppliers		🔴	🔴
79	Promotion of good practice through the approval of suppliers, establishing supplier evaluation procedures and action plans based on their risk level, requesting criteria beyond Human Rights (work-life balance, equality, etc.)	I (+)	
80	Improving the quality of life of people and the natural environment, through continuous innovations and improvements, facilitating healthier and more sustainable products	I (+)	
81	Risk of supply interruptions due to social or labour problems at suppliers, which generate direct losses for the Dia Group		R
19. Manufacturer brand suppliers		🔴	🔴
83	Raising awareness of sustainability in the sector due to the promotion of sustainable alternatives	I (+)	
85	Risk of fluctuations in product costs due to changes in market conditions or availability of materials, leading to a lower final profit margin.		R
	S3 AFFECTED GROUPS		
20. Local communities		🟢	🔴
88	Loss of community support that may affect local operations, due to poor user experiences with Dia Group products		R
	S4 CONSUMERS AND END-USERS		
21. Customer and end-user satisfaction		🔴	🔴
91	Loyalty programmes based on customer satisfaction that increase loyalty.	I (+)	
93	Losing customers due to bad reviews and low public ratings		R
22. Food safety		🔴	🔴
97	Guarantee of safe and high quality products that strengthen customer confidence.	I (+)	
99	Litigation and sanctions due to non-compliance with food safety regulations.		R
23. Complaints and claims management		🟢	🔴
102	Increase in complaints and claims, which may affect the company's reputation.		R
103	Use feedback from complaints and claims to continually improve products and services.		O
	G1 BUSINESS CONDUCT		
24. Good governance, ethics and integrity		🔴	🔴
104	Promoting good conduct by disseminating the Code of Ethics through internal platforms	I (+)	
106	Reputational loss due to the publication of incorrect information or forecasts that affect investors' assessment		R
108	Reputational loss due to unfavourable payment practices towards suppliers, making long-term negotiations difficult		R

ID	Topic	Impact Materiality	Financial Materiality
109	Loss of reputation due to failure to meet payment deadlines required by current legislation		R
111	Competitive advantage in the market due to Dia Group's adherence to benchmark ethical and compliance standards.		O
27. Prevention of money laundering and bribery		🔴	🟢
120	Promoting good practice among companies in the sector through the application of a strict corruption and money-laundering prevention policy	I (+)	
29. Innovation and new technologies		🟢	🔴
129	Fall in company profits resulting from a competitive disadvantage in the face of technological advances by competitors.		R
130	Attracting investors and customers due to the improvement and innovation of product preservation systems		O
30. Cybersecurity		🔴	🔴
131	Security breach in outdated computer systems	I (-)	
132	Financial losses caused by a security breach in the company's systems		R
133	Increased costs due to the need for Dia Group to update its cybersecurity measures		R
31. Data privacy		🔴	🔴
135	Loss of confidentiality of personal data of stakeholders due to poor management of such data	I (-)	
137	Reputational improvement derived from adequate data management throughout the value chain		O

🔴 Material 🟢 Not Material

Points 11. Water pollution, 15. Training and talent development, 25. Communication and whistleblowing channel, 26. Animal welfare, and 28. Tax transparency are not included in the table as they obtained scores below the impact and financial materiality thresholds.

Key findings from the double materiality analysis

4 of the 5 topics linked to Dia Group's mission are among the highest priority on both axes: Nutritional quality at an affordable price and value chain, Working conditions, Climate change mitigation, Energy consumption and Customer and end-user satisfaction.

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

In second place in terms of importance are social issues related to own workforce as well as working conditions and health and safety.

Regulation causes a sharp increase in the importance of other topics related to the environment and governance, such as climate change mitigation and energy consumption.

4.4.1 ESRS disclosure requirements met in preparing the sustainability statement following the outcome of the materiality assessment

Based on this initial analysis, the Group has determined the material ESRSs in accordance with the aforementioned CSRD. The material standards, as well as the omitted topics and their reasons, are detailed below:

Cross-cutting ESRS		**Material for Dia Group**
ESRS 1	General Requirements	Yes
ESRS 2	General Disclosures	Yes

Environment ESRS		**Material for Dia Group**
ESRS E1	**Climate Change**	**Yes**
E1-7	GHG removals and GHG mitigation projects financed by carbon credits	Omitted, the company does not participate in carbon credit markets or carbon storage projects
ESRS E2	**Pollution**	**Yes**
ESRS E3	**Water and marine resources**	**Yes**
ESRS E4	**Biodiversity and ecosystems**	**Yes**
E4-1	Transition plan and review of biodiversity and ecosystems in the strategy and business model	Omitted, Dia Group's activity does not have a direct impact on Biodiversity
ESRS E5	**Circular economy**	**Yes**
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Omitted, phase in

Social ESRS		**Material for Dia Group**
ESRS S1	**Own Workforce**	**Yes**
ESRS S2	**Workers in the value chain**	**Yes**
ESRS S3	**Affected groups**	**Yes**
ESRS S4	**Consumers and end-users**	**Yes**

Governance		**Material for Dia Group**
ESRS G1	**Business conduct**	**Yes**

5 Sustainability risk management

5.1 ESG Risk Management

Risk management is a strategic process in Dia Group driven by the Board of Directors. It identifies, assesses and manages events that could potentially have an impact on the company and its business. The process ensures the appropriate treatment and control of the identified risk scenarios, so that they remain within a tolerance threshold acceptable to the organisation.

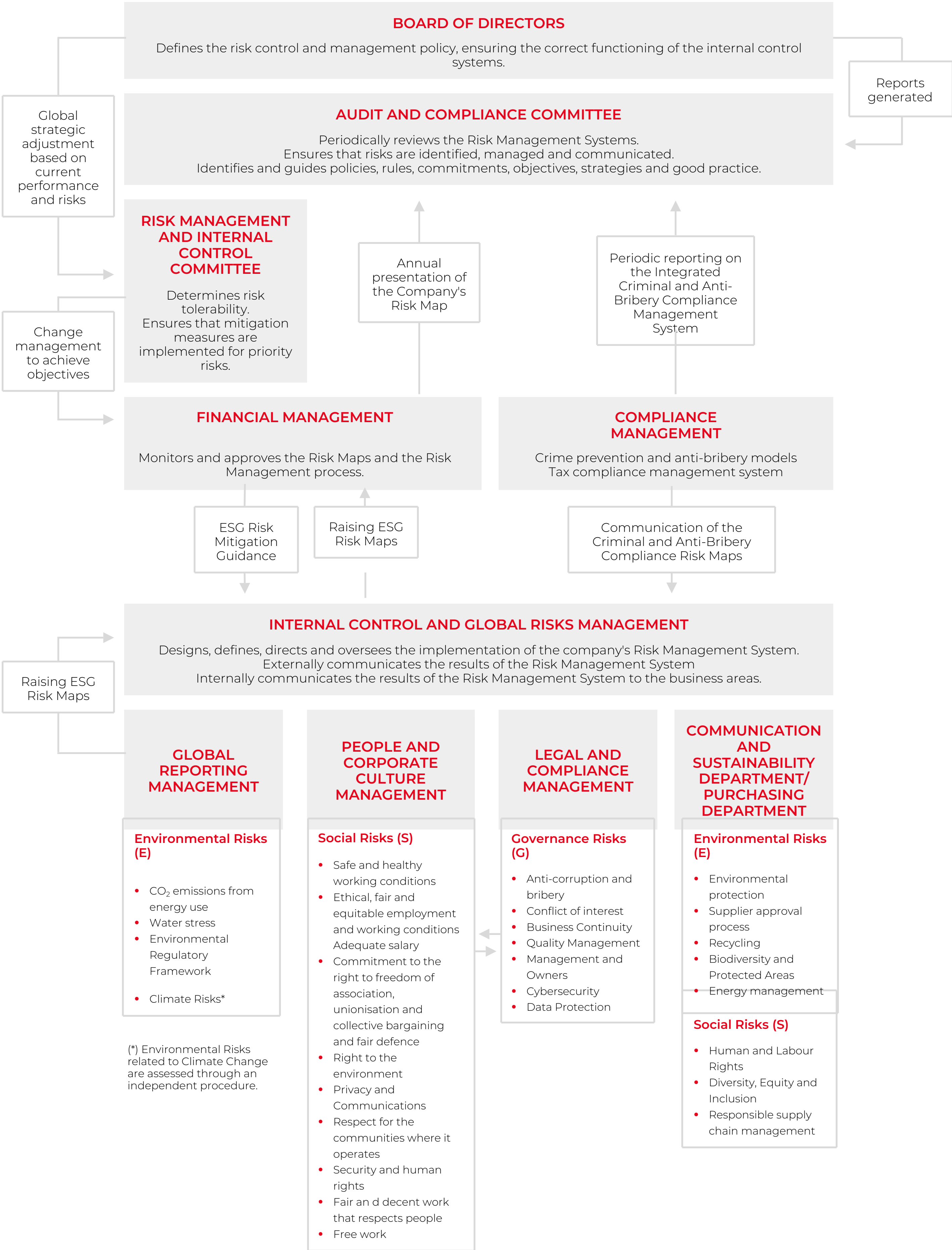
The Audit and Compliance Committee oversees the company's internal risk control, management and mitigation procedures. The Risk and Internal Control Director reports to the CFO and the Audit and Compliance Committee on the complete annual risk management process, including sustainability risks (risk identification, tolerance thresholds, mitigation measures, residual risk, financial impact, etc.). This process is audited externally as part of the verification of financial, non-financial and sustainability information.

In addition to the Board, the bodies responsible for the various risk management systems are:

- The Board of Directors, which, as a non-delegable function included in article 529. ter of the Companies Act, supports and promotes the Risk Management System so that the Company's relevant risks are identified, assessed, treated, mitigated and controlled.
- As an advisory body, the Audit and Compliance Committee oversees the adequacy of the assessment and response system for the relevant risks identified, and reports to the Board of Directors.
- The Risk and Internal Control Committee is responsible for determining risk tolerance and ensuring that appropriate treatment measures are taken for priority risks.
- The Risk and Internal Control Department, part of the Financial Department, is responsible for designing, defining, monitoring and communicating the implementation of the Risk Management System, providing the necessary team to carry out this task.
- Communication and Sustainability Management is the executive body that supports Risk Management in identifying and assessing risks and opportunities related to Climate Change.
- The business departments, which play a dual role in the Risk Management System, provide the information necessary to identify and assess the risks affecting the company and, together with Risk Management, implement measures to deal with priority risks.

The sustainability risk management process is carried out on an annual basis. Each risk event is assessed based on criteria of likelihood, economic-financial impact, reputational damage, impact on sustainability and the company's capacity to manage it.

5.1.1 ESG risk information flow



5.1.2 Analysis methodology

The classification criteria for the different risks are detailed below. These criteria are common to any risk assessment and management process at Dia Group.

Likelihood

1 - Remote	2 - Possible	3 - Likely	4 - Very likely
LIKELIHOOD BASED ON HISTORICAL DATA			
No occurrence	1 time per year	2-5 times a year	More than 5 times a year
PROBABILITY OF OCCURRENCE (BASED ON SECTOR AND EXPECTATIONS)			
0% - 10%	10% - 30%	30% - 50%	51% - 99%

Impacts

1 - Slight	2 - Moderate	3 - High	4 - Strong
FINANCIAL IMPACT			
Negative variation in sales			
(<0.3%)	(0.3%-0.5%)	(0.5%-1%)	(>1%)
Negative variation in EBITDA			
(<1.5%)	(1.5%-2.3%)	(2.3%-3%)	(>3%)
STRATEGIC IMPACT			
No significant impact on objectives and strategy.	The incident affects the group's strategic objectives in a specific country in isolation and requires review.	The incident prevents the achievement of some of the Group's strategic objectives in several geographies and requires review.	The event may lead to the need to significantly modify the corporate strategy at a global level.
IMPACT ON REGULATION AND COMPLIANCE			
Procedures: Does not involve the commencement of administrative or judicial proceedings. **Penalties**: No risk of significant penalty.	Commencement of administrative proceedings. Without penalty or risk of significant financial penalties.	Commencement of judicial proceedings (civil or labour). Penalties with significant economic and/or operational impact.	The event may lead to the commission of a crime (procedure) Event likely to entail criminal liability of the legal entity. Restriction or cessation of activity.
IMPACT ON OPERATIONS			
No impact on processes and activities.	Limited discontinuity in support processes (hours) that does not affect the continuity of key activities.	Limited discontinuity in key processes (sales, distribution, etc., 24 hours) that could affect the continuity of key activities.	Significant business discontinuity in key processes (sales, distribution, etc., more than 24 hours) and operations.
REPUTATIONAL IMPACT			
Media coverage: No coverage outside the company. **Stakeholders**: No significant impact on stakeholders.	Appearance in local media with a certain duration or transcendence at the national level. The event affects a stakeholder group in isolation, that is not a key stakeholder.	Reported in national media with high capacity for dissemination and coverage in other countries. The event affects one or more key stakeholders (customers, suppliers) with an impact on the group's image.	Considerable coverage in national and international media (physical and digital) with high capacity for dissemination and global coverage (e.g. trending topic on social media). The event affects key stakeholders (customers, suppliers, shareholders) and may change their perception of the group and/or generate significant impacts on its market value.

6 Work proactively on environmental challenges

6.1. Climate change E-1

6.1.1. Governance (GOV-3)

Dia Group has a regulatory and organisational framework to manage both the financial risks and opportunities and the environmental impacts of its operations, especially climate-related impacts.

To integrate climate change management into its business strategy, the company adopts a systematic approach that enables it to assess and manage impacts, risks and opportunities.

This process seeks to ensure that risks associated with climate change remain within acceptable limits, while allowing for proactive pursuit of the opportunities arising from the transition to a low-carbon economy.

Dia Group has plans in place for the implementation of mitigation or adaptation strategies, the assessment of potential impacts (in terms of EBITDA, OPEX and CAPEX) and the identification of climate-related risks (for example, water shortages, increase in average temperatures, etc.)

At the same time, the company proactively seeks opportunities arising from the global need for sustainable solutions, aligning its business model with innovative and climate-responsible practices. This approach not only contributes to decarbonisation, but also opens up new avenues for innovation, financing, growth and increased competitiveness.

Responsibilities for carrying out this process fall on different teams within the organisation, including risk management, sustainability, business areas and senior management teams. They all play a relevant role in identifying risks and opportunities, implementing mitigation and adaptation strategies and promoting sustainable innovations.

As the highest supervisory body, the company's Board of Directors and its Audit and Compliance Committee make up the supervisory body for risk and opportunity analysis.

Dia Group has not implemented variable remuneration systems related to the reduction of GHG emissions, although there are environmental objectives linked to the sustainability plan that are described in chapter "4.2 Strategic Plan 24-25"

6.1.2. Strategy (SBM-3)

Dia Group's climate agenda is based on two strategic lines that encompass the company's commitments and initiatives.

These lines seek to ensure that the strategy and business model are compatible with limiting global warming to 1.5°C and contribute significantly to having a positive impact on the planet.

- Business strategy aligned with the European taxonomy of sustainable activities. Alignment with the objective of mitigating climate change in investment in new openings[8]
- Compliance with the path to reduce emissions generated, in the period 2020-2030, in line with the Objectives Established in the Paris Agreement of not raising global temperature by more than 1.5°C.

Within the Dia Group's Strategic Sustainability Plan (SSP), there is an area dedicated exclusively to climate. This plan, which came into force this year, defines the specific initiatives and commitments that the company must carry out and comply with in relation to Climate Change. The Communications and Sustainability Department, responsible for the SSP, reports directly to the Appointments and Remuneration Committee on its compliance.

During 2024, the Dia Group has developed its Climate Resilience Plan and specifically has a Climate Transition Plan to address the challenge of aligning itself with the objectives of the Paris Agreement. To do so, it has relied on a specialised consultant who has evaluated a series of climate risk situations based on the geographic location and type of activity of all the company's centres or groups of centres.

Dia Group has not implemented variable remuneration systems in relation to the reduction of GHG emissions, although there are environmental objectives linked to the sustainability plan described in chapter "4.2 Strategic Sustainability Plan"

[8] Dia Group does not carry out any activity related to fossil fuels

6.1.3 Impacts, risks and opportunities arising from climate change (IRO-1)

ID	Topic	Impact Materiality	Financial Materiality
	E1 CLIMATE CHANGE		
Renewable and non-renewable energy consumption		●	●
1	A high percentage of consumption corresponds to conventional energy due to the lack of measures that prioritise renewable energy consumption.	I (-)	
2	Increase in the consumption of energy from renewable sources, thereby reducing the consumption of non-renewable energy	I (+)	
3	Increased costs due to volatility in fossil fuel and electricity prices due to the geopolitical situation.		R
Energy efficiency measures		●	●
6	Reduction in energy consumption through the Remodelling Plan carried out (LED lighting, doors in cold cabinets, consumption monitoring, home automation...) and the implementation of the EEM (energy efficiency model)	I (+)	
7	Implementation of the Cold and Climate Renewal Plan, to replace refrigeration equipment with others that use gases with lower GWP.	I (+)	
Climate change adaptation		●	●
11	Positive influence on the sector, promoting the incorporation of climate change adaptation measures	I (+)	
Climate change mitigation		●	●
14	Greenhouse gas emissions generated by transport inherent to the Dia Group business model	I (-)	
16	Optimisation of delivery routes, thus achieving a reduction in fuel consumption and, therefore, in greenhouse gas emissions	I (+)	
17	Increased costs and resources due to compliance with emerging sustainability regulations		R

The procedure for identifying risks related to climate change is aligned with the European Commission's climate information reporting guidelines and the recommendations of the Financial Stability Board, through its Task Force on Climate-related Financial Disclosures (TCFD), as well as the requirements established in the European Sustainability Reporting Standards (ESRS).

For the analysis corresponding to the 2024 financial year, Dia Group has evaluated climate hazards by following these steps:

1) Identification of:
   - Climate scenarios
   - Sources of risk
   - Potential impacts

2) Once the climate scenarios have been defined, each risk is assessed based on the combination of:
   - Probability of occurrence
   - Economic-financial consequences
   - Reputational consequence
   - The Company's ability to manage the risk
   - Risk management established by the company

3) The graphic representation for each climate risk situation of the variables represented in the previous point allows the construction of the Dia Group Climate Risk Map.

4) Climate risk situations that present a higher probability of occurrence and economic, financial and/or reputational consequences are considered material. Being classified as material means that these risks are included in the company's Risk Matrix and the options for mitigation, adaptation, transfer or acceptance of the risk and their estimated cost are reported to the company's decision-making bodies.

5) Finally, the climate risk situations identified and analysed are integrated into the Dia Group's general Risk Management System to determine whether the risk is tolerable, continuing with the hierarchical structure presented in section 5.1.1 ESG risk information flow ESG risk information flow"

6.1.3.1 Results of the Climate Risk Analysis

During the risk assessment and management process carried out in 2024, potential risk events related to climate change have been analysed, both in our own operations and in the value chain (upstream and downstream). Following this assessment, no significant financial impacts resulting from physical or transitional climate risks have been observed.

The types of risks assessed have been:

- Physical risks:

Physical risks arising from climate change refer to changes in the frequency and intensity of weather events (acute risks such as torrential rainfall, flooding, heat waves, hurricanes, etc.) as well as medium- and long-term changes in weather patterns (chronic risks such as sustained increase in temperature, desertification and land degradation, rising sea levels, etc.) that may lead to physical damage to companies' assets, disruptions in the supply chain or increased costs necessary to address them.

- Transition risks:

These risks refer to the potential financial losses that may arise, directly or indirectly, from the process of adjusting to a lower CO_2 emissions and more environmentally sustainable economy. They are directly related to the development of new regulations, laws, market changes, investor demands, etc.

In the 2024 risk analysis, the IPCC and NGFS scenarios have been used and the following criteria have been applied by type of risk and country of operation:

- In situations where the risk event is physical in nature, two scenarios are used:
  - RCP 8.5 scenario (pessimistic scenario). This scenario predicts an average temperature increase of 3.7°C in 2100. Under this scenario, chronic and acute risks are analysed.
  - The RCP 4.5 scenario (intermediate scenario). Emissions would peak around 2040 and then decline, reaching a temperature increase of 1.8°C by 2100.
- For those transitional events, both Spain and Argentina have a Net Zero commitment by 2050 in their NDCs (Nationally Determined Contributions), so the Net Zero scenario has been used, where the average temperature increase is projected to be 1.5°C by 2050 (with a progressive decrease in emissions). This scenario analyses Market, Policy and legislation (current and emerging), Reputational and Technology risks.

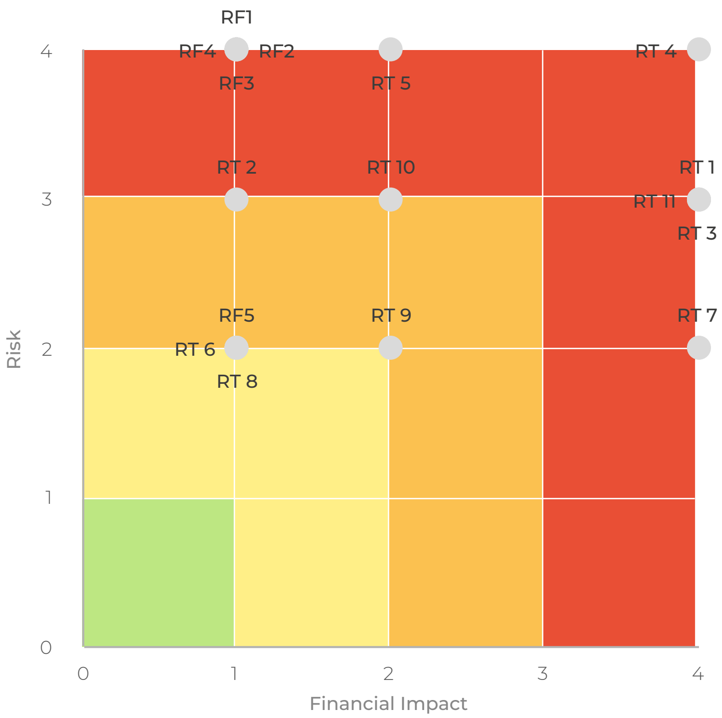
The time horizons associated with the NGFS climate scenarios are shown in 5-year intervals from 2015 to 2100. The most commonly used time horizons in climate change risk analysis in 2024 were:

- Projections to 2025, in reference to the period of validity of the company's SSP
- By 2030, the first compliance period marked on the decarbonisation path
- A 2050, time limit in reference to the Net Zero target in general terms.

Additionally, when analysing the possible risks related to climate change, Dia Group takes into account any situations and/or geopolitical contexts that could maximise or represent a risk per se for the development of the analysed activity.

The operating model is considered robust and resilient to climate change. The risks analysed have a moderately low potential and a slight impact on opportunities is observed.

Risk vs. Financial Impact 2050



LEGEND

RT 1	Non-compliance with European regulations on fluorinated gases	RT 9	Significant increase in operating costs due to rising electricity costs and green electricity
RT 2	Non-compliance with national and European regulatory requirements on packaging and packaging waste (Circularity)	RT 10	EUDR
RT 3	Non-compliance with the obligation to incorporate reusable containers and the implementation of SDDR Systems (Circularity)	RT 11	Increase in the cost of raw materials affected by the EU Regulation on deforestation (EUDR)
RT 4	Difficulty in accessing financing due to having a weak climate strategy	RF1	Extreme weather events related to water: cut-off lows - extreme storms - Floods - hail
RT 5	Non-compliance with the new regulation on ETS 2 (buildings, road transport, etc.)	RF2	Heat waves
RT 6	Difficulty in reducing GHG emissions and achieving objectives	RF3	Extreme weather phenomena related to air masses (medicanes - hurricane force winds)
RT 7	Non-compliance with the European Directives on greenwashing and greenclaims (focus on GHG emissions)	RF4	High temperatures
RT 8	Decrease in sales due to changes in end-consumer behaviour and demand (zero-emission products/ eco-products)	RF5	Increase in forest fires

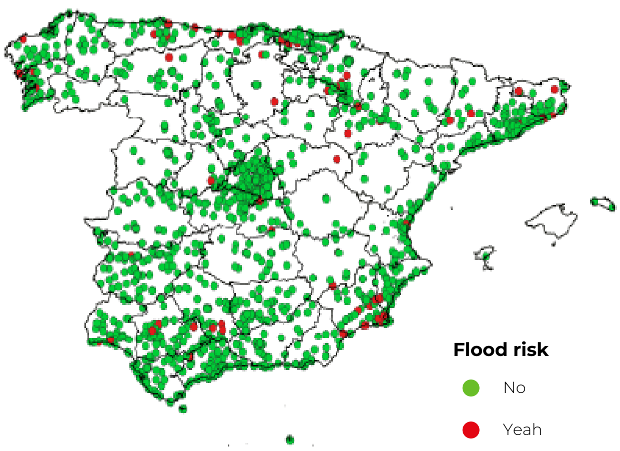
Low | High | Medium | Critical

6.1.3.1.1 Physical Risks

6.1.3.1.1.1 Flood risk in Spain

Flood zones and the flood risk with a return period of 100 years have been assessed using the official mapping of the National Geographic Information Centre (CNIG), a Spanish autonomous body belonging to the General State Administration, of the Ministry of Ecological Transition and Demographic Challenge (MITERD), through processing with Shapefile layers, crossed with the exact geolocation by coordinates of the facilities. This analysis included a specific re-evaluation, with the incurred flood mapping, generated by the European Copernicus programme carried out after the devastating cut-off low of October 2024 in southern Valencia, which raised the stores at risk of flooding (the stores in Paiporta and Catarroja were destroyed).

Of the 2,302 stores currently evaluated by Dia in Spain, only 105 of them appear to be located in areas at risk of flooding, which together with the Orihuela warehouse means that 4.6% of all Dia Spain facilities are located in flood-prone areas.



6.1.3.1.1.2 Heat waves in Spain

Data on the frequency and duration of heat waves in Spain have been obtained through the AdapteCCa Scenario Viewer. This viewer includes the complete set used in the latest IPCC-AR6 report for the regional analysis of climate change (RCP 4.5 and RCP 8.5) at different time horizons. The number of exposed facilities is 1,467 out of 2,302 stores (63.73%) in the provinces of Madrid, Guadalajara, Toledo, Zaragoza, Granada, Seville, Huelva, Badajoz, Caceres, Malaga, Cádiz, Valencia, Alicante, Almería, Cuenca, Jaén, Segovia, Murcia, Córdoba, Ávila, Albacete, Castellón, Ceuta and Melilla and 10 warehouses out of 17 (Madrid, Seville, Málaga, Alicante, Badajoz, Toledo, Zaragoza, Jaén, Valencia and Almería), which represents 66.67% of the total. However, no major incidents have been recorded and action measures and protocols are in place.

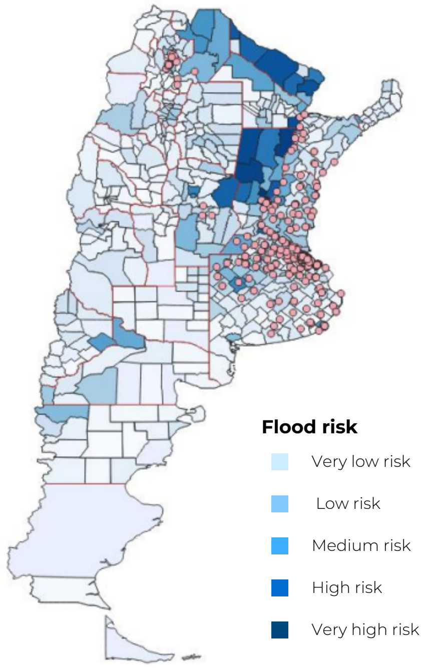
6.1.3.1.1.3 Forest fires in Spain

Most Dia Group stores are considered urban, although they could be affected by supply interruptions and logistical problems due to blocked roads. However, after a historical analysis of reported incidents, this risk is considered low.

6.1.3.1.1.4 Flood risk in Argentina

In Argentina, there are no map layers of flood zones at the same level of detail as in Spain. In this case, the official mapping of the Geospatial Information for the Management of Natural Disasters (IG-GIRD), linked to the Argentine Ministry of Defence, was used as a reference.

In total, 458 (44%) of the 1,041 Dia stores in Argentina are in a very high flood risk area, most of them located in the metropolitan area of Buenos Aires (456). All the neighbourhoods on the list of Dia stores with a very high flood risk, except Santa Fé (1) and Santo Tomé (1) (province of Santa Fé) belong to the Autonomous City of Buenos Aires (CABA).



6.1.3.1.1.5 Heat waves in Argentina

Unlike Spain, the increase in the intensity and duration of heat waves in Argentina is not supported by cartographic material. The data has been extracted from the increase in the maximum temperature reached per day for the country.

At least 457 Dia Argentina stores located in the province of Buenos Aires are in a high-risk heatwave zone. This represents 43.90% of the total number of stores. However, there have been no major incidents recorded with heatwaves that have affected workers or stock.

6.1.3.1.1.6 Forest fires in Argentina

Most of the Dia Group stores are considered urban, although they could be affected by supply interruptions and logistical problems due to blocked roads. However, after a historical analysis of reported incidents, this risk is considered low.

6.1.3.1.2 Transition Risks

Regarding transition risks, no assets and business activities have been identified that are incompatible with the transition to a climate-neutral economy or that require significant efforts to do so.

Below is a breakdown of the risk events considered relevant at company level:

ID	Country	Category	Sub-category	Description	2050 Likelihood of Net Zero scenario occurring	Total inherent financial impacts	Risk management
TR 1	Spain	Transition risk	Regulatory	Non-compliance with European regulations on fluorinated gases	Likely	Strong (> €7.4M)	Dia Group has developed a specific strategy to ensure compliance with this regulation in a timely manner, as well as the necessary investments (CAPEX amounting to €170.7 million and OPEX €15.1 million). This strategy, which has been launched in 2024, is aligned with the plan to decarbonise refrigeration facilities in stores.
TR 2	Spain	Transition risk	Regulatory	Non-compliance with national and European regulatory requirements on packaging and packaging waste	Likely	Slight (<3.7M€)	Eco-design measures are currently being implemented in packaging for own-brand products, fresh produce and auxiliary materials, in accordance with Dia's objectives in this area, as well as the legal obligations that come into force under regional, national and European regulations.
TR 3	Spain	Transition risk	Regulatory	Failure to comply with the obligation to incorporate reusable containers and the implementation of Deposit, Return and Refund Systems (DRS)	Likely	Strong (> €7.4M)	Dia is part of the sectorial working group that is preparing a proposal for a Roadmap for the implementation of SDR in Spain. This group includes ASEDAS and AECOC and works in coordination with the Ministry.
TR 4	Spain and Argentina	Transition risk	Financial and reputational	Difficulty in accessing financing due to having a weak climate strategy	Very likely	Strong (> €7.4M)	The company is investing in developing and/or updating different plans in 2024: • Transition plan with objectives created for future alignment with the Paris Agreement with a special focus on refrigerants and transport. • Climate resilience plan • Updated Sustainability Policy integrating new goals and adapted to double materiality. • Carbon footprint verification (Scope 1, 2 and 3).
TR 5	Spain	Transition risk	Regulatory	Non-compliance with the new regulation on ETS 2 (buildings, road transport, etc.)	Very likely	Moderate (€3.7M - €5.7M)	A specific construction guide (white paper) has been developed in line with the Taxonomy requirements that will be applied to new constructions: This guide includes information on: • Energy-efficient design: The use of materials and designs that minimise emissions will be encouraged, such as efficient thermal insulation, use of renewable energy, natural ventilation where possible, etc. • Use of low-emission technologies: Low-emission and low-environmental-impact food coolers or heating and cooling systems that consume less energy, etc.
TR 6	Spain and Argentina	Transition risk	Reputational	Difficulty in reducing GHG emissions and achieving targets	Very likely	Slight (<3.7M€)	The company is investing in developing and/or updating different plans in 2024: • Transition plan with objectives designed for future alignment with the Paris Agreement and integrated into the next sustainability statement (CSRD). Special focus on refrigerants and transport. • Resilience plan to be integrated into the next sustainability statement (CSRD). • Updated Sustainability Policy integrating new goals and adapted to double materiality. • Carbon footprint verification (Scope 1, 2 and 3) from 2017.
TR 7	Spain and Argentina	Transition risk	Compliance	Non-compliance with the European Directives on greenwashing and greenclaims (focus on GHG emissions)	Possible (unlikely)	Slight (<3.7M€)	Over the past year, the Packaging team has been reviewing the labelling, eliminating any stamps, messages or images relating to environmental characteristics that were not supported by a certificate, and requesting certificates if the mention was left in place.

ID	Country	Category	Sub-category	Description	2050 Likelihood of Net Zero scenario occurring	Total inherent financial impacts	Risk management
TR 8	Spain and Argentina	Transition risk	Market	Decrease in sales due to changes in end-consumer behaviour and demand (zero-emission products/eco-products)	Possible (unlikely)	Slight (<3.7M€)	Dia Group does not perceive a significant increase in demand for this type of products. There are no specific measures designed in the short term since their impact is not considered significant.
TR 9	Spain	Transition risk	Regulatory	Significant increase in operating costs due to rising electricity costs and green electricity	Likely	Moderate (€3.7M - €5.7M)	Dia Group has a fixed-price electricity contract for 2026, which can be reviewed after completion and includes a defined percentage of renewable energy according to the decarbonisation path outlined.
TR 10	Spain	Transition risk	Regulatory	Deforestation Regulation (EUDR)	Likely	Moderate (€3.7M - €5.7M)	Dia Group is implementing the appropriate measures to comply with the Regulation
TR 11	Spain	Transition risk	Market	Increase in the cost of raw materials affected by the EUDR	Likely	Strong (> €7.4M)	Dia Group prioritises the purchase of local and nearby products and raw materials on which this Regulation has no significant impact.
PR 1	Spain and Argentina	Physical Risk	Acute	Intensification in frequency and intensity of extreme climate-related phenomena. Consequences: • Expansion of flood zones and increased danger levels, which may directly affect shops and warehouses, especially those located in low-lying areas and near rivers and streams. • Damage to infrastructure and loss of stock. • Logistical problems due to road closures due to flooding (impossibility of obtaining supplies).	Possible (unlikely)	Slight (<3.7M€)	The insurance for the premises covers damage to the goods and part of the material damage. The warehouses have specific materials to mitigate adverse weather effects, such as sandbags or containment boards for floods or salt bags in case of frost/snow. A contingency plan is in place to guarantee the continuity of both the operations in our warehouses and transport to the store in the event of any incident that alters the normal operation of the activity, such as meteorological disasters, technical incidents and even strikes.
PR 2	Spain and Argentina	Physical Risk	Acute	Climate change is increasing the duration and intensity of heat waves. Consequences: • Risk to employee health, especially in non-air-conditioned facilities (logistics centres). • Increased energy consumption in store air conditioning. • Reduced customer traffic on days of extreme heat.	Very likely	Slight (<3.7M€)	Dia Group complies with the legislation. In Spain, according to RD 4/2023, work is not permitted when the AEMET declares a red or orange alert for high temperatures (from 37-39 degrees depending on the area).
PR 3	Spain and Argentina	Physical Risk	Acute	The continued increase in global temperature will increase the risk associated with medicanes, even in an intermediate scenario such as RCP 4.5. The most affected areas of Spain are the Mediterranean coast, the South, the Canary Islands and the Balearic Islands in the autumn and winter.	Possible (unlikely)	Slight (<3.7M€)	The insurance for the premises covers material damage caused by wind.

ID	Country	Category	Sub-category	Description	2050 Likelihood of Net Zero scenario occurring	Total inherent financial impacts	Risk management
PR4	Spain and Argentina	Physical Risk	Chronic	Increase and maintenance of temperatures above normal, as well as the frequency and intensity of heat waves both within and outside summer periods. The IPCC scenarios indicate that the rise in temperature is widespread, both in the RCP 4.5 scenario, where it is expected that in the Mediterranean area (all of Spain) the temperature will increase by 1.6 degrees in the period 2021-2040. The RCP 8.5 scenario places this rise at 1.9 degrees for the same period. Consequences: • Greater need for cooling in facilities, which increases energy costs. • Risks for the storage of perishable products due to possible failures in refrigeration systems.	Very likely	Slight (<3.7M€)	Dia Group complies with the legislation. In Spain, according to RD 4/2023, work is not permitted when the AEMET declares a red or orange alert for high temperatures (from 37-39 degrees depending on the area).
PR5	Spain and Argentina	Physical Risk	Acute	Historical data shows that most fires in Spain are intentional, but factors such as the abandonment of land and excessive undergrowth in wooded areas, linked to favourable conditions that derive from global warming and its effects (lower relative humidity, more sunshine, drought, higher number of consecutive days without precipitation, etc.) are variables that increase the probability of natural fires in the area, as well as their spread and intensity. Consequences: • Although most Dia stores are located in urban areas, there may be supply disruptions and logistical problems due to blocked roads.	Remote	Slight (<3.7M€)	Compliance with current legislation. There is no specific protocol for action in the event of forest fires. If they occur, the recommendations of official sources would be followed.

6.1.3.2 Opportunities

The most notable opportunities are:

No.	Topic	Sub-topic	Description	Impact/ Opportunity	OPPORTUNITY MANAGEMENT
1	Energy	Energy efficiency measures	Improved reputation and reduced costs due to the implementation of energy efficiency measures	Reduction in costs and emissions	As part of its decarbonisation plan, Dia Group is upgrading its cooling, refrigeration and air conditioning equipment to more efficient equipment that uses refrigerant gases with lower GWP, as well as implementing LED projects and home automation equipment, with the aim of reducing electricity consumption.
2	Climate Change Mitigation	Transport	Optimisation of delivery routes, thus achieving a reduction in fuel consumption and, therefore, in greenhouse gas emissions	Reduction in consumption and emissions	The Strategic Sustainability Plan 24-25 includes, as a commitment, the formalisation of a Decarbonisation Plan in which both objectives and specific plans for their achievement are defined, including the development and implementation (in progress) of a TMS transport management system that will allow the optimisation of routes and therefore the reduction of emissions.
3	Packaging eco-design	Improve packaging	Implementing eco-design principles helps reduce the environmental impact of packaging, align with European climate regulations and improve brand perception.	Cost reduction	The Dia Group is currently developing eco-design measures for packaging of its own brand products, fresh produce and auxiliary materials, in accordance with Dia's objectives in this area, as well as legal obligations.

6.1.3.3 Conclusions

Following the evaluation carried out and the results obtained, it is evident that:

- All physical risks assessed have a low impact on the activities, facilities and value chain of the Dia Group. In all cases, a low economic financial impact has been quantified (< €3.7M), with regard to both inherent and residual risk, due to the low exposure of the assets and the low existing vulnerability, since measures are in place even in cases of non-significant risks. Therefore, no physical risk of significant importance is identified at present or in the short term.

  Although the level of risk increases in the medium and long term, the economic impact is still considered minor and of no significant importance. Adaptation costs have been assessed as not relevant in all cases. The following physical risks have been assessed in detail:

  - Heat waves.
  - High temperatures.
  - Extreme weather phenomena associated with water (floods, cut-off lows, extreme storms, etc.).
  - Extreme weather phenomena associated with hurricane-force winds.

- In the case of transition risks, the likelihood of occurrence with a negative impact is between remote and likely at present and in the different time horizons. In this case, there is a difference between the potential economic impact associated with the inherent risks and the residual economic impact, showing the efficiency of the preventive measures implemented by the company to avoid sanctions, decreased sales revenue, increased operating costs, etc. The residual economic impact in all cases is slight (< €3.7M), so no significant climate transition risks are identified.

The transition risks assessed in detail include the following:

- Non-compliance with European regulations on fluorinated gases.
- Non-compliance with national and European regulatory requirements on packaging and packaging waste. (Circularity).
- Failure to comply with the obligation to incorporate reusable containers and implement DRS. (Circularity).
- Difficulty in accessing financing due to having a weak climate strategy.
- Non-compliance with the new regulation on ETS 2 (buildings, commercial buildings, road transport, etc.).
- Difficulty in reducing GHG emissions and meeting targets.
- Non-compliance with the European Directives on greenwashing and greenclaims (focus on GHG emissions).
- Decrease in sales due to changes in end-consumer behaviour and demand (zero-emission products/eco-products).
- Significant increase in operating costs due to rising costs of electricity and green electricity.
- EUDR. Impact of European Union Regulation (EU) 2023/115 on deforestation-free supply chains.
- Increase in the cost of raw materials affected by the EUDR.

The four potential hazards with the highest economic impact associated to inherent risk and which fall to the lowest level in the economic impact associated to residual risk are as follows:

Type of risk	ID	Potential danger	Inherent € impact	Residual € impact
Regulatory	TR 1	Non-compliance with European regulations on fluorinated gases	Strong (>7.4 M €)	Slight (<3.7 M€)
Regulatory	TR 5	Non-compliance with the new regulation on ETS 2 (buildings, road transport, etc.)	Moderate (€3.7M-€5.7M)	Slight (<3.7 M€)
Regulatory	TR 10	EUDR	Moderate (€3.7M-€5.7M)	Slight (<3.7 M€)
Market	TR 11	Increase in the cost of raw materials affected by the EUDR	Moderate (€3.7M-€5.7M)	Slight (<3.7 M€)

In relation to ESG opportunities, no opportunities with a significant economic impact on Dia Group's business have been identified.

6.1.4 Climate change mitigation transition plan (E1-1)

Dia Group has voluntarily approved its Climate Change Mitigation Transition Plan, which identifies solutions for decarbonisation, assessing their effectiveness in terms of abatement potential vs. cost. This plan has been approved by the company's Sustainability Committee, which includes the Global and Spanish CEOs, as well as the the Chief Financial Officers of both units and the Chief Communication and Sustainability Officer and a group of experts.

Dia Group's path towards decarbonisation has defined quantifiable goals based on the methodology of the 'Science Based Targets Initiative' (SBTi), which is compatible with the objectives of the Paris Agreement. Although Dia Group is not currently formally signed up to this initiative, it has adopted its principles to guide its sustainability efforts:

- -42% absolute scope 1 and 2 emissions (2020-2030)
- -49% Scope 3 emissions intensity (2023-2030)

The objectives of the Transition Plan are integrated into the Strategic Sustainability Plan (SSP). This plan, which came into force in the current year (2024), strategically defines the specific initiatives and commitments that the company must carry out and comply with in relation to climate change.

The carbon footprint calculation, on which the Climate Transition Plan is based, has been carried out on all of Dia Group's assets (stores, warehouses, logistics centres and fleet of vehicles), located in both Spain and Argentina at the end of 2023, including, likewise, its upstream and downstream value chain.

The scope therefore includes emissions under the company's direct operational and financial control (scope 1 and 2), as well as indirect emissions associated to its value chain (scope 3).

Facilities in Brazil and Portugal have not been taken into account in this scope, as they were sold in 2024 and their inclusion in the 2023 emissions scenarios would not be aligned with future emissions scenarios. They are therefore considered out of scope for 2023.

Clarel's emissions were included in the 2020 financial year, as they were not calculated independently but at group level. Clarel, which in 2020 represented only 4% of the group's turnover, is currently not part of the Dia Group.

The main lines of the decarbonisation plan are described below.

6.1.4.1. Scopes 1 and 2

- The decarbonisation of fluorinated gases, with a refrigeration renovation plan to which an expected investment of 145 million euros will be allocated until 2030 and which plans to reduce greenhouse gas leaks by up to 90% in Spain. This plan includes both the renovation of equipment in stores (with propane equipment that has a low calorific value) and warehouses, with natural refrigerant gases, mainly ammonia (NH3) and negative CO_2. The Store Renovation Plan prioritises:

1) Those that use more polluting gases (higher GWP)

2) Those that had the most gas leaks in 2023

3) Stores with older equipment (higher power consumption and potential for future leaks)

During 2024, Dia Group has implemented a decarbonisation plan for fluorinated gases for more than 1,904 stores in Spain. In addition, the new warehouse in Dos Hermanas has been built to replace the existing one, which has the highest number of fluorinated gas leaks. The new building has a natural gas cooling system and a BREEAM Very Good certificate in process.

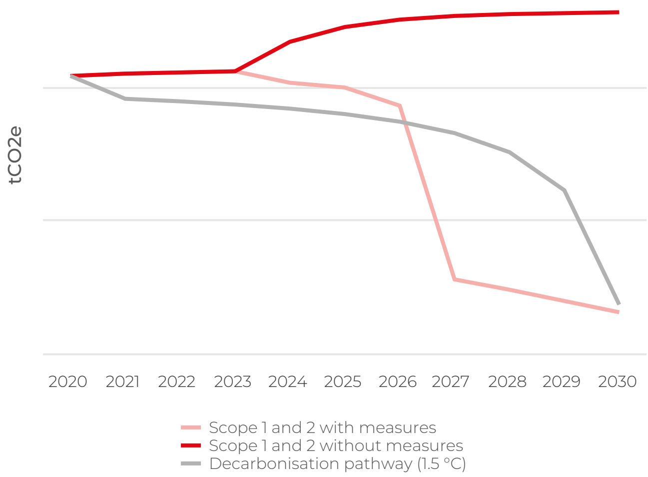
In Argentina, the group has implemented specific control measures for refills of fluorinated gases, with which it also hopes to achieve significant reductions.

These measures aim to achieve a 28% reduction in emissions compared to the base year (2020), i.e. 115,697 $TnCO_{2e}$. This percentage includes both the reduction in fluorinated gases and the effect on the reduction in electricity consumption (around 50%), because the new propane equipment is also more efficient.

The company's expansion plan would not affect this objective, since all new openings do not incorporate fluorinated gases.

- Acquisition of electricity with Guaranteed Renewable Origin (GO). This measure is focused on reducing the organisation's scope 2, with the aim of reducing scopes 1 and 2 by 27% (109,002 $TnCO_{2e}$ in absolute terms) and is planned to be implemented in Spain, with at least 80% of the electricity consumed by 2030 to be with GO, which represents 50% of total electricity globally. In calculating these reductions, the reduction commitments of the electricity supplier have not been considered, due to the uncertainty at to the attainment of objectives and considering that the emission value of the MITERD has not changed in line with them. In addition, to project the achievement of this objective, the projection of emissions with the expansion plan that the company has planned has been taken into account.

The proposed decarbonisation path, aligned with the objective of limiting the temperature increase to 1.5 °C, compared to the current scenario, projected to 2030, is shown in the graph below:



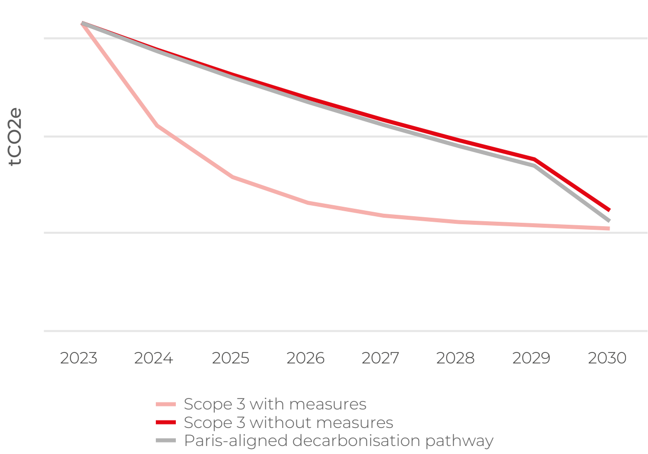
6.1.4.2. Scope 3

- Purchase of electricity with GO, this measure indirectly affects category "3.3 Fuel and electricity-related activities". It would only apply to Spain, since it is the business that would have renewable electricity by 2030. At a global level and taking into account the growth forecast in both Spain and Argentina, this category would be reduced by 37.2% (34,838 $TnCO_{2e}$) from the base year 2023 to 2030, considering 80% of electricity with GO purchased in Spain. This reduction is contemplated in the abatement cost calculated for the GO measure.

- Decarbonisation of the fleet of vehicles used to transport products between warehouses and stores, helping to reduce Scope 3 emissions. In 2025, the tender process for the implementation of 35 liquefied natural gas vehicles will be carried out to cover the low-emission zones of the city of Madrid. Dia Group already has a pilot project in which an electric truck is used for the distribution of merchandise originating in the Illescas warehouse and is part of the Lean and Green strategy, which seeks to award stars to recognise the achievement of objectives based on operational efficiency, while minimising negative impacts on the environment and considering aspects such as the carbon footprint of warehouses and the supply chain. Total emissions would be reduced by 6.6% (4,010 $TnCO_{2e}$).

- Implementation of the "Zero Waste" model in all warehouses and stores. This measure aims to reduce waste generation as much as possible, especially waste that cannot be recycled or recovered correctly. Currently, Dia Group has made a commitment to zero waste by 2030, so the correct recovery of the fractions that currently go to landfill (packaged food) would be composted and thus reduce their emissions. The measure would save a total of 1,612 $TnCO_{2e}$ (0.4%).
- Creation of a "White Paper" for the works to be carried out in its Expansion Plan from 2025 onwards, which will allow them to be aligned with the European Green Taxonomy, leading to more efficient buildings with fewer emissions.
- Additionally, for the year 2025, the Dia Group will implement a plan with reduction targets for its main suppliers. This means that the Group's main suppliers must officially join the Science Based Target Initiative (SBTI) platform or have specific plans to reduce their carbon footprint.

In a similar way to Scopes 1 and 2, Dia Group's Scope 3 emissions have been projected based on expected growth from 2023 to 2030, taking into account the company's OPEX and CAPEX developments and new openings in Spain and Argentina. Growth in the business travel category has not been considered due to the group's current policy of promoting teleworking and online meetings, nor has commuter travel been projected, since the growth plan includes the opening of franchises, not own stores:



6.1.4.3. Abatement costs

Transition risks arising from the costs associated to the adoption of low-emission technologies, the replacement of products or services, or unprofitable investments in new technologies, are mitigated by a detailed assessment of the efficiency of different abatement measures based on their abatement cost:

Measure	€/t	% Emissions 2024
Cold decarbonisation plan (Scope 1)	1,250.68	25.88%
Electricity with renewable GO (Scope 2)	26.49	19.72%
Decarbonisation of transport (Scope 3)	68.33	8.73%
Zero waste in warehouses (Scope 3)	416.70	1.21%

Table 2: Abatement costs

The table shows the cost in euros of reducing each tonne of CO_{2e} generated by Dia Group's activities and the percentage it represents in relation to the company's total emissions in 2024.

6.1.4.4. Locked-in emissions

Locked-in emissions, according to the Corporate Sustainability Reporting Directive (CSRD), refer to greenhouse gas (GHG) emissions resulting from assets or infrastructure whose replacement is not feasible in the short term due to technological, contractual or economic constraints.

In the case of Dia, it has been determined that the only applicable locked-in emissions correspond to:

- Emissions from the use of company vehicles, including cars used for commercial operations in Spain and Argentina that run on fossil fuels, the replacement of which with electrified or low-emission alternatives is not immediate because of to technological and economic constraints. These emissions represent only 0.5% of the company's total scope 1 and 2 emissions, so they do not represent a conflict with achieving the agreed reduction targets.
- Emissions from non-renewable electricity consumption, applicable to the company's facilities in Spain (where 20% of electricity will continue to be conventional by 2030) and Argentina, where access to 100% renewable energy is limited or not viable in the short term. The remaining emissions from conventional energy account for 19.21% of the total for scope 1 and 2 emissions and may be subject to further updates by the company, so they do not currently represent a challenge to achieving the reduction targets indicated.
- Emissions derived from refrigerant gases: by having a specific plan for the replacement of machinery that uses conventional refrigerant gases with other machinery that uses propane, and by having a shadow price calculation applied to refrigerant emissions, the total emissions derived from these emission sources are not considered locked-in emissions. Stores not included in the Dia Group renovation plan would be considered within possible

locked-in emissions despite being subject to future studies and decisions.

Despite the existence of these locked-in emissions, they are not considered to compromise the company's compliance with its reduction targets. This is because their contribution to total Scope 1 and 2 emissions is residual compared to other emission sources. The company's decarbonisation strategy therefore remains viable, aligned with its sustainability commitments and CSRD requirements.

During 2024, Dia has made significant investments in refrigeration and air conditioning equipment and has improved its logistics footprint. These reductions are detailed in points E1-3, E1-4 "Actions, resources and targets related to climate change policies".

Dia Group does not allocate resources to oil-related activities.

During 2024 Dia has made significant investments in refrigeration and air conditioning equipment and has improved its logistics footprint

6.1.4.5. Business strategy aligned with the European taxonomy of sustainable activities

The 2024-2025 Strategic Sustainability Plan includes an increase in the identification and alignment of activities included in the European Taxonomy of Sustainable Activities for the objectives of climate change mitigation and adaptation.

The company has set as its objective the alignment of CAPEX amounts allocated to long-term leases of new buildings and their refurbishment works for openings linked to its Expansion Plan in Spain (€400M by 2030), as well as 100% of OPEX amounts allocated to waste management, within the "Zero Waste" Project for all its warehouses in Spain (€5M annually).

Dia Group does not carry out activities related to coal and gas nor does it have any planned investments in this regard.

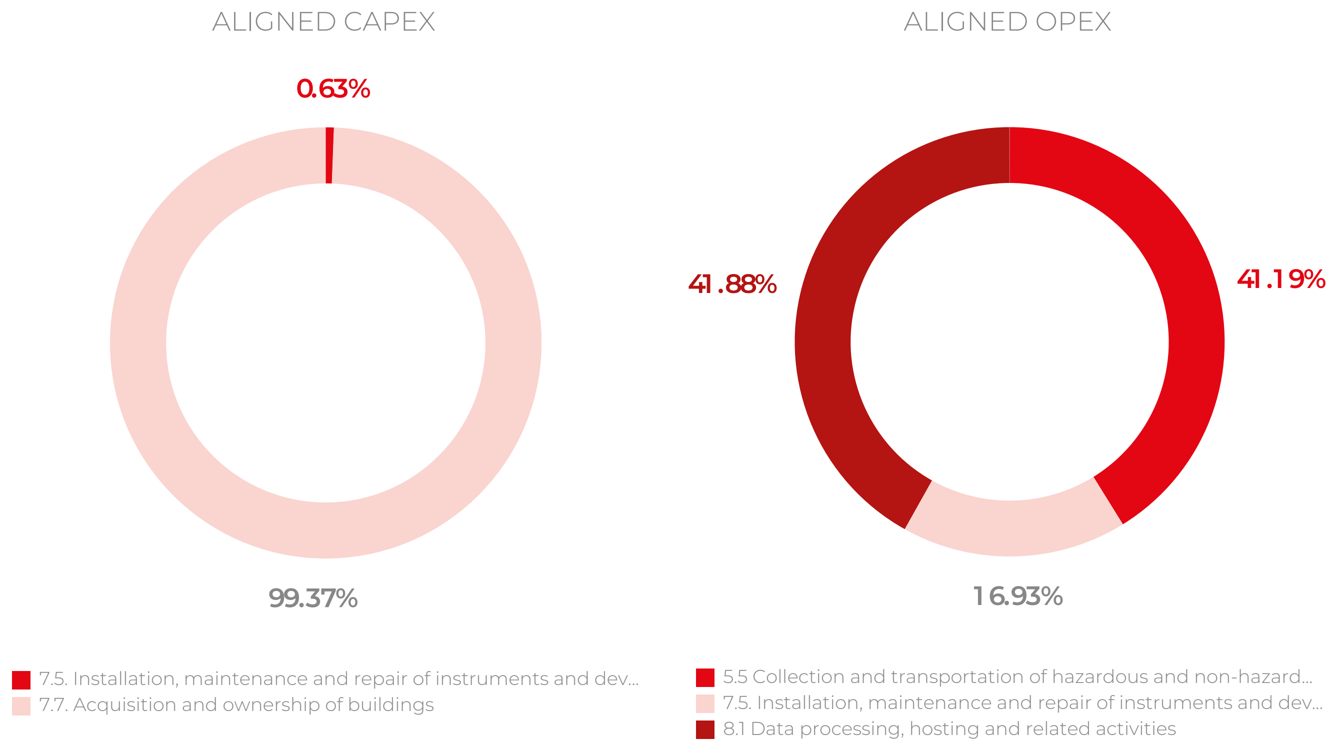
The proportion of economic activities classified as eligible according to the Taxonomy is set out below:

CLIMATE CHANGE ADAPTATION AND MITIGATION DELEGATED REGULATION (EU) 2021/2178

		TOTAL	ELIGIBLE	ALIGNED / ELIGIBLE	ALIGNED / TOTAL
CAPEX	%	100%	21%	22%	5%
	Thousand euros	242,840	51,372	11,508	11,508
OPEX	%	100%	17%	55%	9%
	Thousand euros	128,985	22,248	12,235	12,235
INCOME	%	100%	—%	—%	—%
	Thousand euros	6,370	—	—	—

Table 3: Climate change adaptation and mitigation delegated regulation (EU) 2021/2178 (thousand euros)

The breakdown of the proportion of activities that make up the aligned CAPEX and OPEX figure of Dia Group is shown below:



The calculation methodology and data breakdown in accordance with Annex II of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 can be found in Appendix 3 of this Report.

6.1.5 Climate change policy (E1-2)

The management of impacts, risks and opportunities arising from climate change is included in the Environmental Policy in its section on Climate Change, which establishes as a priority objective the promotion of the transition towards a low-carbon business model that reduces or mitigates the adverse effects of climate change and is compatible with the 1.5°C Scenario and temperature increase of the Paris Agreement. This includes the adoption of science-based emission reduction targets, as well as the development of projects, products and services that contribute to the reduction of Greenhouse Gases (GHG).

The objective of this policy is to establish the management framework for the company's decarbonisation and climate action strategy, as well as to define the principles of responsible business conduct necessary to identify, assess and manage the dependencies, impacts, risks and opportunities related to climate change mitigation and adaptation.

In establishing the Policy and its objectives, stakeholders' views on the different aspects of the Policy, collected as part of the Double Materiality analysis carried out by the Group, have been taken into account.

The policy was approved in 2024 by the Audit and Compliance Committee of the Board of Directors.

This policy applies to the entire group, including subsidiaries and companies in Spain and Argentina. The company also promotes the adoption of these values among suppliers, franchisees and other stakeholders. This policy is available on the Dia Group corporate website for anyone interested in it.

6.1.6 Actions, resources and targets related to climate change policies (E1-3) (E1-4)

Dia Group has an ambitious roadmap based on achieving SBTi-based emission reduction targets based to avoid an increase in the average global temperature by more than 1.5°C. The climate scenarios to detect relevant environmental, social, technological, market and political developments and determine the decarbonisation levers are described in section IRO-1 "Impacts, risks and opportunities arising from climate change".

The decarbonisation pathway sets a 43% reduction in direct emissions (Scope 1) and those derived from electricity consumption (Scope 2 based on the market) by 2030 in absolute terms. In the case of Scope 3 emissions, a reduction of 51 % for each euro of turnover is established until 2030. The reduction target for Scope 1 and 2 uses the emissions figure for the year 2020 as a reference and is based on investment in new refrigeration equipment and the purchase of energy with GO, while for Scope 3 the year 2023 has been used, since it is the first year of calculation in accordance with the new categories related to the CSRD and includes measures such as investment in the decarbonisation of transport or in the Zero Waste model.

The decarbonisation strategy has four fundamental pillars:

1) Monitoring compliance with the decarbonisation objectives and the carbon budget drawn up for such monitoring in both Spain and Argentina, by calculating the carbon footprint.

2) Calculating carbon intensity, by relating emissions to revenues.

3) The implementation of an internal carbon price, promoting energy efficiency and circularity.

4) Monitoring climate and transition risks in the different scenarios observed to ensure compliance with the decarbonisation pathway

These pillars have been established in line with the results of the company's Double Materiality Analysis, in which all its stakeholders have participated.

In 2024, €8.1M of CAPEX and €0.4M of OPEX have been allocated to the refrigeration equipment Renewal Plan and €5M OPEX to waste management. The amounts allocated to each of the measures in the transition plan for the reduction of emissions, as well as the objectives and the relationship with the key performance indicators required by Commission Delegated Regulation (EU) 2021/2178 are detailed in chapter E1-1 "Transition plan for climate change mitigation".

OWN EMISSIONS (SCOPE 1)

	Carbon budget 2025 (tCO_2 (Scope 1))	Carbon emissions 2024 (tCO2 (Scope 1))	Variation with respect to base year (2020) (tCO_{2e})	% Variation compared to the base year (2020)	Carbon emissions 2023 (tCO_2 (Scope 1))	Target carbon emissions 2030 (tCO_{2e}) (Scope 1)	Net sales 2023	Net sales 2024	2023 (tCO_{2e}/ M€)	2024 (tCO_{2e}/M€)	% Variation
Spain	66,523.16	79,100.99	-17,074.76	(17.8)%	107,970.05	15,671	4,046	4,265	26.69	18.55	(30.5)%
Argentina	119,376.13	119,376.13	49,541.96	70.9%	135,678.49	135,678.49	946	1,615	143.42	73.92	(48.5)%

Table 4: Own emissions (Scope 1). The considered emissions are those of Spain and Argentina, corresponding to the scope of the Transition Plan. The breakdown of Net Sales can be found in note 19 to the Consolidated Annual Accounts.

OWN EMISSIONS (SCOPE 2 location method)

	Carbon budget 2025 (tCO_2 (Scope 2))	Carbon emissions 2024 (tCO_2 (Scope 1))	Variation compared to base year (2020) (tCO_{2e})	% Variation compared to the base year (2020)	Carbon emissions 2023 (tCO_2 (Scope 2))	Net sales 2023	Net sales 2024	2023 (tCO_{2e}/ M€)	2024 (tCO_{2e}/ M€)	% Variation
Spain	131,067.91	128,625.58	-54,436.09	(29.7)%	136,229.60	4,046	4,265	33.67	30.16	(10.4)%
Argentina	46,085.75	45,472.11	-4,169.46	(8.4)%	44,172.83	946	1,615	46.69	28.16	(39.7)%

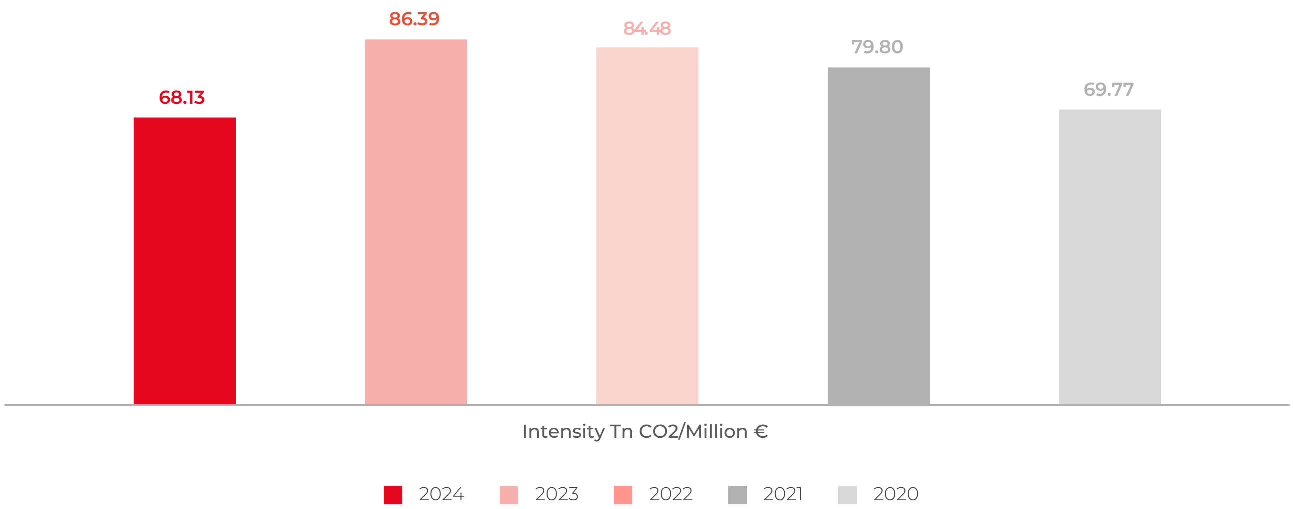
Table 5 Own emissions (Scope 1+2 location method). The considered emissions are those of Spain and Argentina, corresponding to the scope of the Transition Plan. A breakdown of Net Sales can be found in note 19 to the Consolidated Annual Accounts.

OWN EMISSIONS (SCOPE 2 market method)

	Carbon budget 2025 (tCO_2 (Scope 2))	Carbon emissions 2024 (tCO_2 (Scope 2))	Variation compared to base year (2020) (tCO_{2e})	% Variation compared to the base year (2020)	Carbon emissions 2023 (tCO_2 (Scope 2))	Target carbon emissions 2030 (tCO2e) (Scope 2)	Net sales 2023	Net sales 2024	2023	2024	% Variation
Spain	130,573.20	128,130.87	-54,930.30	(30.0)%	135,705.64	27,039	4,046	4,265	33.54	30.04	(10.4)%
Argentina	31,012.82	30,399.18	-19,242.39	(38.8)%	29,530.58	50,026	946	1,615	31.22	18.82	(39.7)%

Table 6 Own emissions (Scope 1+2 market method).The considered emissions are those of Spain and Argentina, corresponding to the scope of the Transition Plan. A breakdown of Net Sales can be found in note 19 to the Consolidated Annual Accounts.

Historical Scope 1+2 emissions intensity (by location)



VALUE CHAIN EMISSIONS (SCOPE 3)

	Carbon budget 2025 (tCO_2 (Scope 3))	Carbon emissions 2024 (tCO_{2e}) (Scope 3)	Carbon emissions 2023 (tCO_{2e}) (Scope 3)	Variation with respect to the base year (2023) (tCO_{2e})	% Variation compared to the base year (2023)	Target carbon emissions 2030 (tCO2e) (Scope 3)	Net sales 2023	Net sales 2024	2023	2024	% Variation
Spain	356,468.18	409,068.07	376,541.56	32,526.51	8.6%	394,880.26	4,046	4,265	92.81	95.91	3.3%
Argentina	40,524.18	58,189.17	40,216.53	17,972.64	44.7%	55,898.78	946	1,615	41.84	36.03	(13.9)%

Table 7: Value chain emissions (scope 3).The emissions considered are those of Spain and Argentina, corresponding to the scope of the Transition Plan. A breakdown of Net Sales can be found in note 19 to the Consolidated Annual Accounts.

The description of the GHG inventory is detailed in section E1-6 "Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions" and the reference values taken, as well as the contribution of each decarbonisation lever are described in chapter E1-1 "Transition plan for climate change mitigation (E1-1)".

Total Scope 3 emissions are increasing due to the forecast increase in turnover, however emissions in relative terms (per euro of net sales) are decreasing by 51% as projected.

6.1.7 Energy consumption (E1-5)

In 2024, Dia Group consumed 1,055,207 MWh of energy, of which 22.29% came from renewable sources.

The company's 2030 GHG emissions reduction target for Scopes 1 and 2 by 43% intrinsically implies a target to reduce its non-renewable energy consumption.

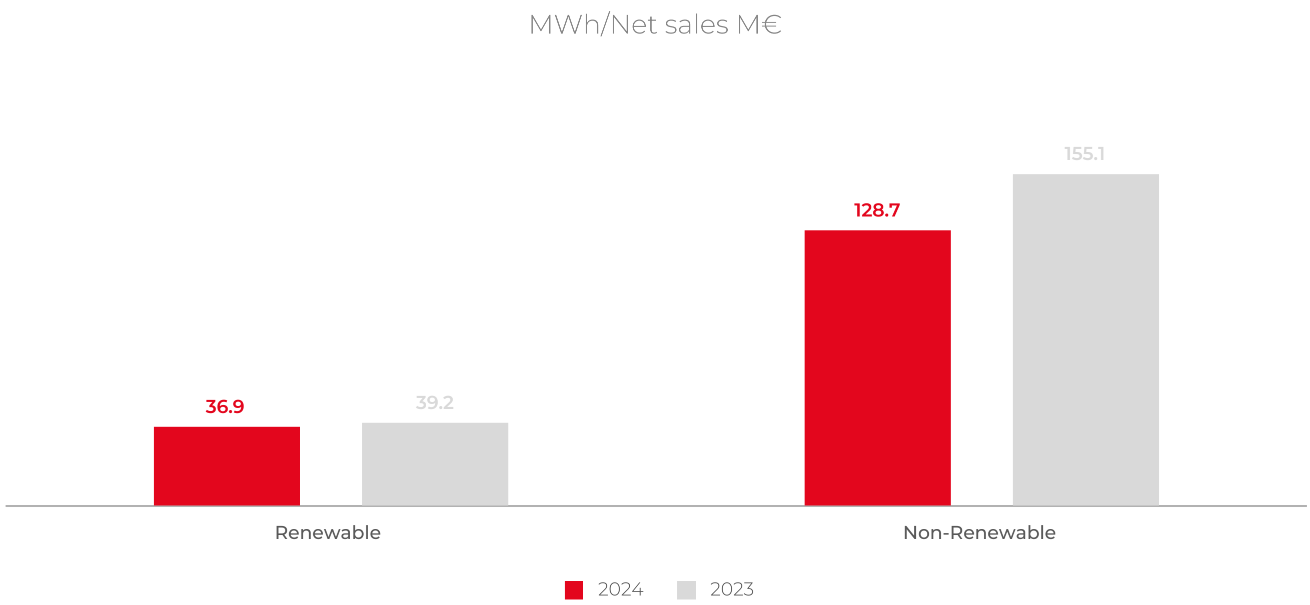
This objective has been met in the same way as the scope 1 and 2 emissions objectives.

Energy consumption

	TOTAL Mwh[9]	
	2024	2023
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources	200,359	219,202
Consumption of self-generated renewable energy that is not used as fuel	34,827	75,192
Total renewable energy consumption	**235,186**	**294,394**
Diesel/petrol fuel consumption from crude oil and petroleum products	320,841	496,593
Natural gas fuel consumption	74	205
Propane fuel consumption	2	6
LPG fuel consumption	3,859	5,463
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources	135,552	148,299
Consumption of electricity, heat, steam and cooling purchased or acquired from nuclear sources	122,194	133,686
Electricity consumption Other sources	237,499	379,122
Total non-renewable energy consumption	**820,021**	**1,163,374**
Total (Mwh)	**1,055,207**	**1,457,768**
% Renewable energy	**22.29%**	**20.19%**
% Fossil/non-renewable energy sources	**77.71%**	**79.81%**

Table 8: Energy consumption

The total energy intensity of the Dia Group in 2024, resulting from the sum of the energy intensity from renewable sources 36.9 (MWh/M€ of sales) and from non-renewable sources 128.7 (MWh/M€ of sales) stood at 165.7 MWh/M€ of sales (this calculation has been made with the net sales for the year detailed in note 19 to the Consolidated Annual Accounts).



[9] The origin of the electricity reported in the table above comes from the energy mix of the supplier. Dia Group does not have a specific contract for the supply of renewable energy.

6.1.8 Gross scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6, E1-7)[10]

The last few years have been a turning point in global climate science, with the highest average temperatures since records began. This could be the beginning of a worrying trend of rising temperatures, caused by the increase in greenhouse gas emissions and the associated consequences, such as the intensification of extreme weather events (unprecedented forest fires, record heat waves and devastating floods) that are evidence of the warnings and consensus on the consequences of climate change.

To stop the rise in global temperature, with potentially catastrophic consequences, it is essential to revert the situation by promoting new, more sustainable development models.

The activity of distribution and sale of food products entails significant greenhouse gas emissions, especially upstream, in everything related to the production of the goods that distribution puts on the market.

In order to manage the company's impact on climate change, the first step is to carry out a detailed characterisation of the carbon footprint associated to its activity and, to the extent possible, to the activities integrated into its value chain.

The calculation of Dia Group's emissions is carried out under the financial and operational control approach, consolidating as CO_2 equivalent the emissions corresponding to all greenhouse gases (GHG) relevant to the company: CO_2, CH_4, N_2O, HFC and C_3H_8. Dia Group has operational and financial control over the activity it manages, with the exception of the franchises under the FOFO[11] regime, the footprint of which has been included in scope 3. The inventory calculation is applied in the countries in which it has a presence and all business units (this calculation methodology is based on the GHG Protocol). As for the emission factors, they are updated periodically, and depending on the emission source, the DEFRA "Greenhouse Gas Conversion Factor Repository" factors and the GHG Protocol "Emission Factors from Cross-Sector Tools" factors are used.

The following table reports the emissions associated with the activities and facilities of the Dia Group, considering the following scopes:[12]

- Scope 1: direct emissions from company cars and fugitive emissions from refrigerant gases (air conditioning/ refrigeration equipment). During 2024, emissions from logistics transport have been reclassified to Scope 3, as it is considered to be more related to the provision of services by a third party.
- Scope 2: Indirect emissions derived from the consumption of electric energy, Dia Group reports using both the market-based method and the location-based method, including in this scope the electricity consumption of both its own stores and franchises over which Dia has control (COFO[13]), offices and warehouses.
- Scope 3: indirect emissions from the value chain. Dia Group has been working during 2024 on incorporating new Scope 3 categories relevant to its business, which are reflected in the following table:

[10] In this section, the emissions from the businesses in Spain and Argentina, as well as from the segregated Clarel, Brazil and Portugal businesses during the time they were in the Group, have been considered in order to have a true image of the 2024 carbon footprint of Dia Group.
[11] Franchise Owned Franchise Operated
[12] Dia Group has no biogenic CO_2 emissions from the combustion or biodegradation of biomass
[13] Company Owned Franchise Operated

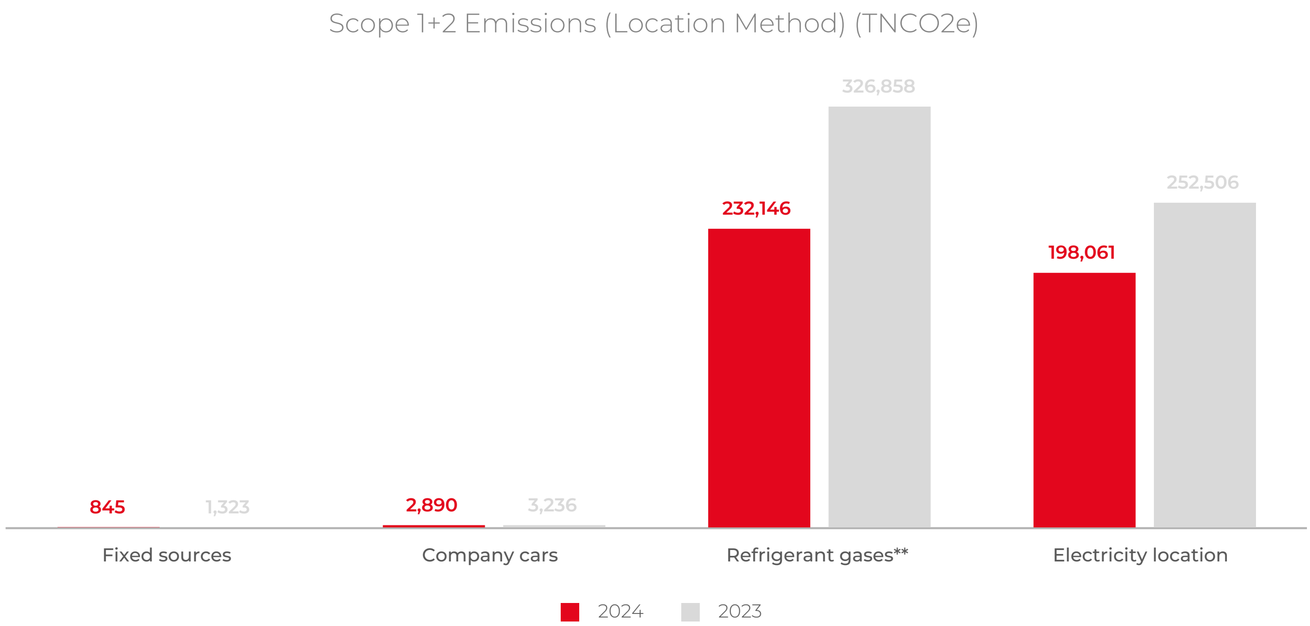
Scope 3

CATEGORY	DESCRIPTION	Calculation method
Purchased goods	Purchase of products or services directly related to turnover	Estimate based on expenditure (OPEX)
Capital goods	Purchase of tangible and intangible fixed assets	Estimate based on investment (CAPEX)
Fuel and energy related activities	Extraction, refining and transportation of fuel and generation and transportation of electricity	Estimation based on actual consumption
Transport and distribution in previous phases	Transport of goods to warehouses and from warehouses to stores	Measurement through consumption and mileage travelled (16.17%)
Waste generated in operations	Emissions from waste management in warehouses and stores	Measurement based on the quantities of waste generated (2.23%)
Business trips	Emissions from employee travel	Estimate based on business trips actually made
Employee commuting	Emissions produced by employees commuting to warehouses, stores and offices	Estimation based on the average distance from home to work and the transport used
Assets leased in previous phases	Long-term leases of shops, offices and warehouses are included in "capital assets"	They are part of capital goods (CAPEX)
Transformation of the products sold	Not applicable, only the distribution of products is undertaken	Not applicable
Use of the products sold	Not applicable: food products	Not applicable
End-of-life treatment of products sold	Not Applicable: Food products	Not applicable
Assets leased in later phases	Not applicable, the company does not have subleases	Not applicable
Franchises	Electricity consumption and refrigerant gas leaks in FOFO stores	Estimation of FOFO franchise consumption based on actual COFO franchise consumption
Investments	Does not apply to the company's activity	Not applicable

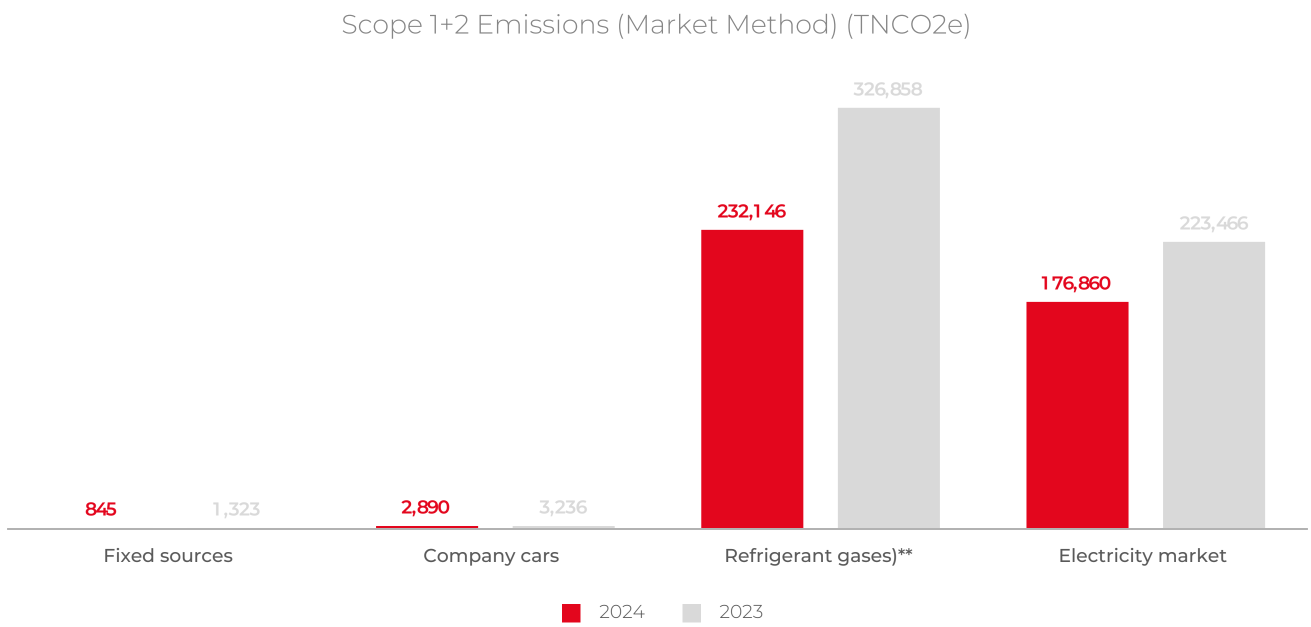
Own emissions	Base year	Comparative	2024	% 2024/2023[14]	2025	2030 [15]
Carbon emissions (tCO_2 (Scope 1))	190,321	45,560	235,881	(29)%	187,359	151,350
Carbon emissions (tCO_{2e}) (Scope 2) (location method)	n/a	n/a	198,061	(22)%	n/a	n/a
Carbon emissions (tCO_{2e}) (Scope 2) (market approach)	217,409	-40,549	176,860	(21)%	177,109	79,403
Value chain emissions (Scope 3)	416,757	67,490	484,247	4%	400,126	450,778
Products	217,544	43,395	260,939	20%	201,517	257,983
Capital goods	1,426	-144	1,282	(10)%	1,951	1,829
Fuel and energy related activities	62,926	4,216	67,142	(22)%	63,658	39,529
Transport	76,916	1,375	78,291	(23)%	74,620	93,684
Waste generated in operations	11,517	-695	10,822	(21)%	11,657	11,325
Business trips	2,705	1,842	4,547	31%	2,705	2,705
Employee commuting	24,118	-56	24,062	—%	24,413	24,118
Franchises	19,605	17,557	37,162	90%	19,605	19,605

Table 9 Own emissions

[14] This column includes the total variations, including discontinued operations In the base year only Spain and Argentina are considered,
[15] Scope 3 emissions increase due to the increased activity of the company but considering the units per euro sold, emissions decrease.

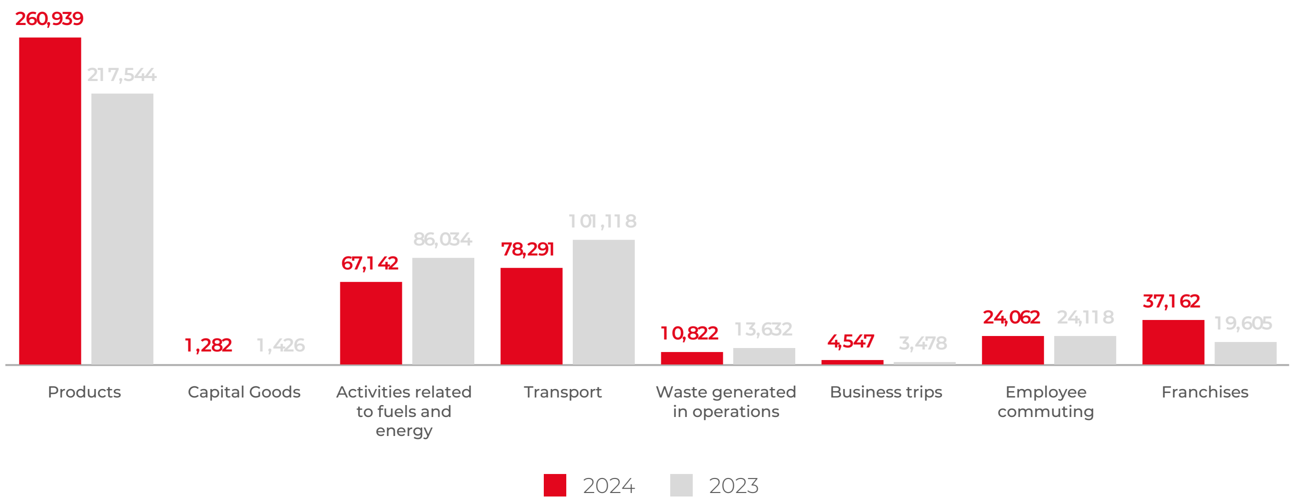


Due to the review and update of the methodology, the figures for 2023 have been restated.
(**) Details of reported refrigerant gases: R134A, R404A, R407A/C/F, R410A, R422D, R442A, R448A, R449A, R450A, R513A, R22 and other less representative gases.



Due to the review and update of the methodology, the figures for 2023 have been restated.
(**) Details of reported refrigerant gases: R134A, R404A, R407A/C/F, R410A, R422D, R442A, R448A, R449A, R450A, R513A, R22 and other less representative gases.

Scope 3 emissions (TN CO2e)



Scope 1+2 (location method)+3

Total 2024	Total 2023
918,188 t	1,050,879 t

Scope 1+2 (market method)+3

Total 2024	Total 2023
896,987 t	1,021,839 t

In 2024, Dia Group's Scope 1 emissions reached 235,880.47 tCO_{2e} and market-based Scope 2 emissions reached 176,859.64 tCO_{2e}, while location-based emissions were 198,060.66 tCO_{2e}.

Dia Group's total Scope 1+2 emissions represent a (24%) decrease compared to 2023, complying with the company's decarbonisation pathway and in line with its science-based target.

The decrease in scope 2 is mainly due to the refrigeration equipment renewal plan and the energy efficiency measures implemented by the company, which have allowed it to reduce electricity consumption compared to 2023.

The increase in Scope 3 emissions by 4% in 2024 is mainly due to increased purchasing of goods and services to comply with the planned growth plan. However, relative emissions per euro of turnover have fallen by 15% in line with the planned decarbonisation plan.

The intensity of emissions in relation to net sales can be found in chapter E1-3, E1-4 "Actions, resources and targets related to climate change policies"

None of Dia Group's activities are regulated under schemes that contemplate the use of emission rights.

Total GHG emissions by gas types	2024	2023
CO_2	447,804	515,384
CH_4	69,108	63,177
N_2O	19,808	18,761
Propane	0	0
HCFC-22	40,659	61,549
HFC-134a	48,310	75,313
HFC-125	72,072	89,684
HFC-143 a	85,607	94,349
HFC-32	5,011	7,583
HFC-600a (isobutane)	0	0
HFC-601a	0	0
HFC-152 a	0	1
HFC 227 ea	3	39
HFO 1234ze	3	3
HFO 1234 yf	2	2
HCFC-141b	303	0
HFC	8,294	8,170

Table 10 Total GHG emissions by gas types

6.1.9. Internal carbon pricing system E1-8

Among the climate change mitigation mechanisms implemented by Dia Group, the establishment of an internal carbon price stands out. This mechanism contributes to achieving the company's decarbonisation commitment and serves as an incentive for the transformation of activities and energy consumption towards the decarbonisation objectives set for 2030, based on SBTi methodology.

The bases of the study carried out are indicated below:

Following a benchmarking analysis, the targets set in the climate transition plan and the weight of the different emission categories in the footprint, it was determined that the most appropriate scheme would be shadow pricing. The pricing methodology used has taken into account:

- European market (EU ETS).
- Peer comparison.
- World Bank Recommendations.

Including a shadow price in the investment decision-making process helps implement measures that enable the company to achieve its emissions reduction targets based on SBTi, with special focus on scope 1 and 2.

Scopes 1 and 2 accounted for almost 50% of the global footprint in 2023 and in the case of Spain's footprint, they accounted for almost 40%.

The integration of a shadow carbon price means that by taking into account the social cost of carbon, it will be possible to:

- Promote low-carbon investments.
- Promote energy efficiency measures.

The internal carbon price can therefore contribute to the implementation of the climate transition plan and the emissions reduction targets set by the company.

This mechanism consists of:

- Establishing a shadow price for the purchase of refrigeration equipment in Spain of €80-85/TnCO_{2e}, which would affect 28% of gross scope 1 and 2 GHG emissions
- Establishing a shadow price for the purchase of electricity with a Guarantee of Renewable Origin (GO) of €50/TnCO_{2e} that would affect 50% of scope 2 GHG emissions globally and 1% of scope 3 emissions (those related to the transport and distribution of energy).

These prices are reviewed annually and updated with changes in the market and regulations.

Among the climate change mitigation mechanisms implemented by Dia Group, the establishment of an internal price on carbon stands out.

6.2. Pollution E-2

Management of water, air and soil pollution remains a key issue in all environmental management systems. With the expansion of industrial and commercial operations to meet the growing demands of society, the environmental impact has intensified. The uncontrolled release of toxic pollutants, harmful emissions and industrial waste has led to significant degradation of natural environments, affecting water, air and soil quality.

This phenomenon not only represents risks to human health, but also poses serious threats to biodiversity and the sustainability of the planet.

In this context, Dia Group effectively and sustainably addresses the prevention, mitigation and compensation of the environmental pollution generated, in order to ensure a balance between economic development and environmental preservation.

6.2.1. Material impacts, risks and opportunities (IRO-1)

ID	Issue	Impact Materiality	Financial Materiality
	E2 POLLUTION		
Air pollution		●	●
21	Replacing high-GWP refrigerant gases with natural gases or low-GWP refrigerants	I (+)	
Soil pollution		●	●
27	Absence of microplastics in products that could be susceptible to containing them, supported by supplier certification	I (+)	
28	Replacing products used during business operations with more sustainable and therefore less polluting alternatives	I (+)	

Air, soil and water pollution can be caused by company processes or by accidental events. For this reason, Dia Group carries out a weekly evaluation and collection of information on incidents related to the environment that have occurred within the scope of all its projects and locations, paying special attention to warehouses, since this is where the refrigeration equipment with the highest need for refrigerant gases is located.

Management of water, air and soil pollution remains a key issue in all environmental management systems.

Regarding the value chain, Dia Group takes into account the emissions generated upstream by its suppliers within its scope.

Since the activity consists of local sales of consumer goods, no significant downstream emissions are considered to exist.

In addition, the various stakeholders (employees, suppliers, franchisees, customers, financial institutions, shareholders and investors) are consulted on this matter on an annual basis through surveys, within the review of the Double Materiality analysis carried out by the Group.

The following potential sources of impact are identified in the activities carried out by Dia Group:

1) Emissions of polluting gases into the atmosphere: NO_x, SO_x and PM_{10} emissions are minimal but not non-existent. These emissions come mainly from the use of fleet vehicles and are considered not material.
2) Sporadic leaks: fugitive emissions of refrigerant gases from air conditioning/refrigeration equipment, resulting from the passage of time and the ageing of the equipment.
3) Noise and vibrations: the remodelling work in some stores may be a source of occasional impact.

KEY LOCATIONS

6.2.2. Policy related to pollution (E2-1)

Dia Group's environmental policy includes pollution prevention and biodiversity conservation.

The company is committed to combating climate change, improving energy efficiency, sustainably managing water, using resources responsibly and applying the principles of the Circular Economy.

Dia Group ensures compliance with environmental legislation, with preventive maintenance of refrigeration and climate control equipment and the implementation of a refrigeration "Renewal" Plan, to replace older equipment (and therefore, with a greater number of leaks), as well as the correct maintenance of company vehicles, which are the two sources of direct scope 1 emissions.

Warehouses that use ammonia or CO_2 as refrigerant gases have leak detectors. They also have several levels of alarm, which can even shut down the facilities and evacuate personnel if necessary, and regular drills are carried out. Environmental objectives are established at all levels of the company.

In drawing up the policy, the company has evaluated its operations and, given that it does not use substances of concern or of very high concern, it considers this aspect not relevant to its business model and therefore to its policy.

The guidelines of this environmental policy apply to all facilities and projects, including operations not directly managed by the group, and also in due diligence processes. The Audit and Compliance Committee is the body responsible for ensuring the effective implementation of this policy within the company.

6.2.3. Actions and resources related to pollution (E2-2)

The actions implemented by Dia Group to avoid and remedy these impacts are listed in its Transition Plan in section E1-1 "Transition Plan for climate change mitigation". Additionally, the Group carries out awareness-raising tasks in the remodelling projects, with the operational chain of command assuming leadership and responsibility in the prevention of pollution, both with regard to waste generation and noise pollution.

6.2.4 Metrics and targets (E2-3)

6.2.4.1 Air pollution

In its Transition Plan the company has established the target of reducing emissions of atmospheric pollutants. These targets are described in the decarbonisation pathway of E1-1 "Transition Plan for climate change mitigation".

6.2.4.2 Water pollution

The use of water in Dia Group is mainly intended for human consumption and cleaning tasks. However Dia Group has established objectives related to such use that can be consulted in section E3-2 "Actions, targets and resources related to water and marine resources"

6.2.4.3 Soil pollution

Dia Group does not carry out any activities that could potentially pollute the soil, although it has set itself the objective of aligning renovations and new openings with the "do no significant harm" requirements of the European Green Taxonomy in relation to pollution at building sites, keeping the sites clean, with surfaces that may produce dust compacted and/or moistened.

6.2.5 Air, water and soil pollution (E2-4)

Dia Group provides a breakdown of the metrics related to the impacts on air, water and soil caused by the emission, discharge or spill of potentially polluting substances. In 2024, Dia Group has not received any sanctions for environmental violations.

6.2.5.1 Air pollution

Air pollution and reduced air quality can be caused by emissions other than greenhouse gases, although these emissions mainly come from combustion processes carried out in connection with traffic (mainly motor vehicles, and especially diesel engines).

Of the total emissions generated by the Group, the current breakdown covers 99.99%, which correspond to greenhouse gases and are reported in section E1-6 "Gross scope 1, 2 and 3 GHG emissions and Total GHG emissions" of this Report.

6.2.5.2 Water pollution

Dia Group has not recorded any environmental impacts in terms of accidental discharges into the aquatic environment.

6.2.5.3 Soil pollution

Dia Group has not recorded any environmental impacts involving substances and pollutants spilled on the ground.

6.2.5.4 Microplastics

Regarding microplastics generated or used by the company, the products distributed in Spain are free of microplastics.

6.2.6 Substances of concern and substances of very high concern (E2-5)

The activity of Dia Group is not covered by the REACH Regulation (EC No. 1907/2006).

6.3. Water and marine resources E-3

Adapting to climate change calls for the implementation of awareness-raising and water-saving measures. Although the Dia Group does not have a direct impact on this resource, it positions itself in favour of sustainable water use and the protection of the marine environment, facilitating the development of society.

6.3.1. Impact, Risk and Opportunity Management (IRO-1)

ID	Topic	Impact Materiality	Financial Materiality
	E3 WATER AND MARINE RESOURCES		
Water consumption		●	●
31	Supply problems due to water shortages in areas of water stress and during periods of drought		R
138	High water consumption throughout the value chain	I(-)	

The quantity and quality of water resources vary according to contributions from the hydrological cycle, influenced by factors such as precipitation, temperature, use and soil cover. The demand for water depends on the climate, the available water resources and their management, thus determining sufficiency or scarcity in relation to needs. Dia Group develops its water management strategy based on the availability of the resource, its quality and the balance of the ecosystems in which it is found.

The company's stakeholders (suppliers, employees, customers, investors and franchisees) are consulted on water-related issues on an annual basis as part of the Group's Double Materiality analysis review.

Dia Group develops its water management strategy based on the availability of the resource, its quality and the balance of the ecosystems in which it is located

6.3.1.1. Potential impacts on water resources

Dia Group is aware of both the benefits of efficient and sustainable management of water resources and the risks of misusing them. For this reason, it identifies accidental pollution as a potential source of impact.

The use, although reduced, of potentially contaminating substances such as fuels, oils, detergents, etc. in carrying out its activity, means that in the event of an accidental spill, they could reach bodies of water if any are nearby, temporarily affecting them.

6.3.1.2. Risks and strategy related to water resources

Currently, Dia Group has two methodologies for identifying facilities in countries or areas with water stress. Firstly, the methodology of the Food and Agriculture Organization of the United Nations (FAO) establishes that an area experiences water stress when its annual water supply is less than 1,700 m3 per person. Under these conditions, Dia Group does not locate facilities in countries with water stress.

On the other hand, the assessment of the facilities using the World Resources Institute (WRI) "Water Risk Atlas" tool allows for the local identification and classification of Dia group facilities into six levels of water stress.

It is from this tool and as part of the ESG Risk Management System that Dia Group evaluates the endogenous and exogenous water factors that could impact the company's operations and services, thus representing a potential risk to them.

The Dia Group's commitment to reducing its consumption in regions with water stress sets out the criteria used in the procedure to identify in which centres the use and consumption of water is a material aspect, so that it is in centres located in areas with high and extremely high levels of water stress where the management implemented to mitigate these risks is thoroughly evaluated.

The distribution of Dia Group centres in water stress categories according to location is shown below:

CATEGORY	DISTRIBUTION BY LOCATION	CONSUMPTION (m^3)
Extremely high (>80%)	1,373	378,575
High (40-80%)	384	121,487
Medium-High (20-40%)	350	94,316
Low-Medium (10-20%)	596	93,876
Low (<10%)	640	23,620
Aridity and low water consumption	0	0
TOTAL	**3,343**	**711,874** [16]

Table 11: Water Stress by Category

The results of the evaluation at centre level indicate:

- Water consumption includes "freshwater" type water withdrawals from the municipal network for maintenance work and human consumption and is discharged into the sewage system. The total volume of water for own consumption in the Dia group was 711,874 m^3 in 2024.

- Dia Group carries out 53% of its activity in areas considered to be water-stressed, with a total consumption of 500,063 m^3. When carrying out the risk assessment in the projects, the percentage of probability of a water risk materialising due to water availability decreases to become immaterial in most facilities, since the main use is for sanitary and cleaning purposes and priority is given to plans and systems for responsible use and management.

- 19% of the activity carried out is in areas with a low level of water stress.

- Considering the distribution of the Group's stores, warehouses and offices, those located in Madrid, Barcelona and Seville would be those with the highest levels of water stress. The average water stress is higher in Spain than in Argentina.

Dia Group has calculated the water consumption associated with its suppliers, which is 1,023 hm^3 for its direct suppliers and 1,436 hm^3 for its entire supply chain.

The above analysis allows us to conclude that water risks represent a low impact for Dia Group.

[16] To report water consumption in stores, an estimate has been made based on a significant sample of stores using consumption data from 2023, weighting water consumption based on square meres and type. The consumption of Headquarters and Warehouses is the actual consumption recorded

6.3.2. Policies related to water and marine resources (E3-1)

Dia Group has a chapter dedicated to Water and Marine Resources in its Environmental Policy, approved by the Board of Directors, the main objective of which is to contribute to the human right of access to drinking water and sanitation.

The principles set out in this policy can be summarised as follows:

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

This policy is applicable to all regions where Dia Group operates, as well as to all its subsidiaries and is available to all interested parties on the Dia Group corporate website.

Details of the actions implemented during the year in relation to this policy can be found in the following chapter E3-2, E3-3 "Actions and resources related to water and marine resources".

As far as initiatives related to marine resources are concerned, they are included in chapter "8.1.6.2.1 Sustainability of raw materials".

6.3.3 Actions, targets and resources related to water and marine resources (E3-2, E3-3)

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.

Dia Group's water management strategy stands out for its strict compliance with legislation, responsible and efficient management, the integration of water into ESG risk management, the extension of its principles to its value chain and transparent communication.

The use of water in Dia Group is mainly intended for human consumption and cleaning tasks, so Dia Group has incorporated, as part of the requirements to be carried out in refits and new openings from 2024 onwards in Spain, the water-saving measures established by the European Green Taxonomy for the construction and refit of buildings:

- Sink and kitchen taps with a maximum flow rate of 6 litres/minute
- Showers with a maximum flow rate of 8 litres/minute
- Toilets and cisterns with a maximum full flush volume of 6 litres and an average flush volume of 3.5 litres.
- Urinals use a maximum of 2 litres/unit/hour, and have a maximum full flush volume of one litre.

These measures provide an average water consumption saving of 38.9% compared to a store that applies standard measures.

In 2024, a total of 17 thousand euros have been allocated to this measure, with the estimated investment by 2030 being 956 thousand euros.

The Real Estate and Procurement department is responsible for ensuring that all these measures are correctly applied. To this end, it has the support of a specialised consultancy firm that directly monitors all the projects undertaken by the Group.

Regarding initiatives related to marine resources and third-party standards, they are included in chapter "8.1.6.2.1 Sustainability of raw materials".

6.3.4 Water Consumption (E3-4)

Water consumption is detailed in section "6.3.1.2. Risks related to water resources".

6.4. Biodiversity and Ecosystems E-4

Humanity is witnessing a decline in biodiversity at an unprecedented rate, threatening ecosystem services that are essential to society and the economy. Faced with this reality, Dia Group has taken a proactive stance, seeking to develop the knowledge and technology that will enable it to achieve positive impacts from its activities.

In addition, the various stakeholders (employees, suppliers, franchisees, customers, financial institutions, shareholders and investors) are consulted on this matter on an annual basis through surveys, as part of the Double Materiality analysis carried out by the Group.

6.4.1. Impact, risk and opportunity management (IRO-1)

ID	Topic	Impact Materiality	Financial Materiality
	E4 BIODIVERSITY AND ECOSYSTEMS		
Impact on diversity		●	●
35	Loss of biodiversity due to deforestation for agricultural crops that supply Dia Group	I (-)	
36	Biodiversity loss and deforestation associated with sourcing practices that, according to the EUDR Regulation, cause deforestation	I (-)	
37	Economic sanctions due to environmental alteration, soil degradation, loss of biodiversity, social conflicts, among others; as a result of the activities of Dia Group's value chain		R

Although, due to its location and nature, Dia's direct activities do not have a significant impact on biodiversity, the Group's procurement practices can have an indirect impact on the surrounding areas from an environmental and social point of view, as well as on the normal functioning of ecosystems.

For this reason, aspects such as deforestation, fisheries sustainability and animal welfare are issues that Dia Group decided to address from the outset in its first 2021-23 Strategic Sustainability Plan.

Many of the efforts to comply with this work plan have focused on obtaining an initial diagnosis of the situation based on existing information systems, gaining a better understanding of supplier practices and designing tools to maintain monitoring over time, which will make up-to-date information available.

6.4.2 Policies related to biodiversity and ecosystems (E4-2)

Through the Biodiversity section of its Environmental Policy, Dia Group promotes the conservation and responsible use of natural heritage, not only as a necessary means for economic development and social progress, but also as a key asset of high value in itself.

The principles set out in the policy are as follows:

- Comply with current regulations on biodiversity, as well as the specifications of international reference standards and those established internally by the organisation, with special attention to aspects such as deforestation, sustainable fishing and animal welfare.
- Establish strategies, initiatives, objectives and monitoring protocols that make it possible to identify and assess the main impacts of Dia's activity on biodiversity.
- Promote the protection of biodiversity and natural capital by extending our biodiversity policy to our chain of activities.
- Choose products that bear seals or production systems certifications (RSPO, Rainforest, MSC, FSC, others) or other equivalent means, that attest that they have been produced taking into account the protection, conservation and improvement of ecosystems and the environment.
- Integrate care for biodiversity into the company's risk management strategy.
- Transparently communicate the results of biodiversity management in the company.

Dia Group, through the Biodiversity section of its Environmental Policy, promotes the conservation and responsible use of natural heritage

6.4.3 Actions, targets goals and resources related to biodiversity and ecosystems (E4-3, E4-4)

The Strategic Sustainability Plan 2024-2025 (SSP 24-25) outlines Dia Group's commitment to the protection and restoration of biodiversity, aiming to generate a positive impact on all of the company's projects.

Dia Group understands the importance of reducing global deforestation, including the deforestation associated to the products the company sells, which is why it is working on identifying standards for responsible sourcing, Human Rights, animal welfare, sustainable fishing and deforestation, among others, to handle the implementation in 2025 of the Due Diligence System and Regulation 2023/115 on Imported Deforestation.

Some examples of good practice involving some raw materials are highlighted below:

PESCA SOSTENIBLE CERTIFICADA MSC www.msc.org/es

Fishing

Dia is committed to advancing the sustainability of the seafood products it sells under its own brand.

In this regard, Dia has the following initiatives:

- The range of canned, chilled and frozen seafood products bearing the Marine Stewardship Council (MSC) certified sustainable fishing seal continues to grow with new certified products with the addition to our MSC family in 2024 of items such as Mari Marinera 100% natural cod fillet or Mari Marinera surimi claws.
- Furthermore, Dia Group, in collaboration with the NGO Sustainable Fisheries Partnership (SFP), continues to work to characterise the fishing grounds from which the fishery products sold under its brand come, with the aim of identifying potential risks and defining a supply policy that allows us to promote, as part of the supply chain, a market for more sustainable seafood products.

FSC www.fsc.org

Paper

- 100% of cellulose items are FSC certified.
    - In addition, primary and secondary packaging is available mostly sourced from forests with sustainable forest management and FSC certification.

BIENESTAR ANIMAL CERTIFICADO WELFAIR®

Animal welfare

There are 226 meat, egg and dairy product items that have the Animal Welfair seal, which identifies products of animal origin that come from animals raised on farms where 4 basic principles of animal welfare are evaluated: food, housing, health and behaviour.

Deforestation

One of the main causes of deforestation and forest degradation is the expansion of agricultural crops, linked to a series of basic food products. This has been identified by the EU, which has published legislation focusing on cocoa, coffee, palm oil, beef, soy, rubber and wood. In these areas, Dia has the following initiatives: A monitoring process has been defined to achieve greater knowledge of the supply chain and identify potential negative impacts.

The objective is to begin to minimise 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. Dia Group has set up an internal and multidisciplinary working group that aims to implement procedures and tools that ensure compliance with the Due Diligence requirements contemplated in the Deforestation Regulation.

The tasks of this working group include defining a roadmap, deadlines and the persons responsible, with one of the first actions being to carry out an analysis to identify the affected product range and automate the monitoring indicators, to achieve an improvement in the process. In addition, Dia regularly participates in forums and conferences on deforestation, where it works to coordinate the different actors in the chain in order to progressively define and implement the procedures and tools that will allow progress in this area. By the end of 2024, more than 96% of the items that include palm oil or one of its derivatives have the RSPO Sustainable Palm certificate. There are also some items that have coffee or cocoa as an ingredient with sustainable certification from the Rainforest Alliance.

6.4.4 Impact metrics related to biodiversity and ecosystems (E4-5)

Protected areas are land or sea areas that, due to their natural value, are specifically dedicated to nature conservation and subject to a legal protection regime. They are one of the fundamental instruments for in situ conservation of biodiversity.

Dia Group has no identified sites near this type of space, since both its stores and its logistics centres are located in predominantly urban areas.

6.5. Resources and circular economy E-5

By 2050, it is estimated that humanity will consume resources as if it had three planets, with a 70% increase in waste generation. This growing consumption has serious consequences, since more than 50% of greenhouse gas emissions and more than 90% of biodiversity loss and water consumption come from resource extraction and processing.

The transition to a circular economy for the Dia Group will not only allow for a significant reduction in the use of natural resources and environmental impact, but will also entail an economic opportunity derived from the competitive advantage and, if the appropriate processes are developed, will enable a better restoration and regeneration of natural capital.

Dia Group promotes eco-design in its products. The company encourages and invests in innovation at various stages of its operations, going beyond regulatory obligations to reinforce its commitment to the wellbeing of people and the environment.

In addition, the various stakeholders (employees, suppliers, franchisees, customers, financial institutions, shareholders and investors) are consulted on this matter on an annual basis through surveys, as part of the Double Materiality analysis carried out by the Group.

6.5.1. Impacts, Risks and Opportunities related to resources and the circular economy in Dia Group (IRO-1)

ID	Topic	Impact Materiality	Financial Materiality
	E5 RESOURCE USE AND CIRCULAR ECONOMY		
Waste management		●	●
42	Improving the recyclability of packaging, using mono-material packaging	I (+)	
43	Using recycled materials instead of virgin materials, thus increasing the circularity of raw materials	I (+)	
44	Implementation of a waste management model, separating waste at source (following the hierarchy model)	I (+)	
Food waste		●	●
48	Improving management of unsold products, prioritising donations	I (+)	
49	Managing large quantities of food waste requires a significant investment of human and economic resources for its management.	I (-)	
51	Reputational loss due to a bad image resulting from having large quantities of food waste		R
52	Economic losses attributable to the generation of food waste, since the impossibility of selling it may be due to the deterioration of the product or to causes such as the end of a campaign, short shelf life, loss of grouper in packs, etc.		R
Resource use		●	●
55	Reduction in the amount of raw materials consumed due to the use of materials with a lower density for the manufacture of packaging	I (+)	
56	Marketing of third-party products containing non-recycled or non-recyclable materials	I (-)	
57	Financial losses due to investments made in product sustainability, and lack of customer awareness		R

Dia Group integrates and explores circular solutions in its products and operations.

These solutions address the use of recycled or reused materials, the minimisation of waste generation, innovation in the reuse of such waste as raw materials for other industries and the development of programmes to optimise the use of assets (and therefore extend their useful life) through predictive models that allow the optimisation of processes such as bread baking.

The transition towards a circular economy and the minimisation and mitigation of environmental impacts caused by the consumption of resources and the generation of waste require an in-depth analysis of what happens both in the company's own operations and in the supply chain.

6.5.1.1 Potential impacts

The volume of products purchased by the Dia group is mainly distributed between consumer goods for subsequent sale (98%) and capital goods (2%).

In terms of waste, 90% is destined for recovery, in particular, 65% of the waste generated is paper and cardboard.

The distribution of consumer goods involves the intensive use of resources such as water and energy, putting pressure on nature and potentially intensifying the overexploitation and depletion of these resources.

Eco-design and the use of recycled materials reduce the amount of energy and materials needed to distribute goods and build new facilities such as shops and warehouses, thereby resulting in lower consumption of natural resources.

In addition, proper management of the waste generated reduces the volume of waste destined for landfill, promoting the recovery of materials and representing a business opportunity in economic terms and with a lower impact.

Dia Group also pays special attention to food waste management, since it is a direct source of economic losses and requires the allocation of resources for correct management.

The Strategic Sustainability Plan 24-25 includes the development of a Food Waste Prevention Plan, with the goal of reducing it by 30% in 203.0 vs. 2020.

6.5.2. Circular economy policy (E5-1)

The Dia Group's Environmental Policy has a specific chapter dedicated to the circular economy. The policy establishes a framework for action focused on reducing the use of virgin materials and aiming for complete circularity of the materials incorporated into our processes and products. The Audit and Compliance Committee is responsible for supervising this policy, which was approved in 2024. The policy commitment is applicable to all of the Group's business units without exception, with the director of each of them being responsible for putting it into practice.

In terms of guiding principles, the policy emphasises the importance of the waste hierarchy, with the aim of achieving Zero Waste status in all of the Group's warehouses.

The focus is on maintenance, including the review of operations to prevent failures and material fatigue, thereby prolonging the useful life of assets. In addition, the reuse of materials is valued, applying a management and segregation hierarchy to recover the greatest possible amount of waste.

The principles defined by the policy take the form of:

- Reducing resource use, using renewable and recycled materials, reintroducing waste into production cycles and reducing water and energy consumption
- Planning and intensifying the use of technology to reduce the consumption of materials and energy, anticipate and avoid losses and reduce food waste
- Placing a special focus on the maintenance of equipment and facilities to avoid failures, leaks and material fatigue and thus extend the life of assets
- Giving value to materials, using the hierarchy of waste management and segregation, paying special attention to our warehouses, with the aim of being zero waste in all of them
- Setting targets and being accountable, proposing strategies and plans to improve circularity indicators, and making them public to rigorously meet the expectations of stakeholders.

This policy is available to all interested parties on the Dia Group corporate portal and is applicable to all business units and regions where the Group operates, without exception.

A detailed breakdown of the waste hierarchy is available in E5-5

6.5.3 Actions, resources and targets related to resource use and circular economy (E5-2, E5-3)

Reducing excess packaging and achieving more sustainable packaging, with all the implications that this entails, has been included as one of the material issues of the Dia Group Sustainability Plan, in relation to which a voluntary commitment has been adopted that is specified in the following objectives:

- Reduce the amount of material used in packaging of own-brand products, with special attention to plastic (20% less in 2025 versus 2020 in Spain).
- Improve the recyclability of packaging for own-brand products, opting, whenever possible, for mono-material packaging and/or packaging with characteristics that facilitate recycling (100% of own-brand packaging recyclable, reusable or compostable by 2025 in Spain).
- All of Dia Group's waste is managed through its warehouses. The goal is for 100% of warehouses to be "Zero Waste" in Spain by 2030, obtaining the certification granted by SAICA, for which Dia Group allocates an annual OPEX budget of €5 million, which is 100% aligned with the European Green Taxonomy.
- In addition, Dia Group, in accordance with current legislation, will incorporate 25% recycled plastic in its own-brand beverage bottles by 2025 in Spain.

With a focus on these four objectives, a packaging characterisation process began in 2021, through which the recyclability of nearly 2,000 own-brand references was analysed based on eleven attributes, such as their composition (type and combination of materials), colour and presence, size and composition of the label, among others.

In Spain, more than 85% (73% in 2023) of the analysed own-brand references already meet the recyclability criteria:

Type of items	Spain
Number of own-brand items (including C&P and Pesca), F&V PLS and recyclable auxiliary material (with recyclability certificate)	271
Number of own-brand items (including C&P and Pesca), F&V PLS and auxiliary material (recyclability greater than 70% according to ESE questionnaire)	2,359
Number of own-brand items (including C&P and Pesca), F&V PLS and auxiliary material evaluated (ESE questionnaire)	3,077
TOTAL	**5,707**

Table 12: Own brand items analysed according to recyclability criteria

In addition, in collaboration with the "Technological Institute of Packaging, Transport and Logistics" (ITENE), Dia has developed a "Guide to packaging sustainability" that includes, for each type of packaging and material, the desirable characteristics and those to avoid when designing a new package or when redefining an existing one.

Following this guide, eco-design measures have been implemented in 516 items in Spain alone (around 13.5% of the total number of own-brand items), thereby reducing the use of virgin plastic for packaging by approximately 5.5 million kilogrammes. Some examples are highlighted below:

- Modification of the bags of most frozen products from multi-material to mono-material. In those cases where it was possible (depending on the type of product) the micron weight was reduced, lightening the plastic content. Regarding the colour, trays were changed from black to white and transparent for better recycling, eliminating the carbon black ink from the bags.
- The trays for *gulas* have become mono-material so that they can be recycled.
- The number of beverage and oil items with bottles that contain recycled plastic has increased. Recycled plastic has also been introduced in toothbrush blister packs and spice jars.
- The number of trays containing recycled plastic in packaged meat has continued to increase, and by a higher percentage.
- The grammes of plastic in salad bowls have been reduced.
- The plastic olive tin groupers have been replaced by cardboard.
- The detergent capsules of all 3 items have also switched from plastic to cardboard
- Bread bags with plastic windows have been replaced in Spain with 100% paper bags, which has meant a reduction of 251.5 tonnes of plastic.

In Spain alone, eco-design measures have been implemented in 516 articles (around 13.5% of the total number of own-brand articles), thereby reducing the use of virgin plastic for packaging by approximately 5.5 million kilogrammes

6.5.4 Responsible use of natural resources (E5-4)

The following table summarises the consumption of support materials at Dia Group. While paper and cardboard have seen their consumption reduced, plastic has seen an increase, as can be seen in the following graph. Among the improvements in management, the significant reduction in paper consumption stands out, mainly due to a decrease in the distribution of paper advertising leaflets in favour of digital leaflets.[17]

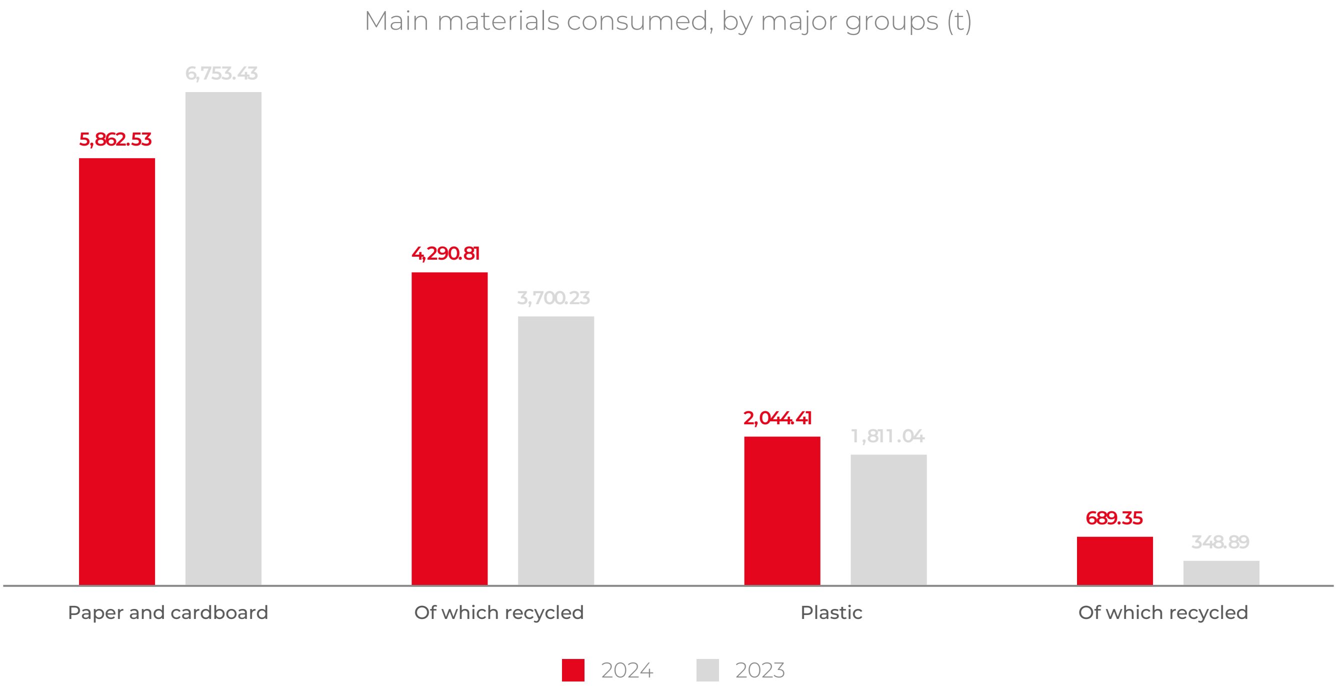
In addition, through the zero paper option in the Dia España App, it is possible to receive all till receipts on a mobile device, thus avoiding the use of paper.

The initiative aims to eliminate more than 180 million paper tickets and allow customers to have a more practical, simple and orderly shopping experience in line with the digital transformation.

Regarding plastic consumption, the use of compostable plastic bags at checkouts in stores has been promoted, instead of conventional plastic bags.

On the other hand, cardboard consumption has also decreased largely thanks to better management of this material in store supply systems.

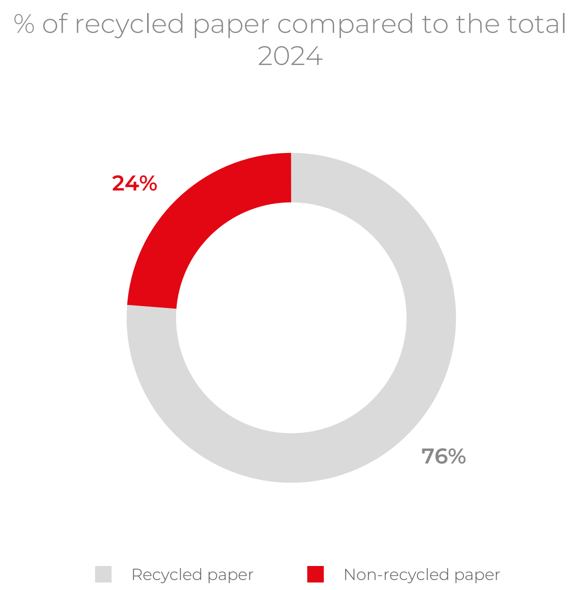
AR 21 DISCLOSURE OF INFORMATION ON MATERIAL RESOURCE INFLOWS

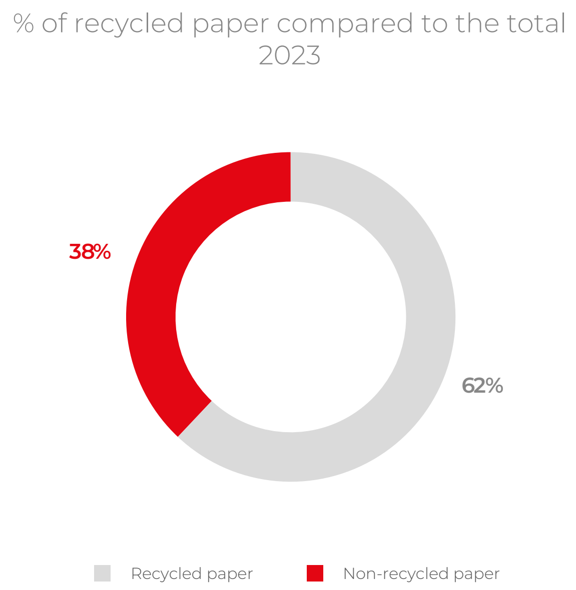


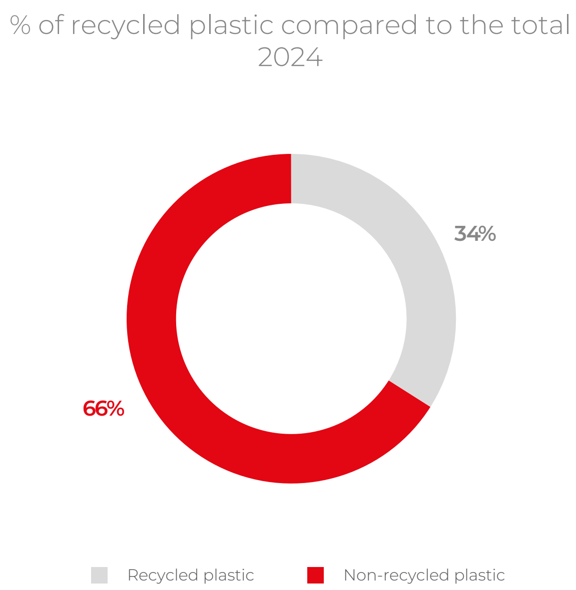
Total 2024
7,907 t

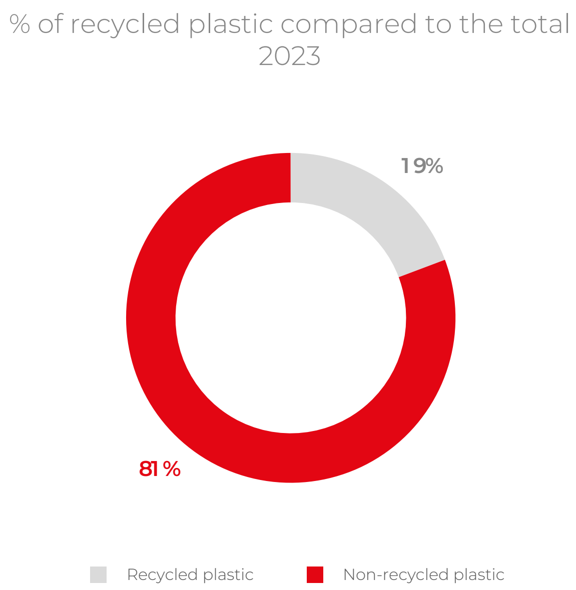
Total 2023
8,565 t

[17] Main materials consumed by the Dia Group, by major groups (t). The data reported are calculated using the kg of material actually purchased and consumed recorded in the Dia Group systems and include the contribution of the franchise network









In 2025, Dia Group will work on collecting data on the percentage of biological materials used, a certification system for sustainable procurement and the application of cascading use.

6.5.5 Responsible waste management (E5-5)

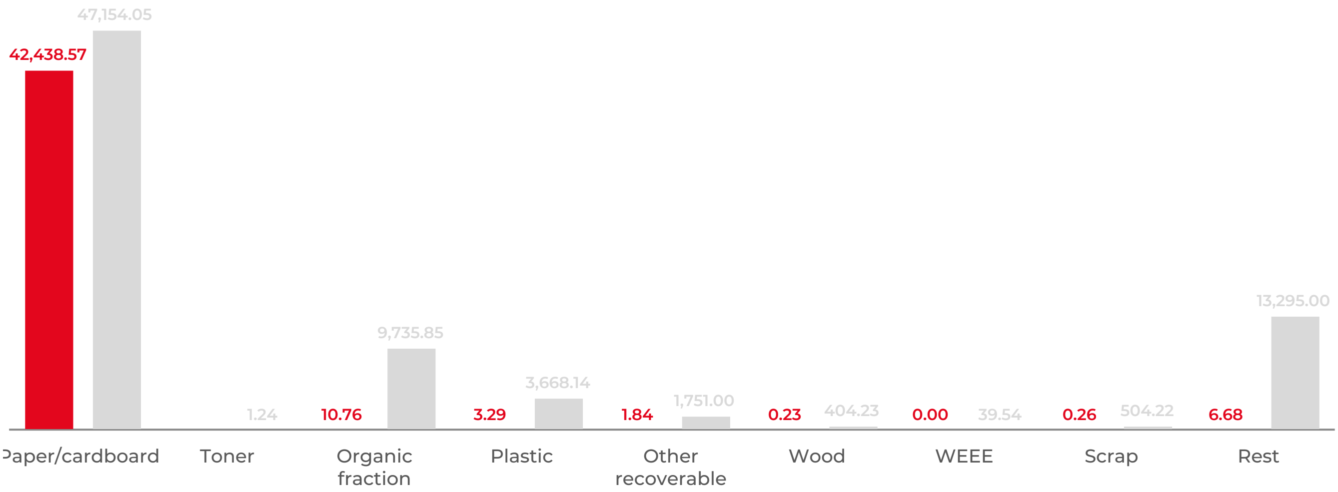
The objective contemplated in the Sustainability Plan 2024-205, with regard to waste management, is to advance in the implementation of the Zero Waste model in the management of waste generated. All of the group's waste is managed through the warehouses, which provide the managed tonnes of each type of waste used to prepare this report. In 2024, a total of 9 out of Dia Group's 11 warehouses in Spain obtained this endorsement, which certifies that at least 94% of our waste has destination other than landfill, compared to 8 certified warehouses in 2023. Of the waste generated on these platforms, 100% of bakery waste is destined for animal feed and 100% of fruit and vegetable and organic product waste is destined for composting. Dia Group allocates €5M of OPEX annually, aligned with the European Green taxonomy, to waste management.

Under this premise, Dia Group has reduced waste generation by more than 11,044.14 tonnes in 2024 (16,531 tonnes had already been reduced in 2023).

Improving the management of the product range and stock (using service and order preparation formats adapted to each product and each establishment or using IT tools to optimise orders), as well as better in-store management of products close to their expiry date, are the main pillars for avoiding food waste. Thanks to this, this waste has been reduced by more than 21% compared to the previous year.

Due to the sector in which the Group operates, the generation of hazardous waste is not significant.

Non-hazardous waste (t)



Total 2024
65,509 t

Total 2023
76,553 t

Destination of non-hazardous waste (%)

% Recycled		% Reused		% Energy recovery		% Composting		% Landfill / Incineration	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
78.60	70.37	0.80	0.22	3.50	2.63	6.90	4.85	10.20	21.94

Table 13. Destination of non-hazardous waste in Dia Group Due to the review, the Recycling and Composting figure for 2023 has been restated. The data are obtained through direct measurements of the tonnes of waste generated in each warehouse.

Dia also 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 its monitoring and management, Dia has created a common indicator to measure this parameter, for which a reduction target of 40% has been set in three years.

In addition to the improvements to waste management indicated above, there are other improvements specifically aimed at reducing this waste:

- Increase in donations of products suitable for human consumption, but not for sale, from new locations, such as dark stores
- Implementation of a redistribution system for unsold products in warehouses, stores and dark stores

As a result of these actions, food waste in Spain in relation to the total net food inputs in warehouses and stores has been reduced from 11,916,329 kg generated in 2023 to 5,581,760 kg in 2024.

7 Social

7.1. S1 Own Workforce

ANOTHER MEMBER OF THE NEIGHBOURHOOD

Its network of 3,343 stores (5,408 at the end of 2023), most of them local stores, allows Dia Group to be very present in the different neighbourhoods and to know their reality first-hand.

With this, the Group wants to strive to be close to its customers, offering services that satisfy their needs.

Dia Group places people at the heart of its business proposition

This chapter shows how employees are part of the Dia community, which is built from each store, and how the company relates to the most disadvantaged groups in these areas.

7.1.1 Interests and views of stakeholders, material impacts, risks and opportunities and their interaction with strategy and business model (SBM-2, SBM3)

ID	Topic	Impact Materiality	Financial Materiality
	S1 OWN WORKFORCE		
Working conditions		●	●
59	Low job satisfaction due to low salaries compared to the competition and lack of work-life balance.	I (-)	
61	Rising labour costs due to high inflation, which reduces the purchasing power of wages. (Argentina)		R
62	Improvements in well-being policies, to attract and retain talent, reducing staff turnover costs		O
Diversity, equity and inclusion		●	●
63	Staff satisfaction derived from the promotion of Equality, diversity and inclusion - in terms of working conditions, professional growth, etc. - beyond what is established by local legislation and what is required by the market	I (+)	
Health and safety		●	●
74	Reduction of costs associated to work-related accidents and illnesses through preventive programmes.		O

Dia Group has a diverse workforce of 16,896 employees at the end of 2024 (28,776 at the end of 2023). Of all the professionals working at Dia, 80% work in Spain and 20% in Argentina.

The Group's workforce has been reduced compared to 2024, mainly due to the increase in franchised stores globally, in addition to the divestment of the Clarel, Portugal and Brazil businesses.

In light of the countries in which the Dia Group operates and the existing trade union representation, there is no perceived risk of violation of basic human and labour rights (such as child labour, slave labour, freedom of association or the right to collective bargaining) in internal processes, and 5 complaints have been received in relation to the above aspects, from employees of the Group. Among other instruments, the Code of Ethics and the Ethics Channel of the Group were created to help safeguard the Dia Group's commitment to respecting these values. Regarding the material impacts on workers that may arise from the transition plans, currently, the proposed measures focus on reducing the carbon footprint in the future and are focused on the investment in new refrigeration equipment and the purchase of renewable electricity, as well as other aspects not directly related to the material impacts on workers, such as a more ambitious policy for waste management or the partial change of the transport model from conventional to gas.

No significant impacts have been identified that are directly related to the plan, its measures or its environmental or economic impact on the workforce in general, although, for employees in warehouses where natural gases are used instead of traditional refrigerant gases, which can be potentially toxic (such as ammonia or CO_2), the Group has developed specific protocols and training.

The Group aims to create a positive impact in everything it does, stimulating innovation and creativity, enabling people to grow and develop. Leading the transformation and leaving a relevant mark on society as a company is only possible with the talent, leadership and commitment of its people.

The company is aware that a solid value proposition, supported by a people-focused strategy, can make a difference in attracting, retaining and engaging talent.

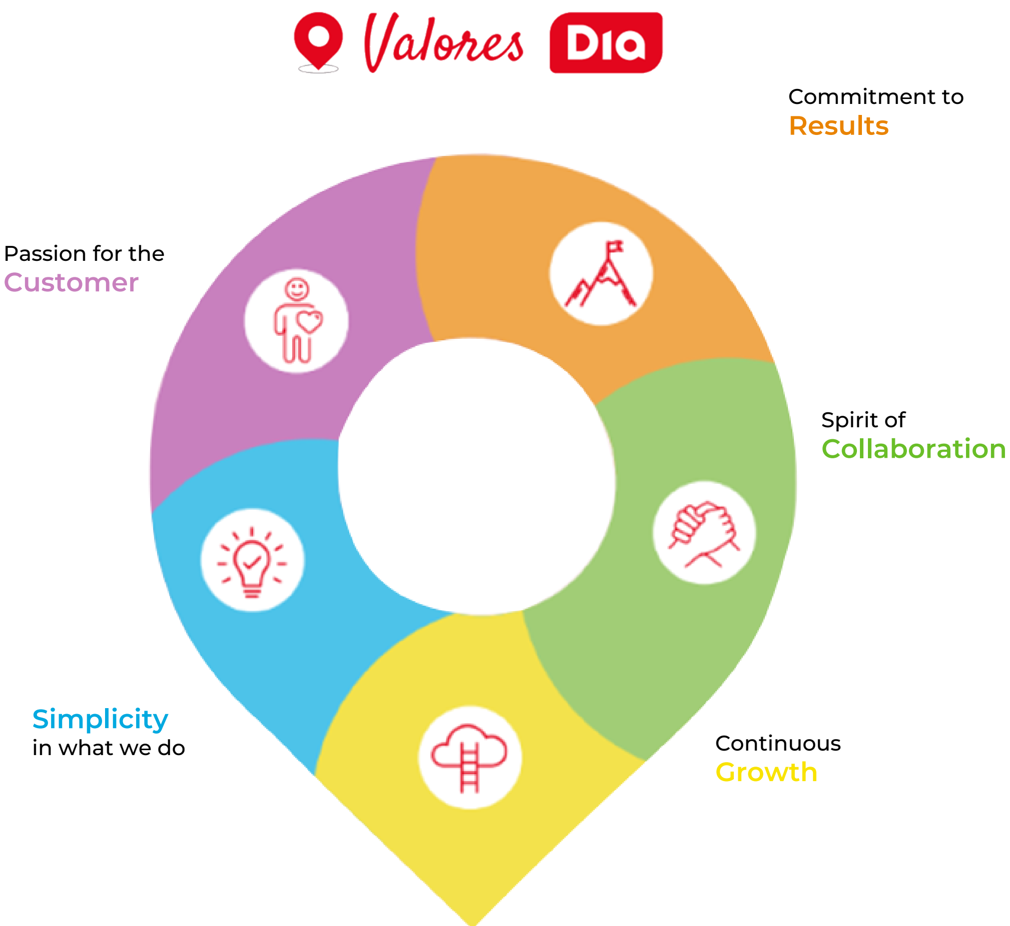
Individualised development plans that fit each person's goals and aspirations, ongoing training opportunities, mentoring, work-life balance, wellness programmes, recognition systems that celebrate people's achievements and contributions, and competitive benefits are all part of the company's value proposition for its people.

The interests, views and rights of its own workforce are the basis for its strategy and business model, and Dia Group has specific indicators to measure the success of integrating these interests into its strategy.

- Engagement: Level of satisfaction of all employees, franchisees and customers, measured through an NPS engagement survey, with the goal of exceeding the score of 70% by 2029.
- Cultural evolution: Successful implementation and acceptance of cultural changes, with ratios of 30% after six months, 70% in the first year and 100% 18 months after their implementation.
- Innovation Index: Tracking the level of implementation of new ideas received by employees
- Trust in leadership: Measuring the level of employee trust in the organisation's leaders and the level of identification with the corporate culture
- Retention: Measure of the retention rate of high-performing employees, with objectives equal to or greater than 80% in functions designated as "Critical"
- Skills: Developing the skills needed to take on cultural changes in the organization
- Communication: Effectiveness of internal communication during the transformation process

The drivers for the Human Resources Strategic Plan 25-29 are as follows:

- Employee NPS
- Level of trust in the organisation's leaders: Percentage of affirmative responses to the statement "I have confidence in the decisions made by management"
- Diversity and Inclusion Index: Percentage of new hires from vulnerable groups, as well as the percentage of women in senior management positions, directors and senior managers
- Additionally, in the context of the Double Materiality analysis, employees are consulted as another stakeholder group.



To implement this plan, the company has €1M of annual OPEX.

Regarding the inclusion of people with disabilities, Dia Group's strategy focuses on the effective integration of disability management in the work environment, marking a long-term commitment. The company has implemented work environment assessments, establishing objectives and monitoring systems and promoting awareness and training to create an inclusive culture. Efforts have been made to establish collaborations with specialised entities.

The objectives set and implemented throughout the year include:

- The signing of agreements with various entities for the incorporation of vulnerable candidates.
- Contracting Employment Websites and participation in specific Employment Fairs for these groups
- Creation of scholarship/internship programs for people with disabilities and young people <25 years old.
- Implementation of processes that ensure, in the positions that are possible by market, a minimum of 1 candidate over 45 years of age
- Criteria for selecting a candidate over 45 years of age under equal conditions of the general profile (skills, abilities, attitudes, etc.)

Among the challenges that the company has had to face in 2024, the increase in salary costs due to hyperinflation in Argentina stands out, which the company has had to deal with in order to combat low job satisfaction due to the loss of purchasing power of its employees.

Details of non-salaried staff can be found in section S1-7 "Characteristics of non-salaried workers in the company's own workforce"

Details of the negative impacts on own workforce and their effects can be found in "S1-14 Safety and health"

7.1.2 Policies related to own workforce (S1-1)

The Social policies, approved by the Appointments and Remuneration Committee, as a delegated body of the Board of Directors, reflect the commitments and principles of conduct related to the Group's own workforce, as well as in relation to the company's value chain, and are applicable to all regions where the Group operates.

These policies are available on the company's website and are accessible to all users.

Code of Ethics

General Human Resources Policy

Diversity and Inclusion Policy

External Relations Policy

- The Dia Group Code of Ethics establishes the commitment to respect internationally recognised human rights and public freedoms.

Dia Group is aligned with the International Bill of Human Rights, the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and its fundamental conventions, the Convention on workers' representatives, the Guidelines of the Organization for Economic Cooperation and Development (OECD) for Multinational Enterprises, the Guiding Principles on Business and Human Rights of the United Nations (UN), the Principles of the United Nations Global Compact, the Seoul Declaration on Safety and Health at Work.

All Dia Group employees must follow this commitment, carrying out their professional activities with respect for human rights and public freedoms.

Linked to this Code of Ethics is the Ethics Channel, through which reporting any breach or complaint regarding working conditions can be reported. Dia Group has a procedure that begins with the opening of a file where the veracity and accuracy of the information contained in the complaint or communication will be verified. To this end, a hearing will be held with all those affected and witnesses, and the Ethics Committee will carry out as many investigative procedures as it deems necessary to clarify the problem through a final report with recommendations and its subsequent communication.

- The General Human Resources Policy is the corporate reference framework for people management and contains the Areas of Action that respond to Dia Group's commitment to job creation and its professionals. Dia Group supports, respects and contributes to the protection of internationally recognised fundamental human rights with the aim of not being complicit in any form of abuse or violation of these rights among workers, suppliers, contractors, subcontractors, recruitment agencies, collaborators, partners, competitors, customers, local communities and society in general.

The issues covered in the policy are as follows:

- Effectiveness, based on rigorous work and the training of teams to make decisions based on professional criteria, seeking the profitability of actions;
- Initiative, paying attention to the changes occurring in the markets in which Dia Group operates and anticipation through creative and innovative solutions;

- Respect for commitments, generating an environment of trust and accepting diversity and differences of opinion, to work in a climate of security, credibility and respect for the person;
- Teamwork, with a common goal and in a coordinated manner, fostering a positive relationship to take advantage of people's talent and achieve the best results;
- The Customer, with the mission of achieving maximum satisfaction

The Policy is articulated through seven Areas of Action that guide the Dia Group's commitment to job creation and people management:

- Selection and hiring of professionals, promoting job stability and encouraging local hiring, striking a balance between the needs of the person and the values that define Dia Group
- Equality and Diversity, supporting best practice
- Talent management and development, detecting needs and offering opportunities
- Work-life balance, recognising the need to achieve a balanced work environment
- Safe and healthy work environment in all areas of the organisation
- Adequate remuneration, which seeks to attract, motivate and retain a workforce prepared to tackle the challenges facing the business
- Labour relations, recognising both the freedom of association of its employees and the right to collective bargaining within the legal frameworks established in the environment in which its business activity is carried out.

The responsibility for approving and ensuring compliance with this policy rests with the Board of Directors.

The Dia Group's Strategic Human Resources Plan will establish specific objectives and define specific actions in the short, medium and long term to achieve them.

Dia Group has a flexible, transparent and constantly evolving Human Resources Management System to adapt to a changing business reality.

The System is supervised by Senior Management to achieve organisational consistency, recognise strategic issues and manage people under common criteria.

Dia's job evaluation model meets the requirements for job evaluation at the legislative level:

Appropriateness	• **Relevant factors** related to the **activity**. • It facilitates having a **common language** to understand the levels of responsibility and contribution factors of the Organisation's positions.
Completeness	• The job is evaluated from different perspectives based on **the factors that represent the activity**. **All the conditions that make the job** unique are taken into account without making any of them invisible or undervaluing them.
Objectivity	• **The job is evaluated,** not the person. • The process does **not discriminate** on the basis of sex (neutral). • There is no factor that is based on personal characteristics of the employee (performance, etc.).
Analytical system	• Methodology **based on points and factors** and carried out using a calculator (support tool).

Requirements of RD 902/2020

Article 4.4 of Royal Decree 902/2020 establishes that “(...) the correct evaluation of jobs requires the application of the criteria of appropriateness, completeness and objectivity (...)”. Article 8 establishes that “(...) for job evaluation purposes, analytical systems that guarantee compliance with the established objectives and requirements will be applied (...)”.

- Recruitment, training and promotion: Dia Group maintains updated records that guarantee a transparent view of opportunities for employees:
  - **Recruitment:**

    We have an employment policy that contains principles aimed at equality, transparency and objectivity.

    When seeking to fill new positions, in all cases they are published internally and externally, except when for specific reasons it is decided to only conduct the search externally.

    All Dia employees, both in Spain and Argentina, have access to our internal search portal and can apply.

    When seeking Store Managers and Leaders, employees can self-nominate or be nominated by the Store/Manager.

  - **Training:**

    From the Learning & Development area, Dia Group has a detailed record of attendance at all learning experiences carried out through our Dia Academy. We offer a wide variety of learning experiences, mentoring and buddy support, coaching and initial training plans, among others. Training is organised under two main categories:

    - Training available to all employees: Includes training related to Dia culture.
    - Training aimed at specific groups of employees: Designed to cover particular needs.

      All academic offerings are centralised in our training catalogue, available on the Dia Academy virtual platform. All Dia employees have access to this space and can explore and view training opportunities, ensuring transparency.

      In addition, any employee can request specific training. On the Academia Dia platform, employees will find a section where they can view information about this process and how to start this request. These requests enter an analysis and approval circuit, in which their relevance is evaluated according to the policies of the Learning & Development area. It is important to note that we have a clear specific training policy that details the requirements to access the different types of training, ensuring that the process is fair and transparent for everyone.

      In this way, we promote the continuous and accessible development of our employees, aligning their needs with the company's strategic objectives.

  - **Promotion:**

    There are three routes within the promotion processes:

    1) Participation in an open job search process: In these cases, the promotion is aligned with our recruitment policy, guaranteeing equal opportunities for all employees interested in applying.
    2) Promotion without initiating a search: These processes are applied when a leader has a vacancy in his team and identifies a member of the team with high potential and wishes to promote him or her for development reasons.
    3) Promotion processes through recategorisation, different actions are implemented depending on the organisational level:

    - Evaluation of the employee's potential, skills and abilities.
    - An interview with Human Resources.
    - For processes where the promotion is to Senior Manager or Director, an interview is held with a member of the Management Committee.

All job changes are communicated on a monthly basis. In this way, we guarantee that the promotion processes are transparent, fair and rigorous, ensuring that decisions are based on merit, capabilities and the continuous development of employees, in alignment with the organisation's strategic objectives.

- Dia Group's Diversity, Equity and Inclusion Policy, approved during this year, is a crucial component of the company's people management model, reinforcing commitments to the development of diverse talent, respectful treatment, equal opportunities and social promotion and cohesion.

To achieve this, the group follows a strategy focused on the groups where it can provide the greatest value along the lines of gender diversity, socioeconomic diversity – promoting access to employment for vulnerable groups according to the reality of each country – and sexual diversity. To achieve this, it relies on three pillars:

- Diverse culture: seeing differences as an opportunity. We foster positive relationships, where everyone feels free to be who they are, and we promote personal development, aware that different talents and experiences are essential to maximise results. Learning is the engine for growth, which is why we believe it is important to train and raise awareness among teams about good practices, to integrate different perspectives.

- Inclusive environment: the Group condemns any type of discrimination and has specific instruments and policies to ensure compliance with this principle of equality that allows it to promote a heterogeneous work space. This Policy is supported by the Global DEI Committee, which aims to promote and monitor the Company's diversity strategy. In addition, the Dia Group has local Committees that act as agents of change to achieve the proposed objectives.

- Active company: Dia Group is a company that moves forward guided by its mission and driven by renewed values, which has allowed it to build a solid business that places people at the centre. To do so, it has established alliances with the main DEI leaders in society to learn from their knowledge and experience, as well as to give visibility to our commitments:

    - Respect the principle of equal treatment at work for all purposes, not allowing any type of discrimination based on sex, marital status, age, race, nationality or ethnicity, religion or beliefs, disability, sexual orientation, political ideas, membership or non-membership of a union, or any other personal or social condition.

    - Value diverse opinions with respect for people, taking into account different contributions and points of view.

    - Generate professional opportunities in the places where we operate

    - Guarantee equal opportunities in the workplace based on individual merit, with special attention on access to employment, recruitment, professional promotion, training, job stability and equal pay for work of equal value.

    - Promote work environments free from harassment, violence and inequality, where the dignity of all employees is respected. This includes the implementation of clear and effective policies against harassment and discrimination, as well as awareness-raising and training programmes on diversity and inclusion for all levels of the organisation.

    - Ensure quality, stable and secure employment with working conditions that promote the wellbeing of the workforce, including flexible hours, work-life balance, and health and safety measures at work.

    - Transparency in our working practices, including regular auditing and open communication about our progress.

In terms of functional diversity, the following stand out:

- The enormous effort made to increase the percentage of people with disabilities in the workforce, through a communication and awareness plan on the subject, the provision of tools for the selection and subsequent hiring of people with functional diversity, or the presence of the company on specific employment portals. In addition, an internship program for graduates with disabilities has been launched.

- Likewise, in terms of accessibility, this has been improved by updating the website, which allows for a better user experience for all groups. Furthermore, in the case of Spain, all architectural accessibility regulations have been complied with in new store openings and expansions, working on the elimination of barriers of any kind.

- Additionally, the Light Remodelling project (which has modified almost 2,985 stores since its inception) has solved some accessibility problems in older stores.

In addition to these actions, it should be noted that there are no maintenance notices or complaints regarding significant accessibility issues in the Group's stores.

Furthermore, in 2024 Dia Group has collaborated with the following Special Employment Centres:

<u>**Awareness and skills development in diversity, equity and inclusion**</u>

- Selection workshops led by the Red Cross;

- Accessibility workshops with Prodis;

- Celebrating “diversity week” with a wide variety of workshops, collaborations and testimonials.

- Dia Group recognized with the European “Diverse, Inclusive & Equal Company” distinction awarded by the Club of Excellence in Sustainability;

- Renewal of the Top Diversity Company seal awarded by INTRAMA;

- Award for the best campaign to promote and raise awareness of generational diversity, also awarded by the INTRAMA network.

- Spain joins the Code of Good Practice on Generational Diversity

- Both Spain and Argentina have reviewed and modified their selection, promotion, training and development, remuneration and flexibility processes with an eye towards diversity and equality, mainly to promote inclusion and equal opportunities for vulnerable groups.

- In our branches, we have continued and expanded our collaborations with secondary schools, where we have presented our internship programme and welcomed students on internships in stores; we have given training courses and workshops; we have received visits from students, etc.; as well as formal training in Dia Schools/ Academies or internships (sometimes with groups at risk of exclusion, in alliance with partners such as the Red Cross, Cáritas, Prodis, YMCA, different Chambers of Commerce or the Trébol Foundation), where we have offered them the opportunity to work as a check-out assistant, warehouse worker or manager in a Dia store and/or improving their employability to be able to work in other companies in the sector.

- With vulnerable groups, specifically unemployed young people under 25 years of age, we have carried out internship programmes in companies (in Dia stores and offices).

- For its part, Argentina, in line with the defined strategy, has formalised key local agreements with highly relevant entities to work on the different aspects of diversity (gender, socioeconomic and sexual) such as La Casa del Encuentro; Fundación Pares; Government of the City of Buenos Aires; Pride Connection.

Gender equality

The Equality Plan signed by Dia Group has been implemented in Spain since 2012 and was renewed in 2023 for the following four years.

The Plan is preventive, so it aims to eliminate any possibility of future discrimination based on gender. The implementation of different protocols against harassment and gender violence, discrimination prevention systems (access, promotion, compensation, language), specific awareness campaigns, both in the network of stores and warehouses and in offices, or the existence of a protocol to promote the labour insertion of women who are victims of gender violence are some of the best practices linked to this plan.

Furthermore, this II Gender Equality Plan of Dia Spain aims to give continuity to and intensify the current actions through the inclusion of new measures aimed at guaranteeing equity and work-life balance, such as more flexible hours, a specific plan to promote and detect female talent or initiatives to raise awareness and prevent sexual harassment and gender violence.

in addition, the details of the action plans of each business unit include a review of all the processes associated with the experience of the team members, such as the review of the selection policies, in which, under equal conditions and competencies, preference will be given to the person of the sex less represented in the position in question.

These policies and the efforts made to bring women to the final stages of the selection processes have not yet shown significant changes in the total number of female managers. However, one of the commitments made is to reach 40% by 2025, starting from a very good base, since women make up 65% of the workforce, with more than 50% of them occupying manager positions and including at least 1 female candidate in the CEO-2 & CEO-3 Succession Boards.

In 2024, the company has carried out the following actions:

- Inclusive leadership training with the Adecco Foundation for 200 managers and awareness and visibility campaigns around Women's Day

- Celebration of the International Day for the Elimination of Violence against Women by the Ana Bella Foundation in Spain

- Employees of Headquarters in Spain participated in a workshop on unconscious gender bias.

- Creation in Argentina of the “Mujeres Protagonistas” space, a place to reflect and share experiences with people from different areas about the role of women in the workplace and society. It also has leaders who are internal spokespersons to give visibility and create role models for female leadership.

- In terms of prevention and support in cases of gender violence, it is important to highlight that, together with La Casa del Encuentro, a Protocol for situations of gender violence has been implemented for all Dia Argentina collaborators, accompanied by an information and training plan for all collaborators.

Details of the training programmes launched by the Group in relation to this matter can be found in chapter "S1-9 Diversity and inclusion" and the adaptation measures aimed at these groups in chapter "S1-12 Employment and inclusion of people with disabilities".

Regarding the selection processes, Dia Group ensures that in the positions where possible by market, there is a minimum of 1 candidate over 45 years of age, as well as the creation of scholarship and internship programs for young people in Spain.

The directors of the Human Resources area in both Spain and Argentina, as well as the members of the Management Board, have objectives linked to compliance with and performance in relation to this policy, in areas such as functional, intergenerational, socioeconomic, gender diversity, etc. The details are listed on chapter "4.2 Strategic Sustainability Plan 24-25".

- External Relations Policy, was approved in 2023 to ensure that Dia Group, as a listed company, complies with the duty of care that all the information it disseminates externally is accurate, consistent and in accordance with the appropriate legal and regulatory requirements, especially any sensitive information that, when made public, could affect its reputation or the share price. This duty coexists with that undertaken by the Board of Directors which, in addition to its non-delegable powers, such as determining the company's general policies and strategies, ensures fluid and responsible communication with all its stakeholders, including its employees. This Policy is applicable to Dia Group and all its companies, in all the territories in which it operates and will be reviewed annually by the Communications and Sustainability Department.

7.1.3 Processes for engaging with own workers and workers' representatives about impacts (S1-2)

In all countries and workplaces, Dia Group respects current legislation and promotes equal opportunities, non-discrimination in the workplace, a culture of diversity and respect for human rights at the workplace through its General Human Resources Policy. This policy is based on the United Nations (UN) Guiding Principles on Business and Human Rights, the Principles of the United Nations Global Compact, and the Seoul Declaration on Safety and Health at Work.

Dia Group has strengthened its direct communication channels with employees through its representatives, with whom we have daily communication, according to the needs of both parties, meeting whenever there are issues to be discussed or at the request of either party, both in Spain and Argentina.

The operational managers responsible for ensuring proper collaboration with workers' representatives are the Directors of Labour Relations in each country.

Regarding the evaluation of employee engagement, Dia Group conducts an "Employee Net Promoter Score" (eNPS) survey on an annual basis, with the score remaining stable in Spain (23.4 in 2024 vs 23.6 in 2023) and increasing in Argentina from 48.7 in 2023 to 54 in 2024.

This engagement survey takes into account the opinion of particularly vulnerable groups based on segmentation based on specific demographic criteria. Chapter S1-9 "Diversity and inclusion" details the measures the Group has in place to ensure the proper integration of these groups.

There are different channels of communication with employees, most of which promote two-way communication and through which the company takes into account the opinion of its employees and which are available to all employees of the Group

7.1.4 Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

Each time Dia Group sets out its Internal Communication strategy, in line with business needs, we carry out a detailed analysis to identify the specific communication needs of our different groups of employees, taking into account their access to technology and their information consumption preferences. This analysis is based on satisfaction surveys, focus groups and continuous feedback that we collect through our existing channels, as well as a deep understanding of the sector and trends in the field of communication.

This allows us to be aware of the diversity of our workforce, which includes both frontline and warehouse employees, who often lack regular access to computers, and office workers. In both cases, their needs and motivations vary significantly. In addition, we face the challenge of a wide geographic dispersion that complicates the centralisation of our communications.

The 'deskless' group, which makes up two thirds of our workforce, always presents a particular challenge in terms of communication. On the other hand, our office group is frequently exposed to an excess of information, not only corporate but also in their daily lives, which we call 'infoxication'.

Dia Group has therefore learned that we have a dual need: to ensure that our messages are read and heard, differentiating both the format and the content, and selecting the most appropriate channels to ensure accessibility and impact. Our efforts are focused on expanding the channels of dialogue, testing new formats adapted to current information consumption habits and seeking a balance in content that satisfies both the interests of employees and the information needs of the company.

There are various channels of communication with employees, most of which promote two-way communication and through which the company takes into account the opinion of its employees and which are available to all employees of the Group. Employees always have the option of raising their concerns anonymously or indicating their personal data if they deem it necessary.

The most relevant ones are presented below:

- Corporate social portal and employee apps: a space to promote communication, generate professional knowledge, share free time and disseminate corporate information, as well as an access point to employee apps.
- Newsletters tailored to the needs of each Business Unit: to share best practice, business information and strategic advances among all Group employees, as well as to boost their engagement, enhance prescription and improve the feeling of belonging. In addition, operational teams also receive newsletters with relevant information for the good performance of their work.

- New communication channels with employees have been launched, such as the implementation of a new corporate portal in Argentina or WhatsApp messages. In addition, 94.45% of employees in Spain are registered on the Dia Group Portal and can access both the app and the web portal, while in Argentina the figure is 87%.

- Periodic surveys to find out the opinion of the staff on different day-to-day topics, as well as annual or biennial engagement surveys, depending on the preferences and needs of each Business Unit. These channels, regardless of whether they are run internally or through a third party, guarantee, when required, action, anonymity and total privacy with respect to the responses given by employees.

- Middle management network, well informed and trained to maintain a continuous and transparent dialogue with their teams, serving as a vital channel for the transmission of messages and an essential tool for active listening. Additionally, the Dia's Group has a human resources delegate for each region.

- Regular communication channels and spaces between senior management and employees to improve trust, bring leadership closer, share business developments and progress in the transformation process. These meetings are face-to-face, virtual or hybrid and their regularity varies depending on the business unit. In terms of formats, the Group has evolved from traditional written newsletters to video messages, virtual newscasts and video reels with dynamic headlines. It is also implementing new content that includes participatory activities in the form of contests and interactive games to reinforce knowledge and encourage greater interaction. The continuous evaluation process integrates both direct feedback and the analysis of quantitative KPIs to optimise internal communication. At the same time, the Group analyses consumption data such as opening rates, reading time and participation in activities to measure the effectiveness of our channels and formats. This combination of qualitative and quantitative feedback allows for precise and timely adjustments, ensuring that our communications are effective and relevant to the needs of our employees and the company.

- Ethics Channel, to report incidents, the procedure for which is described in S1-1 "Policies related to own workforce"

In 2024, 4 employee conflicts of interest were reported in Spain and none in Argentina, of which 3 were dismissed due to lack of foundation. The conflict of interest detected referred to a tender process, for which the Dia Group has an objective and independent procedure in which the affected employee was kept out of the loop.

Ethics Channel reports of conflict of interest	Employees
CONFLICT OF INTEREST COMMUNICATIONS	**4**
Closed	4
Confirmed	1
Dismissed	3

Table 14 Ethics Channel reports of Employee Conflict of Interest

7.1.5 Taking action and setting targets on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities. (S1-4)

Internal control system of Minimum Social Safeguards

The detection of actual or potential adverse effects is carried out on an annual basis, in accordance with the sustainability reporting risks.

Identification and assessment have been strengthened in 2024 through the inclusion of minimum social safeguards in the system of Internal Control over Non-Financial and Sustainability Information. This system is made up of control activities, which derive from policies, standards and procedures to defend the principles that establish responsible business conduct. Each identified risk event has been associated with internal controls that prevent and mitigate the likelihood of materialisation of a risk.

The system of Internal Control over Non-Financial and Sustainability Information documents these controls with a series of attributes that characterise them, including others:

- the specific description of the control activity,

- the area or department responsible for its implementation and

- evidence that proves the proper execution of the control.

The system of Internal Control over Non-Financial and Sustainability Information includes control measures belonging to other Control Systems, such as the Crime Prevention Model, which aim to prevent the commission of certain risks included in the scope of the Minimum Social Safeguards.

The updating of risks and controls is carried out by the Internal Control and Risk Management Department, which reports to the Financial Department, following the annual supervision process.

Dia Group is committed to establishing lawful and effective mechanisms to remediate adverse effects on Human Rights, which are described in section S1-1 "Policies related to own workforce"

In relation to the negative material impacts detected for its own workers, Dia Group has a 2025-2026 Strategic Plan to address and mitigate them (working conditions, employee satisfaction, and turnover rate).

This plan is described in chapter 7.1.1 "Interests and views of stakeholders, material impacts, risks and opportunities and their interaction with strategy and business model (SBM-2, SBM-3)."

1

Control environment

- Code of Conduct
- Policy on Human and Labour Rights in the Value Chain
- Incorporating the principles of responsible business conduct and due diligence strategy into management policies and systems.

2

Risk assessment

- ESG Risk Assessment
- Identification and assessment of actual or potential adverse effects

3

Control Activities

- Internal Control System over Non-Financial and Sustainability Information

4

Supervisory Activities

- Internal and external audit
- Monitoring of the implementation and supervision of the effectiveness of due diligence policies and strategy by the Risk and Internal Control Committee and the Audit and Compliance Committee (ACC)

5

Information and Communication

- Non-Financial and Sustainability Information

Positive impacts

In a sector as competitive as food distribution, not only attracting but also retaining the best talent becomes one of Dia Group's strategic priorities.

The Group has launched a programme to monitor and improve employee satisfaction in all the regions in which it is present, with the aim of defining action plans to manage the issues that most concern the Group's employees. As a result of this programme, overall employee satisfaction has improved at Group level.

Among the most important actions carried out in 2024 (as in the previous year) there are two milestones that respond to the objective of achieving greater development of people and the “Dia team”: the deployment of a culture based on a renewed purpose and values, and the sustained commitment to employee training and development.

An example of this is the development of a Leadership Plan with the aim of promoting skills that allow teams to grow and generate a positive working environment, without forgetting the focus on results.

Dia Group's mission of proximity has been the driving force behind Dia's redirection towards a unique business model that puts people at the centre and takes care of the way it relates to all its stakeholders, creating trust and transparency with its entire ecosystem. This "New Dia" has been built on renewed values that permeate all spheres of the organisation: from the Management Committee to the collaborators in the store and warehouse.

To implement this plan, the company has €1M of annual OPEX.

The Group has a large and diverse team of professionals committed to results who, with a spirit of collaboration and simplifying what is complex, give the best of themselves every day to achieve continuous growth and the satisfaction of their customers, the true protagonists of the company's strategy.

7.1.6 Targets related to managing material impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

The Pillars of the Strategic Plan 2025-2026 are as follows:

PEOPLE & CULTURE PILLARS 2025

Targets

- **Ensuring the foundations for Excellence in People Management**
- **Promote Dia Culture in the organisation**
- **Human Resources Strategy aligned with the Group's priorities**

MANAGEMENT OF EXCELLENCE	ORGANISATION	CULTURE & IDENTITY	TALENT	BUSINESS INTEGRATION
Simplification and streamlining of processes	Personnel management model based on Excellence	Company where people feel safe, happy and appreciated	Sustainable development of leadership, talent and knowledge	Success in business strategy, focused on employees and partners

DIVERSITY & INCLUSION

Creating real impact in the organisation and the community

The targets related to this plan are detailed in chapter "7.1.1 Interests and views of stakeholders, material impacts, risks and opportunities and their interaction with strategy and business model (SBM-2, SBM3)"

7.1.7 Characteristics of the company's employees (S1-6)

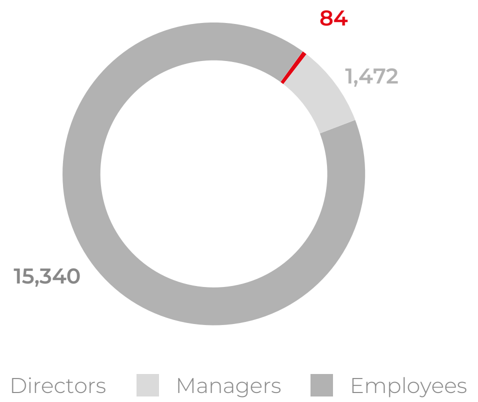
The main characteristics of the workforce are shown below, using data obtained from the different Human Resources management systems available to the company, which subsequently, after anonymisation, have been aggregated and reviewed in the corporate Non-Financial and Sustainability reporting tool:

Workforce at 31 December(405-1)/ AR 55

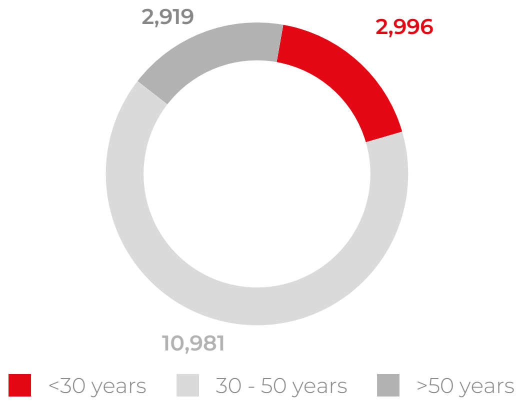
			Directors		Managers		Employees	
			2024	2023	2024	2023	2024	2023
TOTAL DIA GROUP	Men	<30 years	—	2	54	78	1,356	2,998
		30-50 years	42	76	510	691	3,524	5,011
		>50 years	17	23	177	221	831	1,009
	Women	<30 years	—	2	54	67	1,532	4,064
		30-50 years	16	24	480	736	6,409	10,699
		>50 years	9	16	197	223	1,688	2,836
	TOTAL		**84**	**143**	**1,472**	**2,016**	**15,340**	**26,617**

Table 15: Total number and distribution of employees by gender, age and professional category. Directors, franchisees or other external persons have not been included in this breakdown. The Group considers the members of the Management Committee to be "Senior Management" and in this table they are included in the category of Directors. The characteristics of the Management Committee are specified in section 8.1.4.

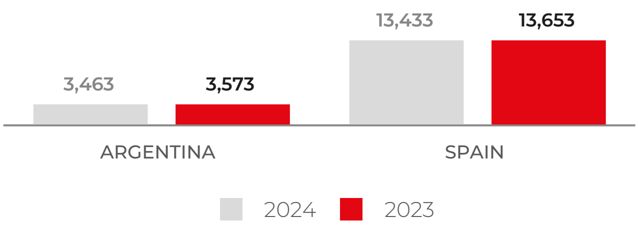
Total Dia Group workforce by professional category 2024

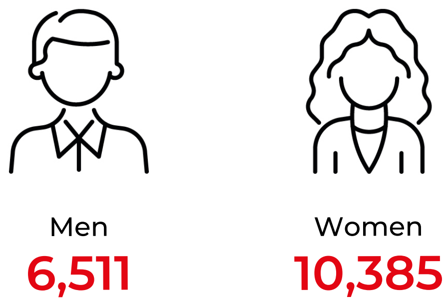


Total Dia Group workforce by age 2024



Total 2024 Dia Group workforce by country





Number of employees (number of people) (AR 55)

	2024	2023
Spain	13,433	13,653
Argentina	3,463	3,573
TOTAL	**16,896**	**17,226**

Table 16 Number of employees (number of people) (AR 55)

Number of employees by gender and region (number of people) (AR 55)

	2024	
	Men	Women
Spain	4,402	9,031
Argentina	2,109	1,354
TOTAL	**6,511**	**10,385**

Table 17 Number of employees by gender and region (number of people) (AR 55)

Directors and Chairman

Gender distribution

2024	2023
6 Men	5 Men
2 Women	2 Women

Age distribution

2024	2023
0 30-50 years	1 30-50 years
8 >50 years	6 >50 years

Distribution by category

2024	2023
2 external proprietary director	1 external proprietary director
4 independent	4 independent
2 other external	2 other external

7.1.7.1 Responsible for quality employment

Almost all of Dia's workforce operates under permanent contracts (95.02% in 2024, compared to 95.37% in 2023) and a large part full-time (81.12% in 2024, compared to 79.28% in 2023), as shown in the following tables:

Total employees by type of contract and type of workday, at 31 December 405-1 / AR 55

	2024			2023		
	Men	Women	Total	Men	Women	Total
Permanent	6,264	9,790	16,054	9,752	17,703	27,455
Temporary	247	595	842	357	964	1,321
TOTAL	**6,511**	**10,385**	**16,896**	**10,109**	**18,667**	**28,776**
Full time	6,053	7,653	13,706	9,350	13,475	22,825
Part time	458	2,732	3,190	759	5,192	5,951
TOTAL	**6,511**	**10,385**	**16,896**	**10,109**	**18,667**	**28,776**

Total employees by type of contract and type of workday, at 31 December 405-1 / AR 55

SPAIN	2024		
	Men	Women	Total
Permanent	4,173	8,450	12,623
Temporary	229	581	810
TOTAL	**4,402**	**9,031**	**13,433**
Full time	4,019	6,439	10,458
Part time	383	2,592	2,975
TOTAL	**4,402**	**9,031**	**13,433**

Total employees by type of contract and type of workday, at 31 December 405-1 / AR 55

ARGENTINA	2024		
	Men	Women	Total
Permanent	2,091	1,340	3,431
Temporary	18	14	32
TOTAL	**2,109**	**1,354**	**3,463**
Full time	2,034	1,214	3,248
Part time	75	140	215
TOTAL	**2,109**	**1,354**	**3,463**

Tables 18a, 18b and 18c: total number of employees by type of contract and type of working day. Directors, franchisees or other external employees have not been included in this breakdown. Temporary contracts are reported as those due to production circumstances and temporary replacement. The gender categories of "Other" and "Not notified" have not been included, nor have "employees with non-guaranteed hours" since there are no employees in these categories.

Annual average contracts by gender (number)

	2024			2023		
	Men	Women	Total	Men	Women	Total
Permanent	9,112	16,627	25,740	10,056	18,790	28,847
Temporary	457	1,167	1,624	499	1,268	1,768
Full time	8,894	12,760	21,653	9,820	14,538	24,358
Part time	676	5,034	5,710	735	5,521	6,256

Annual average contracts by age (number)

	2024				2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Permanent	5,534	15,802	4,404	25,740	6,505	17,784	4,558	28,847
Temporary	992	567	64	1,624	1,063	627	77	1,768
Full time	4,910	13,160	3,584	21,653	5,828	14,791	3,739	24,359
Part time	1,616	3,210	885	5,710	1,740	3,620	897	6,256

Annual average contracts by professional category (number)

	2024				2023			
	Directors	Managers	Employees	Total	Directors	Managers	Employees	Total
Permanent	133	2,294	23,313	25,740	142	2,047	26,657	28,847
Temporary	0	9	1,614	1,624	0	12	1,756	1,768
Full time	133	2,256	19,264	21,653	142	2,018	22,199	24,359
Part time	0	47	5,663	5,710	0	42	6,214	6,256

Tables 19a, 19b and 19c: average annual number of employees by type of contract, gender, age and professional category. Directors, franchisees and other external employees have not been included in these breakdowns.

Number of dismissals

		2024				2023			
		<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Directors	Men	0	11	7	18	0	11	2	13
	Women	0	3	1	4	0	2	2	4
Managers	Men	20	103	20	143	3	59	30	92
	Women	21	162	11	194	2	43	22	67
Employees	Men	883	649	76	1,608	536	585	104	1,225
	Women	1025	1,260	150	2,435	644	1,242	231	2,117
TOTAL		**1,949**	**2,188**	**265**	**4,402**	**1,185**	**1,942**	**391**	**3,518**

Table 20: Number of dismissals by category, gender and age.

Turnover rate (AR 59)

		2024			
		<30 years	30-50 years	>50 years	Total
Directors	Men	— %	35 %	40 %	36 %
	Women	— %	28 %	7 %	19 %
Managers	Men	60 %	29 %	21 %	29 %
	Women	33 %	25 %	5 %	21 %
Employees	Men	162 %	35 %	17 %	63 %
	Women	96 %	20 %	6 %	30 %
TOTAL		**123 %**	**26 %**	**10 %**	**40 %**

Table 21 Turnover rate (AR 59)

The opening hours of the shops are usually from Monday to Saturday, except in specific locations such as large cities where some shops also open on Sundays or public holidays. Employees' holidays are established in relation to the agreements reached with the unions, which are also reflected in the collective agreements.

In relation to the central offices, employees have greater flexibility, as they have up to three different schedules to choose from for the start of their working day and a hybrid work model. However, as shown in the employee data, the Dia Group has a high percentage of employees with permanent contracts and full-time work, a fact that reflects the Group's commitment to retaining talent and having a low turnover rate.

7.1.8 Characteristics of non-employee workers in the company's own workforce (S1-7)

In 2024, the number of non-employee workers in Dia Group was 974 (1,575 in 2023). 100% of these workers were provided by companies dedicated to employment activities.

To report this category, Dia Group has a corporate portal where people subcontracted through companies dedicated mainly to "employment activities" (temporary employment agencies and consulting companies) are registered. The work carried out is mainly related to cleaning services, security services, online sales, inventory taking, customer service and IT development.

Dia Spain signed a new collective agreement for 2022-2024 in which changes to the base salary are established with increases of up to 8% in two years and extraordinary bonuses

7.1.9 Collective bargaining coverage and social dialogue (S1-8)

In 2024, as in 2023, 100% of Dia España employees will be covered by a collective labour agreement, either at company or sector level (in Argentina, this figure represents 73% in 2024 compared to 76% in 2023), with the percentage at Group level standing at 94%. On the other hand, the company has 601 union representatives in Spain and 37 in Argentina (in 2023 there were 810 for these same countries).

It should be noted that in December 2022, Dia España signed a new collective agreement for 2022-2024, which establishes changes to the base salary with increases of up to 8% over two years and extraordinary bonuses for store, warehouse, office and structural staff.

This agreement, which has been negotiated between the group's management and the legal representatives of the employees, reinforces confidence in Dia's future and represents a decisive commitment by the group to its people.

Dia Group has 57 Works Councils in both Spain and Argentina, with all the provinces in which it operates having a Council or, failing that, a Provincial Delegate, appointed by the workers in the corresponding electoral area.

Dia Group has no agreements with workers for representation by the European Works Council (EWC), the European Company Works Council (ESC) or the European Cooperative Society Works Council (ECS).

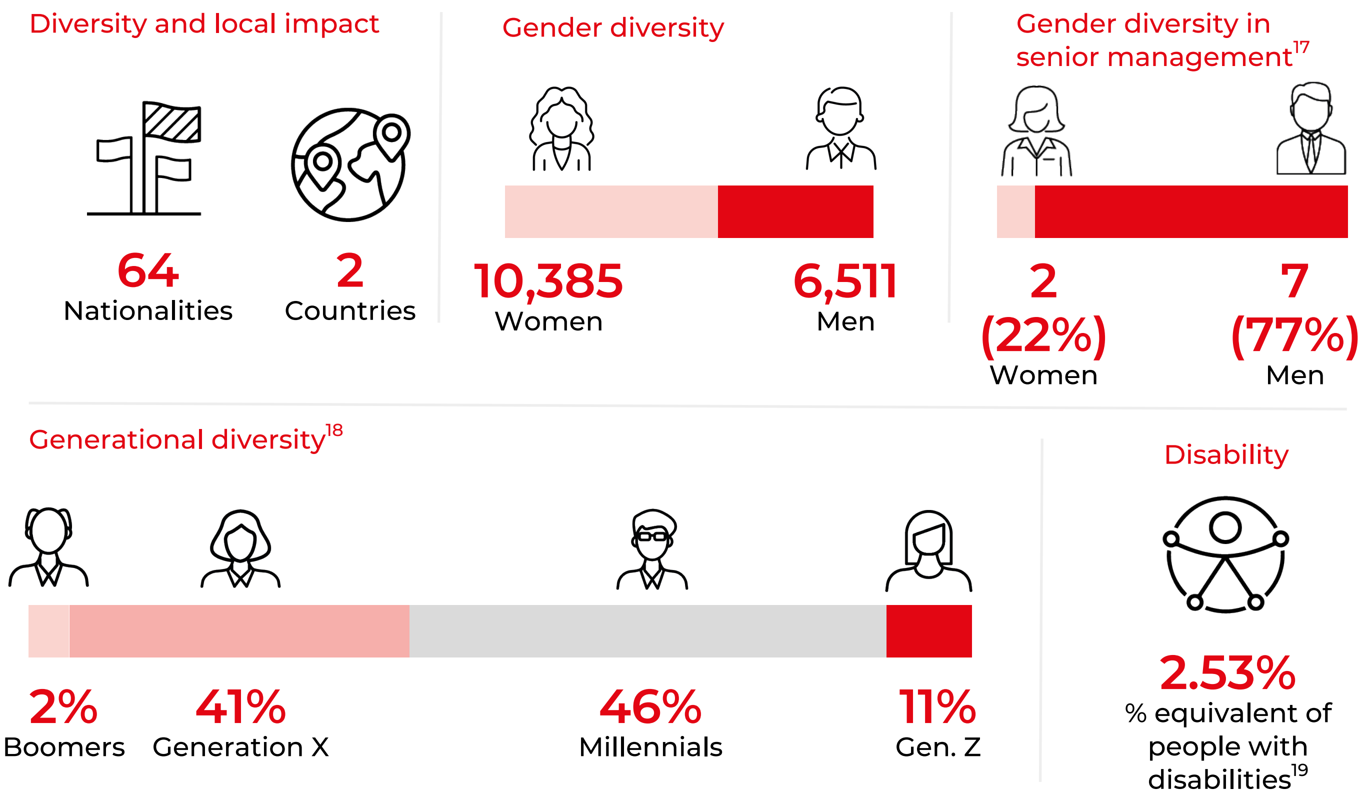
7.1.10 Diversity and inclusion (S1-9)

Dia Group wants to create a diverse and inclusive environment with equal opportunities for all its employees. With a business model based on proximity and its mission to be "closer every day", the company is part of the socioeconomic fabric of a large number of neighbourhoods and municipalities, and can provide professional opportunities to many people, becoming a reflection of all these realities. Dia Group believes in diversity, equality and inclusion as drivers of growth to make its mark on the communities where it is present.

With the aim of building an environment based on respect for differences and individualities and, at the same time, on being "closer every day", with effective coexistence, focused on the wellbeing of all those who interact with the company, Dia Group defends a DEI (Diversity, Equity and Inclusion) strategy for the company as part of the commitments of the 2024-2025 Sustainability Plan, aligned with the Sustainable Development Goals (SDG).

The sustainable difference

DIA GROUP IS MADE UP OF **16,896** PEOPLE



7.1.11 Adequate wages (S1-10)

Dia Group guarantees access to an adequate salary that meets the needs of its employees and their families, taking into account the economic and social conditions in the countries in which it operates.

It always ensures compliance with at least the minimum wages established by law and in the workers' collective agreements, taking into account purchasing power, the evolution of national productivity, as well as the amounts, distribution and growth of wages.

The remuneration of employees with agreed salaries is determined taking into account the data and market practice of the country and establishing as a basis what is defined in the tables of the different applicable collective agreements.

[18] The age distribution is detailed in chapter S1-6 "Characteristics of the company's employees"
[19] The % equivalent of people with disabilities is detailed in chapter "7.1.13 "Employment and inclusion of people with disabilities (S1-12)"

7.1.12 Social protection (S-11)

Dia Group ensures that all employees have strong social protection to support them in the event of significant life events, such as illness, unemployment, work-related accidents, acquired disability, parental leave and retirement. This coverage is provided through public programmes and benefits granted by the company.

7.1.12.1 Compensation policy

At Dia Group, we prioritize maintaining a competitive compensation and benefits system, aligned with transparent and responsible management. This is key to fostering the trust of shareholders, employees and the market in general.

The strategy of maintaining a competitive compensation system is reflected in the compensation policy, which seeks to establish a remuneration scheme appropriate to the dedication and responsibility assumed by individuals.

The objective is to retain and motivate employees and to help Dia Group meet its strategic objectives within the framework in which it operates.

7.1.12.2 Fixed remuneration plan

Regarding the remuneration policy, Dia's salaries are in line with the market and the different labour agreements. Merit is the main driver of salary growth and Dia Group has different evaluation mechanisms to measure performance.

Store and warehouse employees are assessed on their performance and productivity, both individually and collectively. In the offices, individual objectives focus on personal performance and are aligned with Group results.

7.1.12.3 Variable compensation plan

The program for employees with variable remuneration is based on objective and pre-established metrics. The programme has been reviewed in 2024, establishing both short- and long-term incentives starting in 2025:

Short-term incentives

To ensure that employees are rewarded for their contribution in strategic factors in line with their role and responsibility, the following short-term incentives are determined:

- Alignment with company objectives: The annual incentive must be aligned with the annual budget and business indicators.
- Pay for performance: A minimum level of performance must be achieved to be eligible for this incentive.
- Individual objectives according to the function performed: incentives are also based on individual objectives of each employee.
- Simplicity and clarity: both the policy and the plan should be self-explanatory.
- Compliance with corporate governance: incentives will be reduced if both audit and internal control report incidents in compliance with the action plans.

Long-term incentives

Long-term commitment and competitiveness aligned with the strategic objectives of stakeholders and value creation are the main objectives of this incentive plan:

- Objectives linked to the Strategic Plan: these objectives are directly linked to the Group's business plan, ensuring that the organisation meets the strategic objectives, thus focusing on building value.
- Alignment with stakeholders: The plan must be structured to align employee objectives with the objectives of the rest of the stakeholders, ensuring sustainable growth as well as value creation.
- Eligibility for key roles: The plan should focus on the roles that play a leading role in the development of the strategic plan.

Everything received by employees during 2024 is considered, except for benefits in kind (which represent less than 5%).

Specifically, this includes the fixed salary actually processed and paid, additional payments dependent on the working day, productivity or performance bonuses and profit distribution.

Average salaries paid by gender (euros)

	2024	2023
Men	26,201	19,676
Women	21,510	16,671

Table 22: Average remuneration paid by gender (euros) in Dia Group

Average salaries paid by age (euros)

	2024	2023
<30 years	17,344	10,572
30-50 years	23,135	18,261
>50 years	28,904	24,807

Table 23: Average remuneration paid by age group (euros) in Dia Group

Average salaries paid by professional category (euros)

	2024	2023
Directors	258,080	223,514
Managers	43,763	37,487
Employees	19,743	14,744

Table 24: Average remuneration paid by category (euros) in Dia Group

Remuneration of directors

In accordance with the Companies Act and the Group's internal regulations, the members of the Board of Directors receive, in their capacity as directors, a remuneration determined by the General Shareholders' Meeting through a Remuneration Policy, which is subject to review/approval at least every three years (the last one was approved on 7 June 2022 at the Extraordinary General Shareholders' Meeting and will be in force until 31 December 2025).

The remuneration of the directors for each financial year, which is explained in detail in the Annual Report on Directors' Remuneration, consists of a fixed cash allocation and deferred remuneration in shares.

The aim of the Directors' Remuneration Policy is to contribute to the business strategy and to the long-term interests and sustainability of the Group and is based, among others, on the principles of commitment and talent attraction and retention, transparency, external and internal equity and promotion of value creation for the Group and its shareholders in the long term. Please note that proprietary directors are not remunerated as directors.

Workers can select, acquire and/or contract certain benefits with important advantages, which will allow them to maximize their remuneration both through the discounts obtained and through tax advantages

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

	2024		2023	
	Men	Women	Men	Women
Average remuneration of directors	154	259	113.7	147.8

Table 25a. Average remuneration paid to directors for all remuneration concepts, considering in the calculation of average remuneration the actual time each has served as a director during 2024, 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 calculating the average remuneration. It should also be noted that the Committees that report to the Board have rotating chairs; in 2023 and 2024 they were chaired by women, hence the differences in remuneration. More information on this subject can be found in note 22 to the Consolidated Annual Accounts and in the Annual Report on Directors' Remuneration for the year 2024.

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

	2024		2023	
	Men	Women	Men	Women
Average remuneration of senior management	879	452	762	340

Table 25b. Average remuneration paid to Senior Management for all remuneration concepts, considering in the calculation of average remuneration the actual time each has worked during 2024, in thousands of euros. The difference between the average remuneration of women and men is largely explained by the fact that the CEOs of Global, Spain, Brazil and Argentina, who are men, receive higher remuneration due to their position and not their gender.

Social benefits

In 2024, the social benefits offered by Dia Group were:

- Accident insurance coverage: this covers the commitments undertaken in the various applicable collective agreements.
- Life insurance policies: these cover the commitments establish in collective agreements in the event of death or disability due to any cause.
- Travel assistance: this covers business-related travel on a global level
- Discounts on their shopping at Dia Group

The Flexible Remuneration Plan also lets the company's employees optimise their salaries on a nationwide scale. Employees can select, acquire and/or contract certain benefits with significant advantages that will allow them to maximise their remuneration.

The products and services are tailored to their needs: health insurance, food and childcare vouchers, transport cards, training programmes linked to their professional development, social benefit plans...

In addition, the company has an app for advancing accrued wages to be able to make payroll advances.

7.1.13 Employment and inclusion of people with disabilities (S1-12)

Dia Group promotes the active participation of people with disabilities in all areas and levels, focusing on creating employment opportunities for the future and ensuring that its inclusion strategy is an integral part of its corporate culture.

Evolution of hiring of people with disabilities (AR 76)

	2022	2023	2024
Percentage	2.17%	2.04%	2.53%
No. of male employees	69	72	79
No. of female employees	112	98	94
Number of Special Employment Centre equivalent employees in Spain	140	116	167
Total	321	286	340

Table 26 Evolution of hiring of people with disabilities (AR 76)

To prepare the above table, both the employees in the group's own workforce and the equivalents obtained through the signing of contracts with Special Employment Centres have been taken into account, which have allowed the group to obtain the Certificate of Exceptional Status.

Dia Group complies with the percentage established in Royal Legislative Decree 1/2013, of 29 November, approving the General Act on the Rights of Persons with Disabilities and their Social Inclusion (Consolidating Act), which establishes that in companies with a workforce of more than 50 employees, there must be a minimum of 2% of contracts for workers with disabilities.

Disabled people in the workforce at 31 December

		<30 years		30-50 years		>50 years	
		2024	2023	2024	2023	2024	2023
Directors	Men	0	0	0	1	0	0
	Women	0	0	0	0	0	0
Managers	Men	0	1	2	1	0	1
	Women	1	1	1	5	1	0
Employees	Men	26	72	46	144	5	28
	Women	19	36	45	120	27	65
TOTAL		**46**	**110**	**94**	**271**	**33**	**94**

Table 27 Disabled persons in the workforce at 31 December

7.1.14 Employee Development (S1-13)

Recognition is an essential pillar of the Dia Group's Human Resources strategy, highlighting the importance of each employee's contribution to the company's mission. Two goals are pursued: to promote recognition that links professional growth with the employee's contribution to achieving the company's objectives, as well as rewarding proactivity in contributing to these goals.

To achieve this, Dia Group has developed a talent management methodology based on objectives, values and behaviours. This facilitates the identification and recognition of those whose performance and skills drive the achievement of goals and add value.

The performance measurement process within the company is key to ensuring operational efficiency, continuous professional development and the ability to adapt to a constantly changing business environment. Dia Group's methodology focuses on establishing individual and collective goals, allowing employees not only to work autonomously but also to align work by team, area, department, and ultimately as an organisation. Continuous dialogue between managers and employees is encouraged for effective monitoring.

This methodology is complemented by an annual performance evaluation process for professionals, in which the chain of command participates, bringing homogeneity to the process throughout the organisation.

This measures both performance and potential for taking on greater responsibilities, linking with the recognition system to promote meritocracy and professional development.

The evaluations are based on a talent management model based on recurring dialogues between the manager and each of his or her collaborators, dealing with aspects such as team wellbeing, professional aspirations, goals, personal development plans and mobility opportunities.

Number of employees subject to professional performance evaluation (AR 77)

	Directors	Managers	Employees
	2024	2024	2024
Men	62	588	1,025
Women	25	615	1,717
TOTAL	**87**	**1,203**	**2,742**

Table 28 Number of employees subject to professional performance evaluation (AR 77)

Furthermore, Dia Group has continued to support employees in their development by providing 269,924 hours of training (325,274 in 2023).

In 2024, the Group introduced a "Dia Growth" training and leadership programme for the organisation's leaders who are instrumental in its development. This programme is focused on developing skills related to vision and strategy for the CEO-1, CEO-2 and main CEO-3 roles. In 2024, a total of 40 people participated.

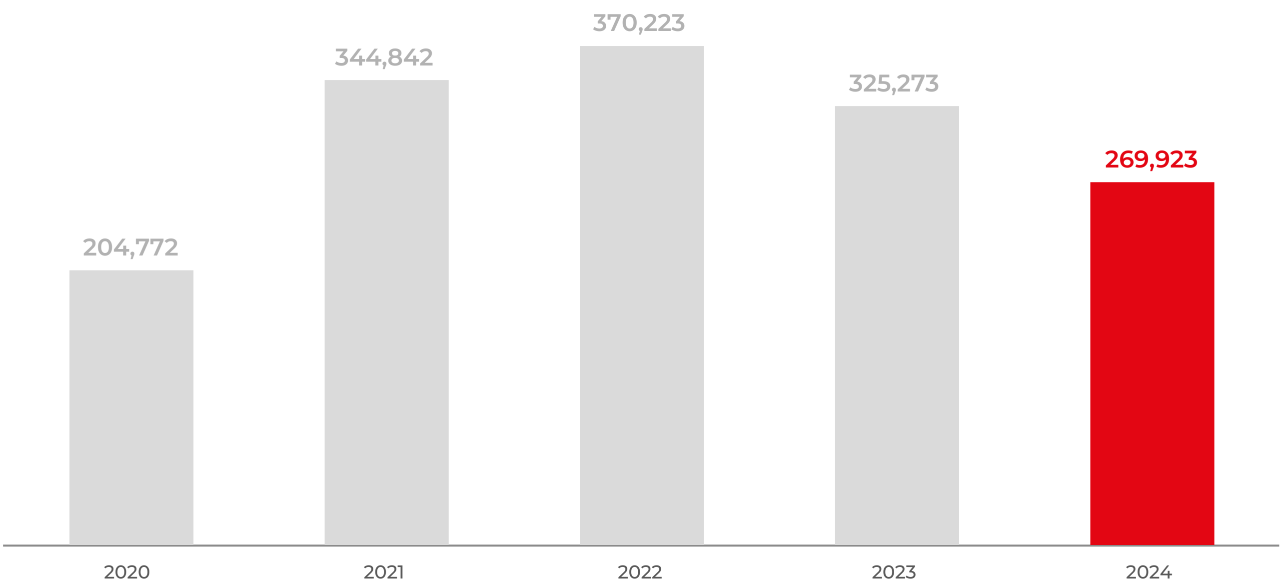
In addition, through Campus Dia and Academia Dia as organising entities, Dia has become the first distribution company to offer its franchisees a platform for training, advice and support through a wide range of qualifications and training.

Training

		Directors		Managers		Employees	
		2024	2023	2024	2023	2024	2023
Men	Training hours	1,320	1,667	15,248	21,613	86,370	98,548
	Average training hours	16	18	16	23	13	13
Women	Training hours	978	886	20,744	26,516	145,264	176,043
	Average training hours	27	21	19	27	12	12
TOTAL TRAINING HOURS		**2,297**	**2,553**	**35,992**	**48,129**	**231,634**	**274,591**

Table 29. Training.The data on average training hours for 2023 are restated, since they were incorrectly calculated in the previous year.

Training hours 2020-2024



Investment in training in Dia Group (euros)

	Directors	Managers	Employees	Total
Total investment	24,288.65	425,977.24	1,355,080.47	1,805,346.35
Employee/year investment	295.61	297.48	102.10	122.09

Table 30 Investment in training in Dia Group (euros)

7.1.15 Health and Safety (S1-14)

Responsibilities for Health and Safety matters are integrated into all levels of Dia Group. The Audit and Compliance Committee is responsible for overseeing compliance with the Dia Group's General Human Resources Policy, which through its principles establishes the care and continuous improvement of the occupational safety of its own employees, as well as those of collaborating companies.

This policy includes a prevention organisation model implemented in the company through a Joint Prevention Service (owned by the companies that make up the Dia Group). The Group internally manages the technical specialities of prevention (Safety at Work, Industrial Hygiene, Ergonomics and Applied Psychosociology) and has an external provider that is responsible for health specialities (health surveillance and medical examinations). This risk prevention management system has its policies and procedures that are reviewed by periodic external audits in order to comply with the applicable regulations and ensure that all employee groups are considered.

The highest level of responsibility for the implementation of the policy within the company is the Chief Executive Officer, who aligns his practices with the conventions of the International Labour Organization. The policy reflects a commitment to maintain active communication and consultation with stakeholders. This approach focuses on the collaborative identification and analysis of risks, promoting a safe and conscious work environment.

Health and safety at work, which includes wellbeing aspects, are basic principles of excellence in people management, which is why their importance has been reflected in the Group's Strategic Sustainability Plan.

The company is committed to reducing serious accidents, understanding that this reduction will be the result of an improvement in employee health and safety management systems.

The main improvements in the management system have to do with the involvement of managers in monitoring the actions derived from periodic audits.

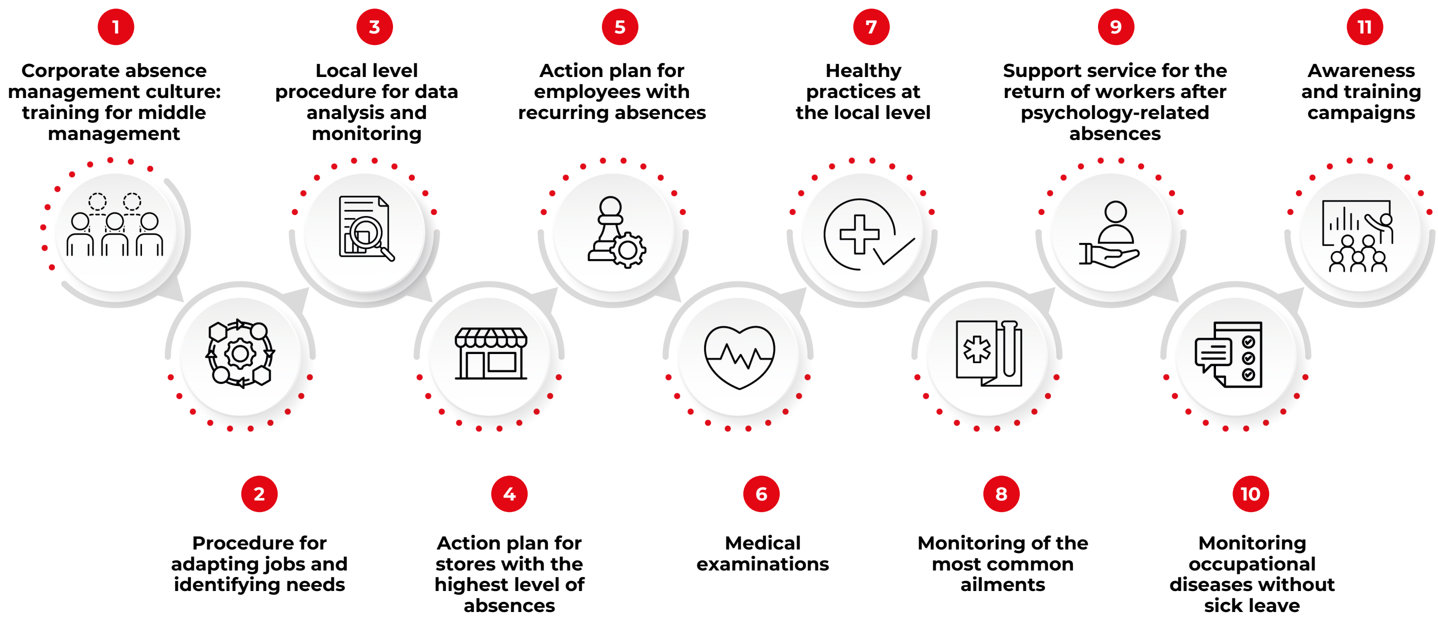
Also noteworthy is the launch of pilot projects in logistics centres to facilitate ergonomic care for workers in this field and the possibility of being treated by a physiotherapist to prevent and improve proper postural hygiene.

On the other hand, employee training is a key point and a fundamental pillar around which prevention revolves, since it allows employees to become aware of their fundamental role in prevention and how their actions have an impact on their health. In addition to the essential training in prevention (evacuation of buildings, handling of machines and loads, etc.), employees are offered a wide range of training aimed at improving their wellbeing and that of their family (self-esteem, stress management, healthy eating, cardiovascular prevention, breast cancer prevention, first aid and cardiopulmonary resuscitation, to name a few).

The material impacts of the Transition Plan on employees, are developed in "7.1.1 Interests and views of stakeholders, material impacts , risks and opportunities and their interaction with strategy and business model (SBM-2, SBM3)) "

As far as absenteeism is concerned, a plan has been in place in Spain for several years to prevent possible absences. The main measures taken by the Group in this regard are:

Control measures: Incidence



Absenteeism and key health and safety indicators

	Men		Women	
	2024	2023	2024	2023
Hours of absenteeism	1,020,673	1,194,279	2,453,998	3,165,518
Number of accidents	453	655	497	776
Accident frequency rate	32	33	23	24
Number of serious accidents	2	11	5	2
Severity Index	1 %	8 %	1 %	6 %
Occupational diseases	4	3	8	16
Deaths	0	0	0	0
Employees covered by health and safety system	100 %	100 %	100 %	100 %
Days lost due to work-related injuries	12,532	13,960	13,825	14,602

Table 31: Absenteeism and main health and safety indicators. Absenteeism reflects hours of absence due to illness, accident or unjustified absence (including COVID-19). The accident frequency rate represents the number of injuries per 1,000,000 hours worked by employees. The severity rate represents the number of days lost due to accidents with sick leave, in thousands, divided by the number of hours worked. The number of deaths indicates the number of deaths in the workforce as a result of work-related injuries and work-related ill health. There have been no deaths on the company's premises during the year. The data "number of days lost due to work-related injuries" is reported by hours in compliance with Act 11/2018. Data collection through the system is in days. Given the number of agreements in force, the calculation for hours could only be given as an estimate, establishing an average workday of 8 hours/day.

7.1.16 Work-life balance metrics (S1-15)

The company is committed to facilitating work-life balance as a lever to promote equality, and for this reason, after listening to its employees, the company has decided to continue with practices that have had a positive impact on them.. In all countries, a hybrid work model has been formalised in the central offices, making it easier for employees to achieve a good work-life balance, 100% of the Group's employees have the right to parental leave and family leave.

Work-life balance (AR 96)

	Men	%	Women	%	TOTAL	%
Number of employees entitled to paternity/maternity leave	6,511	100%	10,385	**100%**	**16,896**	**100%**
No. of employees who took paternity/maternity leave	287	4%	377	**4%**	**664**	**4%**
No. of employees who returned to work after their maternity/paternity leave ended	275	96%	323	**86%**	**598**	**90%**
No. of employees who returned to work after their maternity/paternity leave ended and who continued in their job for twelve months	214	75%	210	**56%**	**424**	**64%**

Table 32 Work-life balance (AR 96)

Finally, it should be noted that Dia Group recognises the importance of employees' right to disconnect from work, but this has not yet been identified as a priority issue in the discussions held with employees and their representatives, and therefore no formal digital disconnection rules or policies have been created.

7.1.17 Compensation metrics (pay gap and total remuneration) (S1-16)

The pay gap ratio has been calculated in accordance with AR 98 disclosure requirement:

$$\frac{\textbf{(Average gross hourly pay level of male employees - average gross hourly pay level of female employees)}}{\textbf{Average hourly pay level of male employees}} \textbf{ x 100}$$

The professional categories used to calculate the pay gap are as follows:

- Directors: Includes members of the Management Committee, Executive Committees and area directors
- Managers: Includes senior managers, managers and operational managers, as well as their technical equivalents.
- Employees: other categories

Gross pay gap

	Directors		Managers		Employees	
	2024	2023	2024	2023	2024	2023
SPAIN	39.19	40.90	7.23	10.69	15.77	16.16
ARGENTINA	18.53	28.38	7.46	10.07	1.06	1.63

Table 33: Gross pay gap percentages by gender and country.

The 2024-25 Strategic Sustainability Plan includes a programme to increase the number of women in leadership positions, with a planned increase of 40% for management positions and 60% for managers in 2025.

Women in the workforce

	2024	2023	Variation
% women in total workforce	61.46%	61.70%	(0.38)%
% women in leadership positions (directors and managers) out of the total number of leadership positions	48.59%	47.52%	2.24%
Directors	29.76%	29.90%	(0.46)%
Managers	49.66%	48.66%	2.06%
% women in technical positions out of the total number of technicians	45.15%	57.31%	(21.22)%
% of women in the total group of graduates	59.24%	61.28%	(3.33)%

Table 34 Women in the workforce

The company's total annual compensation ratio is 11,580%, calculated as:

$$\frac{\textbf{Total annual remuneration of the person with the highest salary}}{\textbf{Median total annual remuneration of all employees (excluding the highest paid person)}} \times 100$$

7.1.18 Incidents, complaints and severe human rights impacts (S1-17)

Ethics Committee

The Dia Group has a Group Ethics Committee and Ethics Committees for each country. The Group Ethics Committee is made up of those responsible for regulatory compliance and human resources. The main objective of these committees is to promote a culture of ethics and integrity within the organisation, as well as to manage the queries and complaints received. The Board of Directors receives a quarterly report from the Group Ethics Committee and is responsible for evaluating its effectiveness and issuing the modifications it considers appropriate to achieve 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 on which the rest of the internal policies and standards that govern the company are built. This Code, which formalises the Group's ethics model and the mandatory behavioural guidelines for all employees, managers and directors of the Group, including the parent company and all its subsidiaries, was updated in 2021 to ensure full alignment of ethical principles with the values and culture of the Dia Group.

In addition to this Code, there is an ethics channel ("Ethics Line") available for both Dia staff and any external third party where they can submit queries or report irregularities.

This channel is a tool provided by an external provider and managed internally by the Regulatory Compliance area at Group level, guaranteeing the confidentiality and indemnity of the whistleblower at all times, as well as the traceability of all complaints and the impossibility of being modified or altered manually.

In the case of management of the Whistleblowing Channel, the Ethics Committee has a procedure for action that begins with the opening of a file where the veracity and accuracy of the information contained in the complaint will be verified.

To this end, a hearing will be held with all those affected and witnesses and the Committee will carry out whatever investigative steps it deems necessary to clarify the problem through a final report with recommendations and its subsequent communication.

In 2024, 1 complaint of discrimination and harassment was upheld, and 4 complaints for other reasons related to Human Rights. No associated sanctions were imposed. In 2023, there were 4 confirmed cases which led to the departure of the reported persons from the Group.

Communications through the employee ethics channel	Employees
COMMUNICATIONS ADMITTED FOR PROCESSING THROUGH THE ETHICAL CHANNEL	60
COMPLAINTS DIRECTED TO THE ENTITY ITSELF	55
On human rights: discrimination, harassment and equality	**4**
Open	2
Closed	2
Confirmed	1
Dismissed	1
For human rights: other reasons	**10**
Closed	10
Confirmed	4
Dismissed	6
For other reasons	**41**
Open	7
Closed	34
Confirmed	11
Dismissed	23
CONFLICT OF INTEREST COMMUNICATIONS	4
Closed	4
Confirmed	1
Dismissed	3
QUERIES	1

Table 35 Communications through the employee ethics channel

Furthermore, during the year no complaints were filed with the OECD National Contact Points for Multinational Enterprises.

7.2. S2 Workers in the value chain

KNOWING AND SUPPORTING OUR PARTNERS FROM THE SOURCE

Dia works to build a transparent and fair relationship with its strategic partners with the ultimate goal of generating 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.

7.2.1 Franchisees, allies in rolling out proximity strategy (SBM-2, SBM-3)

ID	Topic	Impact Materiality	Financial Materiality
	S2 VALUE CHAIN WORKERS		
Workers in the value chain and franchisees		●	●
75	Improved working conditions for supply chain workers through social/labour audits and certifications.	I (+)	
Own-brand suppliers		●	●
79	Promotion of good practices through the approval of suppliers, establishing supplier evaluation procedures and action plans based on their level of risk, requesting criteria beyond Human Rights (Work-Life balance, Equality, etc.)	I (+)	
80	Improving the quality of life of people and the natural environment, through continuous innovations and improvements, facilitating healthier and more sustainable products	I (+)	
81	Risk of supply interruptions due to social or labour problems at suppliers, which generate direct losses for Dia Group		R
Manufacturer brand suppliers		●	●
83	Awareness of sustainability in the sector due to the promotion of sustainable alternatives	I (+)	
85	Risk of fluctuations in product costs due to changes in market conditions or availability of materials, leading to a lower final profit margin.		R

With more than 30 years of experience in developing the franchise model, Dia closed 2024 with 69% of its stores managed under the franchise model (in 2023 this accounted for 54.54% of the store network) and led by 1,491 franchisees, so this type of worker constitutes the main group in the Dia group's value chain, and is also the one on which the company has the most direct impact and greatest capacity for management and influence.

The Group provides its franchisees with its historical knowledge of the sector, the strength of its brand and its logistics services, while the franchisee contributes its commercial vocation and knowledge of the local market, which is key to developing the proximity and closeness model.

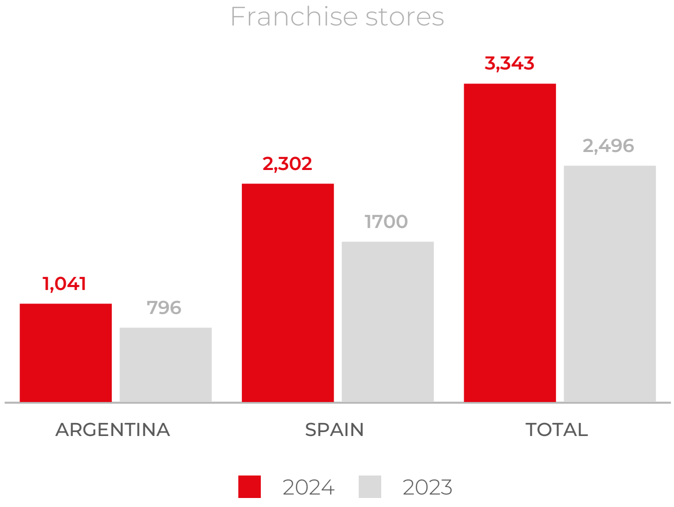
This relationship of trust between Dia Group and franchisees also generates value and wealth in the communities where the franchises are established, contributing to reducing inequalities in line with United Nations SDG 10.

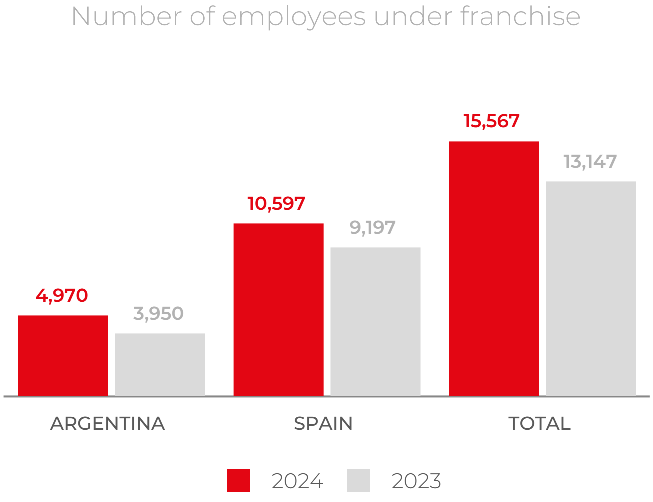
During 2024, Dia's franchise business generated almost 15,567 direct jobs (around 17,110[20] in 2023).

Given the location of Dia Group's franchises, no material risk of human rights violations is perceived and no incidents related to this matter have been recorded during 2024.

Dia has closed 2024 with 69% of its stores managed under the franchise model

[20] The decrease in the figure is due to the sale of the Clarel, Portugal and Brazil businesses during this year.





Main communication channels with franchisees

- Satisfaction surveys conducted by the independent consulting firm NielsenIQ. This anonymous and confidential survey provides information from franchisees regarding which aspects they consider to be susceptible to improvement.
- The Franchise Portal, an online platform where franchisees can access databases of their own and comparative information and can contact the Group directly.
- Franchise newsletter in all countries in which the Group operates.
- Regular discussion forums with senior management, where two-way communication and franchisee access to decision-making are paramount.
- Daily communication with supervisors and the franchise analyst.

Key policies governing relations with franchisees

- Corporate Franchise Policy: establishes guidelines that ensure that the legislation of each country is respected, that the information provided is accurate and that the agreements with franchisees who decide to manage a Dia store through the franchise model are fulfilled.
- Mandatory Compliance Standard for the Selection of and Relationship with Franchisees: aims to guarantee the correct selection, relationship and management of Dia Group franchisees.

The main projects that explain much of the improvement recorded are the following:

- Improvement in the processes for recruiting and selecting franchisees, further improving transparency regarding the business relationship and what is expected from both parties. In addition, additional filters have been defined to ensure that the profile of the potential franchisee fits the success model proposed by Dia.
- Greater investment in franchisee training: investment has been made in processes that not only support franchisees in resolving operational queries or problems, but also, in many cases, offer training on key aspects of business management. The role of the franchise analyst, a position created in all of the Group's countries, is key in this regard.
- Achieve more effective communication with the franchisee, that is, two-way communication through which the partner not only feels informed of the relevant aspects that concern him, but also feels cared for and able to participate in improvements that are relevant to the business. In this regard, in addition to greater investment in traditional communication channels such as updating the Franchisee Portal or constantly reviewing the key indicators that are most relevant to franchises, regular meetings have been held between franchisee groups and Dia management in all countries where the Group operates, ensuring that the concerns of these preferred partners are always channelled and resolved.
- Implement a new contract model that simplifies processes, guarantees the correct supply of the store and improves the franchisee's liquidity, among others. This contract model, which began to be implemented in 2020, is already fully in force in Spain and Argentina.

Training services for franchisees and their employees:

- In the case of Spain, in 2021 a corporate university for franchisees was created, called Campus Dia, to support franchisees in their growth as entrepreneurs and with the aim of achieving a profitable, competitive franchise that is increasingly closer to customers. The development of this project has made it possible to create an ecosystem of training tools for franchise leaders and their teams, adding another key element to the support network that Dia provides for the daily management of the business.
- In Argentina, support for the franchisee network is also a key pillar, and in 2021 the Franchise Academy was relaunched, with a training catalogue covering key areas in business management and leadership for franchisees, as well as training blocks for their teams.

- Another initiative is the "Multi-Franchise Talent Plan", which works to promote the development of skills of the franchisees that the Group has in its network, with the aim of increasing the number of stores per franchisee. This Talent Plan has two phases; the first is to identify the level of competence and the second, an individual training plan for the development of those skills with areas for improvement.
- Finally, Dia Group has a "Franchisee Selection Service" in Spain, which offers support in the recruitment and selection of those profiles that may be needed.

All business units have already defined action plans so that in 2025 they will continue working on a material improvement in the perception that the franchisee has about the value proposition and the business relationship that Dia offers, and to continue jointly improving a business model that makes the Group's mission possible:

- Contents and newsletter: franchisees want information on projects, best practices and business operations
- Webinars and projects according to business needs (Club Dia, training plan...)
- National meeting with franchisees: with several options on the table (webinar with CEO, online or face-to-face meeting with a visit to the Headquarters...)
- Focus Group: channel for listening and activating plans, with expert franchisees, multi-franchisees, best practice...
- Awards for the best franchisees: with recognition for "Dia Values", track record, performance...

7.2.2 Policies related to workers in the value chain (S2-1)

Dia Group supports, respects and contributes to the protection of internationally recognised fundamental human rights, with the aim of not being complicit in any form of abuse or violation of these rights among workers in its value chain.

The company is committed to identifying, assessing, preventing, mitigating, minimising, addressing, eliminating, monitoring, remediating and communicating any actual or potential adverse impacts of its business activities on human rights.

Dia Group configures its strategy based on international reference standards in relation to Human Rights and integrates a due diligence strategy in accordance with these standards into its management systems.

Dia Group has a Policy for Respect for Human Rights in the Supply Chain, which aims to establish how the company prevents or mitigates adverse impacts on labour Human Rights that may be linked to its operations with third parties.

This policy includes specific principles of conduct aligned with internationally recognized human rights standards, such as the United Nations Guiding Principles on Business and Human Rights and the fundamental conventions referred to in the Declaration of the International Labour Organization (ILO).

Dia is committed to ensuring that the people and communities who provide the products bought and sold are treated fairly and that their fundamental human rights at work are protected and respected. These rights, reflected in the Ethical Trading Initiative Core Code, include the core internationally recognised labour rights, including fair remuneration, decent and safe working conditions, and protection from forced labour, child labour, modern slavery and harsh or inhuman treatment.

The implementation of this Policy is led by the Chief Executive Officer (CEO). Work on governance and progress monitoring is carried out by the Audit and Compliance Committee. The ultimate responsibility for performance, as with other sustainability-related issues, is the Board of Directors of Dia Group.

Principles of action

Dia aspires to the highest standards when it comes to preventing or mitigating adverse impacts on human rights at work potentially linked to its operations. Dia therefore:

- clearly communicates to those with whom it does business that, at a minimum, the Company expects these labour standards to be applied throughout the company's value chain.
- works to improve visibility of its suppliers and supply chains, including through the use of recognised collaborative platforms to share responsible trade data in the supply chain, where appropriate.
- establishes clear due diligence processes to identify, prevent or mitigate any potential adverse impact on labour rights.
- provides secure grievance mechanisms for any employee or third party who wishes to report any potential breach.

Dia places special emphasis on business relationships in which the Company has the greatest responsibility and influence, where there may be a greater risk of violation of fundamental labour rights and where Dia's contribution may be most significant.

Where Dia cannot solve complex problems alone, the Company will work together with others to drive transformative change on a larger scale.

Dia's approach to managing human rights at work throughout the value chain is not based on terminating the business relationship when a problem is found, as the Company recognises that it may deprive people who suffer oppression of a crucial income for them. However, Dia will not hesitate to break relationships with those who conceal, cause or contribute to the adverse impact on human rights and do not act responsibly to remedy this situation within a reasonable time.

This policy applies to all suppliers (direct and indirect) and franchisees in all regions and subsidiaries of Dia

Group (hereinafter referred to as “partners”). The Company also expects the rest of the suppliers in the value chain to also work under the principles described in this policy. Partners must inform Dia of any problems or concerns associated with compliance with this policy both in their organisation and in their supply chain.

During 2024, Dia Group has not detected any breach of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for multinational companies involving workers in the value chain.

Dia's efforts to respect human rights at work include establishing key indicators (KPIs) and monitoring them. These indicators are part of the Company's Strategic Sustainability Plan and will be disclosed periodically in external reporting instruments.

The perspective of suppliers and their employees is taken into account by Dia Group in the different areas that impact them, such as due diligence, commercial, environmental or any other aspects that they consider important.

7.2.3 Processes for engaging with value chain workers about impacts and to remediate negative impacts and channels for value chain workers to raise concerns (S2-2) (S2-3)

Dia Group has an ethics channel (“Ethics Line”) available for both Dia staff and any external third party that allows queries to be submitted or irregularities to be reported.

Suppliers, franchisees and contractors are informed about the existence of the Code of Ethics as well as the Ethics Channel or Whistleblowing Channel, which are at their disposal with the same guarantees as any employee.

The procedures through which the issues raised and addressed are tracked and monitored and how the effectiveness of the ethics channel is ensured can be found in chapter "8.1.5.2 Ethics Committee"

In 2024, the commitment of suppliers and franchisees to the principles of action of the Policy for Respect for Human Rights in the supply chain has become part of the contractual reality of the Dia Group, and 98% of suppliers in Spain have already committed to this policy (in 2023 it was 94%).

Another of the decisive steps in the application of this policy has been the definition of a risk assessment and due diligence process, so that the company can proactively manage real and potential risks to the human rights of suppliers.

To this end, Dia collaborates with Sedex, an ethical data exchange platform that enables the definition and monitoring of the entire supply chain monitoring program, being able to 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 from NGOs) could trigger new control processes on any supplier.

In 2024, progress has continued to be made in identifying suppliers with a higher inherent risk, that is, those that present a labour-intensive form of work, immigrant labour or informality, among other issues.

Country risk and the type of product produced are also taken into account. These suppliers are being asked as a priority to participate in a self-assessment process that will allow them to better understand their management regarding different sustainability issues.

3,177

Total suppliers

330

Suppliers with inherent risk

197

Suppliers with inherent risk that have completed due diligence

Although Dia has been assessing franchisee satisfaction for years, since 2021 this satisfaction has also been measured according to the level of recommendation (net promoter score) and the improvement of this index is part of the objectives of the Group's own Management Committee. The results for 2024 show a satisfactory score in relation to both 2, having obtained a score of 106 points, a higher value compared to the surveys of the previous year.

Within Dia Group's strategy of active listening, the following questions have been raised, among others:

- "What else could Dia do to help you in your management?
- "What aspects do you think Dia is doing better?

These questions, together with the rest of the aspects (commercial, support, logistics, economic management, etc.) allow Dia group to understand and adapt its strategy to this group in its value chain.

The person responsible for ensuring that participation takes place and that the results are integrated into the company's strategy is the Franchise Director. Dia Group will continue to work in the coming years to develop the specific processes necessary to ensure collaboration with workers in the value chain.

7.2.4 Taking actions on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain and the effectiveness of those actions (S2-4)

The procedure for adopting measures to investigate and resolve incidents reported through the ethics channel is the same for workers in the value chain as for its own workers. The process is described in section S1-2 "Processes for engaging with the company's own workers and workers' representatives about impacts". In the event that the existence of an incident is confirmed, Dia will establish action and collaboration plans with the suppliers to address the root causes.

As measures to be adopted in the coming years to help mitigate the negative impacts on workers in its value chain, Dia Group is considering the following (annual allocation of €0.1 M OPEX):

- Improving working conditions for supply chain workers through social and labour audits and future certifications
- Establishing stronger, more collaborative relationships with suppliers who share the values of sustainability and social responsibility
- Promoting good practice through the approval of suppliers, establishing criteria beyond Human Rights (Work-Life, Equality, etc.)

The procedure for adopting measures to investigate and resolve incidents reported through the ethical channel is the same for workers in the value chain as for our own workers.

7.2.5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities (S2-5)

Dia's approach to respecting human rights at work includes establishing key performance indicators (KPIs) and monitoring them.

These indicators are part of the Company's 2024-2025 Sustainability Plan, which has been prepared based on a Double Materiality analysis, in which all stakeholders have participated, including franchisees, to whom a satisfaction survey is additionally directed on an annual basis, described in section S2-2, S2-3 "7.2.3 Processes for engaging with value chain workers about impacts and to remediate negative incidents and channels for value chain workers to raise concerns" and will be periodically disclosed in external reporting instruments.

They include:

- Increase in franchise share in the total network of stores (67%) in Spain
- Strengthening the multi-franchise model (1.42 franchises per franchisee).
- Promotion of franchisees and local suppliers
- Establishment of sustainability due diligence control mechanisms in line with future CSDDD

7.3 S3 Affected communities

7.3.1 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

ID	Topic	Impact Materiality	Financial Materiality
	S3 AFFECTED GROUPS		
	Local communities	●	●
88	Loss of community support that may affect local operations, due to poor user experiences with Dia Group products		R

Dia Group has been and is fully aware of the importance and impact that the food distribution sector has on society, whether by supplying products that satisfy some of a person's basic needs, such as food and personal care and making them accessible to all, or by creating quality jobs, entrepreneurial opportunities and generating wealth through trade.

For this reason, the sections of this report have sought to detail the relationships of the Dia Group with its main stakeholders and how the Group creates value through these relationships. In addition, Dia also recognises its responsibility towards other stakeholders that could be included in the concept of “society” (the general public, public administrations, the media, among others).

In addition, Dia Group considers that it has a particular responsibility to support groups in need. A specific section has been included in this chapter to describe initiatives regarding community support.

Dia Group is aware that it may occasionally create discomfort in local communities due to the disruptions that may occur due to its activity, mainly due to the works resulting from renovations and new store openings, since in its daily activity, both openings and deliveries are carried out in appropriate locations and times. To this end, Dia Group has established a procedure aligned with the European Green Taxonomy in relation to the renovation of buildings, where one of the objectives to be met is the adoption of measures to minimise noise and dust.

Regarding risks related to local communities, the Group is aware that poor user experiences with products can lead to an immediate loss of community support. This can lead to a reduction in customer loyalty, lower traffic in stores and possible damage to local reputation, resulting in significant economic losses. To mitigate such risks, Dia Group has renewed its entire range over the last few years, implementing the "new Dia quality", which has meant the total renewal of the Dia brand range, with a clear objective: of achieving the highest quality in each of its products. A commitment by the company to strengthen its own brand proposal while striving to maintain a balance with branded products from manufacturers so that the customer always has freedom of choice.

For 1,500 days, the company has transformed more than 2,400 own-brand articles, pivoting on three fundamental values: quality, innovation and creativity. At a rate of 50 articles renewed per month, with a record of 139 new products in March 2021. Dia has focused its efforts on the “dialysis” of its brand, a process that has involved the review of recipes, in order to offer the best quality on the market, relying on a wide network of local suppliers, as well as on a new creative proposal that has included the redesign of its packaging and the reformulation of the names of its products, underpinned by humour, freshness and authenticity.

Likewise, over the years, Dia has renewed some of the ranges most in demand by its customers, such as Dia Láctea brand dairy products, for example "Dia Láctea" yoghurts, which have been awarded "Flavour of the Year 2023" in Spain; "Vegedia" vegetable desserts, which have been recognised by more than 10,000 consumers in Spain as "Product of the Year 2024" in the Innovation category; the El Molino de Dia bakery range; "La Llama, cada Dia sin drama" toilet paper and napkins; "Héroe del Día" cleaning products, SuperPaco, or the Imaqe Naturals body care range, in line with its commitment to natural, quality cosmetics.

Dia Group evaluates the generation of value and social impact through actions aimed at its value chain, both with its suppliers (including its suppliers' employees), as well as with its customers (in the case of B2B4 companies) and/or consumers (in the case of B2C companies).

7.3.2 Policies related to affected groups (S3-1)

Dia Group's regulatory system establishes the principles and guidelines that must be followed in the execution of the company's projects, services and activities in relation to the affected communities.

Specifically, these commitments can be found in:

- Policy on Labour Human Rights in the Value Chain: approved in July 2021 by the Dia Group Executive Committee, it aims to establish how Dia prevents or mitigates adverse impacts on labour human rights that may be linked to its operations with third parties. This Policy, which uses the labour standards set out in the Ethical Trading Initiative (ETI) Base Code, applies to all suppliers (direct and indirect) and franchisees in all regions and subsidiaries of Dia Group.
- Shareholder, Institutional Investors and Proxy Advisor Relations Policy, which is based on the following general principles:

  1) Transparency, accessibility, freedom of expression and mutual respect in information relations.

  2) Responsibility, diligence and transparency in the dissemination of information, in the relationship with stakeholders and in the treatment of relevant and privileged information, all in accordance with the provisions of the law, the Internal Code of Conduct and the rest of the internal regulations of the Company.

  3) Equal treatment and the promotion and protection of the rights and interests of shareholders. In no case may there be discrimination with the aim of providing information that could give certain shareholders a privileged situation or advantage over others.

  4) Providing information promptly. Information will be made available to stakeholders in order to ensure that they have access to the most current and complete Company information possible.

  5) Attention and cooperation with stakeholders. The Company, through its Investor Relations Department and its corporate website (www.diacorporate.com), will carry out the necessary communication and contact actions so that shareholders, institutional investors and proxy advisors have identified contact persons and the necessary means to access Company information on a regular and simple basis.

This policy applies to all companies in the Group and to all regions where it operates.

- Responsible Marketing Policy: this is a set of principles that determine the way in which Dia Group develops all its commercial communications to promote ethical, transparent, sustainable and respectful practices with its customers and society in general.

These principles are aligned with the Group's Sustainability Policy, especially with the commitment to facilitate access to healthy, quality food through the "Eating better every day" programme.

This Policy covers the main codes of conduct and regulatory frameworks of the industry in the countries where Dia Group operates, with a focus on protecting vulnerable groups, ensuring truthfulness in advertising and safeguarding consumer data, thereby maintaining high standards of integrity and responsibility in all of the company's marketing activities.

This Policy applies to all marketing activities and all own-brand products online and offline through which Dia Group communicates with its customers. This Policy also affects all marketing activities of the manufacturer brands that are disseminated through Dia Group's own communication channels. These channels are: physical store, Club Dia, television, radio, website, social media, apps, press, advertising brochures or outdoor advertising billboards. In addition, this Policy addresses sponsorship activities, social campaigns and collaborations with public figures and influencers.

- Franchise Policy, The franchise relations policy has as its general principles the company's values; efficiency, initiative, respect, team and customer. This policy is applicable to all regions where the Group operates.
- Code of Ethics, described in section S1-17 "Incidents, complaints and severe human rights impacts"
- Diversity, Equality and Inclusion Policy, described in S1-9 "Diversity and Inclusion".

All of the above policies are accessible from the company's website, and internal dissemination campaigns are periodically carried out. The internal regulations are available to the company's own staff on the company's intranet.

These policies apply to all companies, including subsidiaries and corporations in all geographic areas where the company is present. The company promotes the adoption of these principles among its suppliers, franchisees, employees and business forums in which it participates, with the heads of each business unit being responsible for enforcing these principles.

Dia Group is committed to respecting the human rights of communities in accordance with the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work. The company is also committed to providing redress for adverse impacts on the human rights of affected communities.

7.3.3 Processes for engaging with affected groups about impacts (S3-2)

Dia Group seeks coherence between its projects, services and activities and the needs of the community. To ensure this coherence, this year, for the first time, Dia has begun a process of measuring the social impact of its activity, using the Prosper4ALL tool, a tool promoted by CODESPA within the framework of the Business Observatory for Inclusive Growth (www.crecimientoinclusivo.org), of which Dia is a member.[21]

The tool measures different aspects, through KPIs which when consolidated provide an Inclusive Growth Indicator that will allow us to discover innovative ways to integrate inclusive growth into the business, manage social risks and explore new opportunities.

The values analyzed by Prosper4ALL are aligned with the European Union's European Sustainability Reporting Standards (ESRS) and the United Nations Sustainable Development Goals (SDG).

INTERNAL SCOPE

Employees (ESRS S1)

The generation of value and social impact is evaluated through actions directed at the company's employees or workforce.

IMMEDIATE EXTERNAL SCOPE

Suppliers (ESRS S2), customers and/or consumers (ESRS S4)

The generation of value and social impact is evaluated through actions aimed at its value chain, both with its suppliers (including its suppliers' employees), as well as with its customers (in the case of B2B4 companies) and/or consumers (in the case of B2C companies).

WIDER EXTERNAL SCOPE

Communities in which it operates (ESRS S3) and society in general

The company evaluates the generation of value and social impact beyond its value chain. The company's contribution and impact on the communities where it is present, and on society in general, are analysed.

In turn, Prosper4ALL classifies the company's social impact with respect to four values:

Economic value

Social value

Ethical practices

Promoting shared prosperity

The evaluation form consists of 62 questions that allow for a comprehensive and objective assessment of the scope, effectiveness, practices and social benefits generated by companies' business activities.

Based on the questions and metrics established by Prosper4ALL, the answers are weighted in an equation and the indicators for each of the three areas and the total inclusive growth indicator are obtained. This inclusive growth index places the entities and measures them in terms of how their business growth also influences social growth in all their stakeholders.

[21] The affected communities do not include indigenous peoples

Additionally, Dia Group carries out social action campaigns in collaboration with third sector companies, including:

AECC
THE PURCHASE OF YOUR LIFE
(FEB 24)

FESBAL
OPERATION KILO
(MAY 24)

AECC
BREAST CANCER CAMPAIGN
(OCT 24)

RED CROSS
FLOOD EMERGENCY
(NOV 24)

FESBAL
BIG COLLECTION
(NOV-DEC 24)

WORLD VISION
JUMPER WEEK
(DEC 24)

In addition, surpluses from warehouses and dark stores have continued to be donated. Specifically, in Spain alone, 576,352 kg (350,519 kg in 2023) of food have been delivered to partners such as the Food Bank and Cáritas. The total amount of surplus donations has been 911,657[22] kg (721,490 kg in 2023), representing a large amount of products that, instead of being destroyed, are channelled to the most needy communities. Fundraising campaigns are also organised among customers and employees to collaborate on various causes.

The largest contributions have been:

- 320,000 euros donation to Dia employees and franchise employees affected by the cut-off low in Valencia.
- 72,800 euros donation to Juegaterapia.
- 21,554 euros donation to Action Against Hunger.

The management of all the campaigns described lies with to the Communications and Sustainability Department.

Main sector alliances

Dia Group is aware that many of the global challenges facing the sector and society as a whole require different actors to act in a coordinated manner. In the interest of transparency, the main sector associations with which the Group collaborates around the world are detailed below:

CEOE (Spanish Confederation of Business Organizations)

AEF (Spanish Franchise Association)

Ecoembes

ASEDAS (Spanish Association of Distributors, Self-Service Stores and Supermarkets)

ISMS FORUM (Spanish Association for the Advancement of Information Security)

AECOC (Spanish Association of Manufacturers and Distributors)

Circle of Entrepreneurs

ISACA (Information Systems Audit and Control Association)

Foretics

CEL (Spanish Logistics Centre)

PACKNET (Spanish Packaging Technology Platform)

SERES Foundation

AEA (Spanish Association of Advertisers)

ASU (Association of United Supermarkets)

Corporate Excellence

AGERS (Spanish Association for Risk Management and Insurance)

AAMF (Argentine Association of Brands and Franchises)

REDI-Business Network for LGBTI Diversity and Inclusion

IGREA (Initiative of Associated Spanish Risk Managers)

CGF (Consumer Goods Forum)

Club of Excellence in Sustainability

[22] Includes 207,101 kg of food donated directly from dark stores. These donations are not included in the 2023 data

7.3.4 Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

Dia Group is firmly committed to carrying out its business and professional activities in accordance with the legislation in force in each of the places where it operates, observing a high standard of ethical behaviour in accordance with national and international best practice, as set out in its Code of Ethics. The "Ethics Channel", which accompanies this Code, is enabled both for Dia staff and for any external third party so that queries can be submitted and irregularities can be reported; its operation is described in section S1-17 "Incidents, claims and severe human rights impacts".

Suppliers, franchisees and contractors are informed about the existence of the Code of Ethics and the Whistleblower Channel, which are available to them with the same guarantees as any employee. The details of the interactions with each of the stakeholders can be found in section 8.1.5.2. Ethics Committee

7.3.5 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and established targets (S3-4, S3-5)

The first axis of the 2024-25 Sustainability Strategy focuses on the development of the local economy, one of the Company's priority areas of work for the two-year period of the Plan. This axis groups together three commitments aimed at generating a positive impact in the communities in which Dia operates, supported by its value proposition and its capacity to generate employment and entrepreneurship opportunities.

In this regard, the Company has a specific budget item for the execution of projects, services and activities of a social nature, managing both the positive and negative impacts of these activities.

The "Development of the local economy" axis brings together three lines of work: firstly, facilitating access to healthy, quality food, with projects and actions channelled through the "Eat better every day" programme; secondly, stimulating entrepreneurship and employment through the ecosystem of franchisees and local suppliers, with actions aimed at training and promoting good practice as well as the visibility of these strategic business partners; and, lastly, promoting positive social impact in the neighbourhoods and communities where Dia is present with initiatives that support access to food for vulnerable groups.

Eating better every day: healthy eating and habits within everyone's reach

During 2024, the Company has continued to work on projects and actions linked to Eating Better Every Day, the programme it promotes with the commitment to contribute to mitigating food barriers and promoting the adoption of healthy habits.

Aware that food is a key part of a person's wellbeing, Dia advocates that access to healthy food should be within everyone's reach, regardless of where they live or their budget. Therefore, connecting its mission of proximity with the essence of its business, local food distribution, in May 2023 the Company officially launched this programme that combines the initiatives carried out to facilitate access (geographic and socioeconomic) to healthy food and the dissemination of healthy eating habits.

Eating better every day is one of the key pillars of the Sustainability Plan, which is present in the two countries in which Dia operates (Spain and Argentina) and its commitment is to ensure that all citizens can access a variety of high-quality foods, adapted to different needs and lifestyles, as well as facilitating a change in eating habits.

The three lines of work of the programme are: Accessibility, Knowledge and Habits. For Dia, these are the three levers that allow anyone to improve their eating habits and its ambition is for everyone to know the importance of following a balanced diet and help them to make it easy to maintain the habit. In detail, the lines of work involve:

- Accessibility: Dia guarantees geographic and socioeconomic access to a complete and high-quality product range, with a focus on fresh food and Dia products at affordable prices, thanks to the capillarity of its large network of stores and the broad coverage of its online channel.
- Knowledge: with the support of academic partners and nutrition experts, Dia delves into the reasons that prevent people from following healthy diets and develops educational content to be disseminated on its own channels (corporate and commercial). In 2024, it has deployed a content strategy with the endorsement of nutritionists (Nutritional Coaching) that has allowed it to generate a conversation around healthy habits in the media.
- Habits: Aware that the basis of a healthy diet is the ability to adopt and maintain good habits, the Group takes on the challenge of making it easier for its customers to choose the foods that are most suitable for following a healthy diet. Among the initiatives developed is the promotion of the range of fresh products, with a prominent presence in stores and in the commercial catalogue, and the renewal of the quality and categories of Dia products, with the inclusion of foods that are usually under-consumed and contain high-value nutrients, such as nuts. In addition,

weekly promotions are activated that facilitate daily or weekly shopping in all categories that make it possible to maintain a healthy diet. Lastly, the Group carries out actions focused on nutritional dissemination that facilitate the knowledge and adoption of healthy habits.

Going forward, within the framework of its Sustainability Plan, Dia will give priority to the actions of the Eat Better Every Day program with the ambition of being close to homes to facilitate access to high-quality food at affordable prices, in line with its mission, and to promote awareness and dissemination of healthy habits so that everyone feels that it is easy. Among these actions, the following stand out:

- Conducting a "Healthy Radar", an annual survey of 20,000 contacts from Dia Spain and Argentina that analyses the evolution of households' shopping and eating habits to understand their needs and facilitate the adoption of a balanced and nutritious diet without compromising their budget.

- Promotion activities in stores for "SaluDiables" products and the "Eat Better Every Day" programme (0.1 OPEX annually).

  The most important goals within this programme for 2025 are:

- Drawing up a list of nutritional do's and don'ts

- Increase the number of low-sugar or sugar-free plant-based drink articles up to 7.

- Increase the percentage of low-sugar or sugar-free soft drink articles to 60% of the total

- Increase the percentage of low-salt or unsalted nuts to 50% of the total

- Develop a range of gluten-free products ("gluten-free range", 71 references).

- Communicate nutritional attributes of the ranges developed.

Stimulating employment and entrepreneurship

In addition to the growth of the store network through franchisees and the business's own activity linked to suppliers, the Company strengthens its relationship with both stakeholders by giving visibility to the social impact generated by the Dia ecosystem in the neighbourhoods and communities in which it operates. In this regard, throughout 2024 the company has carried out actions such as the first national call for suppliers for own-brand products in Argentina, specifically aimed at SMEs and local producers in categories such as food, refrigerated and frozen foods, hygiene, cleaning and perfumery.

Through this call, we continue to work to ensure that the product range in each store has the best supply of fresh products and a Dia brand of the highest quality and affordable prices for its customers. The possibility of adding new suppliers to the Group's ecosystem reinforces the commitment to offer excellent products at the best price and, therefore, strengthens our position as a savings ally for Argentine households.

Furthermore, within the framework of its communication strategy, regular communications are made to highlight the positive impact generated through the franchise network, a clear driver of employment and entrepreneurship in the communities in which it operates, and its contribution to the local economy through purchases from national suppliers.

Positive social impact in neighbourhoods

Finally, within the framework of the third commitment of the axis of "Development of local economy", Dia develops activities that contribute to generating social value and supporting access to food for vulnerable groups, as detailed in chapter S3-2 "Processes for engaging with affected communities on impacts"

Collaborations with third parties are based on the Internal Standard for Collaboration with Social Entities (available on the Dia Group Corporate Standards site), which establishes the criteria for collaboration with non-profit entities for purposes of general interest and defines the procedures to be followed to validate the collaboration. There are also framework collaboration agreements with certain entities, with which collaborations are recurring and annual planning of campaigns is carried out.

Dia Group monitors all the campaigns carried out using dashboards by delegation, type of donation, donated units, etc. In addition, it keeps exhaustive control of how funds are applied in the donee entities, which at the end of each campaign must report the final destination of the funds received, as well as a report on the real impact on the affected groups and provide evidence showing that these funds were used appropriately.

In 2024, the group has not recorded any incidents related to non-compliance with Human Rights concerning the communities where it operates.

7.4 S4 Consumers and end users

7.4.1 Own-brand nutritional quality strategy (SBM-3)

Dia Group has a very diverse customer profile, since the focus of its business is the sale of consumer goods and basic necessities, concentrating mainly on large urban areas (68% of total customers), followed by rural areas (21%), which Dia Group helps to revitalise, through its franchisees, and fight against food deserts.

Since we are a local store, 74.3% of our customers do their shopping weekly and are evenly distributed across all age ranges.

At the heart of Dia Group's strategy is an unwavering commitment to sustainability and operational excellence, guaranteeing the nutritional quality of all our products.

The relationship between good nutrition and people's health is an indisputable fact today. That is why, among the initiatives developed by the Dia Group, the following stand out:

- The reformulation of numerous own-brand products with the aim of reducing sugar, salt and fat content, as well as other nutritional improvements, has become a reality in all the Group's countries on a systematic basis. Examples of this include bakery products baked in-store without additives and plant-based milk alternatives without added sugars.
- Dia's concern to offer its customers products with an improved nutritional profile is reflected in the launch of items such as palm oil-free crisps and in the effort to renew and promote certain categories (legumes, canned fish, frozen vegetables and nuts, for example), which coincide with foods that are generally under-consumed according to the reference diet of the EAT-Lancet Commission. In addition, in all the Group's countries, significant resources have been invested to ensure that all stores offer fruit and vegetables of the highest freshness, also occupying a central space in the store in relation to the display of other products.

Dia Group is responsible internally for the entire new product development process, divided into four main phases:

1 **Analysis**

A study is carried out on the attributes of each product category existing on the market to detect opportunities for improvement in composition and quality.

2 **Formulation**

The ideal recipe and supplier are sought for each product, with one objective: to achieve the best formulation and value for money in its category.

3 **Design**

The brand and its attributes are defined for each product category, from packaging and its finishes to the available formats.

4 **Launch**

New products arrive in stores and online accompanied by a marketing strategy to present them to customers.

Additionally, Dia Group, within its Strategic Sustainability Plan, contemplates access to food in environments considered "food deserts."

7.4.2 Risks related to customers and end users (IRO-1)

ID	Topic	Impact Materiality	Financial Materiality
	S4 CONSUMERS AND END USERS		
Customer and end-user satisfaction		●	●
91	Loyalty programmes based on customer satisfaction that increase loyalty.	I (+)	
93	Losing customers due to bad reviews and low public ratings		R
Food safety		●	●
97	Guarantee of safe and high quality products that strengthen customer confidence.	I (+)	
Complaints and claims management		●	●
102	Increase in complaints and claims, which may affect the company's reputation.		R
103	Use feedback from complaints and claims to continually improve products and services.		O

The main risks relating to customers and end consumers of Dia Group are associated with the possibility of not meeting the expected quality of a product, delivery times in the case of online purchases or expected service.

Dia Group demonstrates successful risk management, with measures that ensure product quality and service excellence, as well as proactive management of any incidents.

7.4.3 Policies related to consumers and end users (S4-1)

Meeting the needs and expectations of customers is the priority objective of Dia Group. For this reason, Dia Group has policies that govern the relationship with customers:

- Marketing and Customer Communication Policy: based on respect for the commitments made to customers, honesty in verbal and written communications and integrity in all the Group's actions in this context. Details of this policy are available in section S3-1 "Policies related to affected communities"
- Corporate Information Security Policy: its objective is to define the guidelines intended to guarantee the confidentiality, integrity and availability of information and must be complied with by employees, both internal and external, and by franchise personnel who have to access the Group's information systems. The protection of the Company's information is achieved through the implementation of technical and organisational measures that ensure the following principles:
  - Confidentiality: Information is not accessed by unauthorised individuals, entities and processes.
  - Integrity: the information is accurate and complete, and any changes to it are authorised.
  - Availability: Information is accessible when needed.
  - Authenticity: A user, data and/or asset is what it claims to be.
  - Non-repudiation: The occurrence of an event and the involvement of users, data and/or assets in it can be proven.
  - Traceability: Actions performed on data and/or assets can be traced; these actions can be unambiguously associated with a responsible user and/or asset.

The Information Security team is responsible for the application, review and, if necessary, updating of the Policy. This policy is available in the Dia Internal Regulatory System and is available to all its employees.

- Dia Group's Food Safety Policy establishes the general principles that must govern the company's activity in this area:
  - Generating consumer confidence by providing safe, quality products.
  - Comply with current legislation in each of the countries in which the Dia Group is present.
  - Guarantee proper manufacturing conditions for our products, approving our suppliers through food safety audits or the requirement of IFS/BRC market standard audits.
  - Guarantee the authenticity, quality and safety of the products we sell, by defining and executing an annual Control Plan that includes internal quality controls upon receipt of the product and analysis in accredited laboratories.
  - Maintain product quality and safety throughout the supply chain by monitoring storage, transportation and sales processes.
  - Offer consumers clear and complete information on the labelling of our products, improving their purchasing decisions both in our stores and online.

This policy is available on the Dia Group corporate website for any user interested in it and the responsibility for its implementation lies with the Quality Department.

In addition to this policy, in 2022 a mandatory internal standard was approved with the aim of standardising minimum requirements in terms of food safety at Group level.

This regulatory body is structured on the basis of two main pillars:

- Food safety control in product development. Defines the requirements that allow verification that the production process meets the quality and food safety guarantees required by Dia Group from all its suppliers of products manufactured under its own brands.
- Control of food safety of products and processes from receipt of the goods until they reach the consumer.

In relation to controls at production sites, in Spain it is necessary for all suppliers to have a certificate accepted by the Global Food Safety Initiative in all plants where they manufacture Dia's own brand products.

In Argentina, this certificate can be replaced by an equivalent audit report carried out by Dia. In 2024, at Group level, 99.5% of suppliers (91% in 2023) had food safety certification. Although this is a very high percentage, especially considering the transformation process in which the Group is involved and that many of these certifications do not count because they coincide with recertification periods, the objective of the Dia Group is for all its suppliers to pass this control point. In addition, Dia has internal and external control plans (with approved laboratories) that provide additional control to this entire process.

Once the product arrives at the Group's facilities, it is subject to a Safety and Quality Control Plan, in addition to the supervision of other essential aspects, both in store and in warehouse, such as order and cleanliness, maintenance of the cold chain, traceability, good hygiene practices or correct product rotation. During 2024, 3,500 audits have been carried out (compared to the 5,800[23] audits carried out the previous year), incorporating processes that guarantee control of the maintenance of the cold chain throughout the Group and the freshness of the fruit and vegetable supply in stores.

Dia Group is committed to respecting the human rights of consumers and end users in accordance with the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work. Likewise, the company is committed to providing redress for adverse impacts on the human rights of affected consumers and users. In addition, they are informed about the existence of the Code of Ethics as well as the Ethics Channel, which are available to them with the same guarantees as any employee. Its operation is described in section S1-17 "Incidents, complaints and sever human rights impacts". The details of the interactions with customers can be consulted below:

Conflicts of interest reported through the Ethics Channel	Customers
COMMUNICATIONS ADMITTED FOR PROCESSING THROUGH THE ETHICS CHANNEL	**4**
COMPLAINTS ADDRESSED TO THE ENTITY ITSELF	**4**
On human rights: discrimination, harassment and equality	**1**
Closed	1
Dismissed	1
For human rights: other reasons	**3**
Closed	3
Dismissed	3

Table 36: Conflicts of interest reported through the Ethics Channel

Dia Group is committed to respecting the human rights of consumers and end users in accordance with the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work

[23] The decrease in the number of audits is due to the sale of the Portugal, Brazil and Clarel businesses

7.4.4 Processes for engaging with consumers and end users about impacts (S4-2)

Dia Group establishes different processes and channels of effective communication to obtain information on the expectations and views of its customers, which are described in the following chapter. The Customer Experience department is responsible for managing all these communications. Additionally, the group carries out an annual Double Materiality analysis where customers and consumers are surveyed and their opinion is taken into account in the preparation of the Strategic Sustainability Plan.

In 2024, the company has worked on improving its online purchasing service, where the main milestones for Argentina have been:

- Optimisation in the configuration of the tool in charge of managing the routes: reduction of transport units by maximising the load and the use of contracted units
- Variable shipping cost: creation of a service cost matrix with different scales that, depending on the number of units in the order, establishes a value for each of them.
- Order tracking: implementation of a platform to offer customers real-time tracking of their order with an estimated delivery time
- Incident control: development and implementation of a platform for the registration of incidents with automatic reporting to the supplier, to allow the application of penalties for non-compliance
- Customer Service: implementation of a platform for Customer Service where the status of each delivery is displayed in real time as well as a photo of the receipt signed by the customer accepting it.

Regarding the achievements obtained in Spain, the following stand out:

- We have served a total of 773,827 online orders in 2024, which represents growth of 17.24% compared to 2023.
- In 2024, a first pilot store for the "0 Paper" project has been implemented, laying the foundation for eliminating paper consumption in online order preparation and delivery circuits next year.
- New stores and areas have been opened, which has allowed us to reach a population coverage of 84% of Spain's inhabitants by the end of 2024.
- A customer evaluation monitoring system has been established through surveys on service quality, achieving an NPS in 2024 of 46.8 in Spain and 70.5 in Argentina, both higher than those achieved in 2023.
- Sustainable delivery slots: A marker has been established linked to the demand management system, which indicates to the client which of the available delivery slots is the most suitable in terms of fuel consumption. In this way, if they select it, we achieve more optimised routes and therefore lower consumption and carbon footprint in the provision of the service.
- Eating better every day: as part of its content strategy to promote healthy habits, customers have access to exclusive content (such as a list of tips to improve their diet, details on nutritional properties, tips and recipes) on dia.es and the company's social media. In addition, with the help of leading nutrition experts such as Boticaria García, the Company distributes content related to healthy eating and savings through its commercial social networks. This programme also includes collaborations with numerous entities, including:
  - Aladina: Charity cooking school
  - 19th Course on Current Scientific Affairs. “Foodprints”: The role of distribution in access to healthy food
  - Promotion at the Red Cross employment forum: Stall with healthy products (fruit and water)

Cruz Roja

Aladina

7.4.5 Processes to remediate negative impacts, channels for consumers and end-users to raise concerns, taking action on material negative impacts and approaches to managing material risks and pursuing material opportunities, effectiveness of those actions and targets related to managing material negative impacts and advancing positive impacts (S4-3, S4-4, S4-5)

The Dia Group complaints and claims handling system is adapted to the different communication channels to ensure efficient and simple management for the customer. To ensure adequate quality in responses, there is a common manual for all customer service teams, who have the continuous support of the technical teams when specific information is required.

Main channels of communication with customers

Dia Group uses different channels to communicate and listen to local communities that may be affected by the Group and its customers:

- Social media for the Group's commercial and corporate communications. The Group has profiles on the most widely used platforms in all the countries in which it operates, including Facebook, Twitter, Tiktok, Instagram, Linkedin and YouTube.
- Club Dia is a mobile application where customers can voluntarily rate their shopping experience in physical stores and e-commerce in real time. In 2024, more than 696,851 customer surveys have been registered in Spain, with responses that have been key to improving the experience and satisfaction of our customers. In Argentina, for example, customer satisfaction monitoring is carried out in real time, allowing for the daily definition of action plans. This initiative, made possible by an important technological component, has achieved very positive results both in customer involvement and in their level of recommendation.
- Customer Service (SAC): In 2024, 599,532 communications were handled and analysed (around 759,856 in 2023), of which 201,203 were claims and complaints (279,366 in 2023). It should be noted that, after proper analysis, 93% of the claims have been closed. The main types are usually incidents related to Club Dia, online purchases and in-store purchases.

Handling queries and incidents that may arise in the SAC is a basic part of both improving the customer experience and confidence, and continuously improving operations, which is why we are constantly working on improving it. Depending on the nature of the concern raised (complaint, doubt, suggestion), the customer service department will redirect it to the appropriate department, following up on it until it is correctly resolved.

> The Dia Group complaints and claims handling system adapts to the different communication channels to ensure efficient and simple management for the customer.

In Spain, the Customer Relationship Centre (CRC) attended more than 313,988 customers in 2024. The Centre provides its customers with 3 main contact channels that offer an omnichannel and consistent service model: telephone, email and WhatsApp.

The telephone continued to be the main communication channel: 61% of contacts in Spain were made by telephone (in Argentina, 53%). However, this year there has been a significant rise in Digital Channels, especially WhatsApp.

Communication with customers through CRC is the basic pillar for both improving customer experience and confidence, and for the continuous improvement of operations, which is why we are constantly working to improve it.

In Spain, we are immersed in a Comprehensive Service Transformation Plan, focused on achieving excellence in customer satisfaction as well as achieving an increasingly robust and competitive service. Customer satisfaction is measured through an NPS survey detailed in chapter S4-2 "Processes for engaging with consumers and end users about impacts"

Additionally, all customers and users can find Complaints forms available in the Group's stores in accordance with ruling legislation.

Dia Group dedicates more than 2 million euros annually to customer management.

During the 2024 financial year, Dia Group has not received any complaints from customers related to human rights violations.

In 2025, work will continue on the following topics:

- Improving our customers' self-management capabilities
- Creation of a Community of Customers to whom information about the Eat Better Every Day Programme can be provided
- Development of a nutritional policy for Dia Group, a set of principles that determine the way in which Dia Group defines its range and develops recipes for its own brand products.

8

Governance

8.1 G1 Business Conduct

8.1.1 Oversight and Control Governance Model(GOV-5)

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

Finally, a third line is the internal audit, which offers independent assurance on the effectiveness and proper functioning of the Group's processes.

The second line of this supervision and control model falls on two committees made up of the top executives, who monitor that the achievement of the business objectives is carried out in line with the agreed values and applicable regulations. These committees report regularly to the Audit and Compliance Committee of the Board of Directors.

8.1.1.1 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

ID	Topic	Impact Materiality	Financial Materiality
	G1 BUSINESS CONDUCT		
Good governance, ethics and integrity		●	●
104	Promoting good conduct by disseminating the Code of Ethics through internal platforms	I (+)	
106	Reputational loss due to the publication of incorrect information or forecasts that affect investors' assessment		R
108	Reputational loss due to unfavourable payment practices towards suppliers, making long-term negotiations difficult		R
109	Loss of reputation due to failure to meet payment deadlines required by current legislation		R
111	Competitive advantage in the market due to Dia Group's adherence to benchmark ethical and compliance standards.		EITHER
Prevention of money laundering and bribery		●	●
120	Promoting good practice among companies in the sector through the application of a strict policy on corruption and money laundering prevention	I (+)	
Innovation and new technologies		●	●
129	Fall in company profits resulting from a competitive disadvantage in the face of technological advances by competitors.		R
130	Attracting investors and customers due to the improvement and innovation of product preservation systems		EITHER
Cybersecurity		●	●
131	Security breach in outdated computer systems	I (-)	
132	Financial losses caused by a security breach in the company's systems		R
133	Increased costs due to the need for Dia Group to update its cybersecurity measures		R
Data privacy		●	●
135	Loss of confidentiality of personal data of stakeholders due to poor management of such data	I (-)	
137	Reputational improvement derived from adequate data management throughout the entire value chain		O

Risk Management and Internal Control Committee

Its objective is to make decisions and submit proposals to senior management regarding the comprehensive risk management system, ensuring its operation and due compliance, promoting and updating the internal regulations that govern it, as well as implementing the tools and procedures necessary to identify, prevent, minimise and manage the risks associated with all areas of activity, ensuring the achievement of business objectives in a sustained manner over time. This Committee is made up of the top managers of the business and corporate areas, in addition to the person responsible for internal control and risk management.

The Committee assumes the following responsibilities:

- Ensure the proper functioning of the risk management system (that it makes it possible to identify, measure, control, manage and report the most important potential risks affecting the Group).

- Ensure that the identified risks are correctly mitigated or managed.
- Ensure that emerging risks are appropriately identified, analysed, assessed, controlled and reported.
- Promote the effectiveness of the internal control system and develop and update the internal standards that govern it. If the control environment is considered insufficient, new controls associated with each process are proposed if necessary. These controls may involve the segregation of responsibilities, the development and implementation of certain policies or procedures, or independent control of the execution of certain activities, to name a few.

The Group defines risk as any internal or external contingency that, if it were to materialise, would prevent or hinder the achievement 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 the materialisation of a threat and/or increase of a weakness.

To mitigate and control risks, Dia Group has a comprehensive risk management system (SIGR) that includes both the assessment of inherent risks and the evaluation of controls, mitigating measures and action plans that control each of the identified risks, both financial and non-financial. The system is based on "Enterprise Risk Management - Integrating with Strategy and Performance", published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The methodology followed by the system is based on a catalogue of risks where the most relevant risks at a corporate level are periodically assessed and identified, ensuring that they are reviewed at least once a year. This catalogue, which can always incorporate 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 specific business unit or to the Group as a w hole, the assessment is carried out with each of the responsible parties as appropriate.

As a result of the process, a risk map is obtained for each business unit, which is subsequently grouped/aggregated into a Group risk map. Risk management is digitalised in the SAP GRC Risk Management system.

Dia has considered its application to all its activities at the following levels:

- Execution of the strategy.
- Achieving business objectives.
- Correct execution of operations.

During 2024, the degree of implementation of the action plans identified in the previous period and which improve the management of the risks of the current map has been monitored.

A test of all controls associated with the risk maps of each business unit and the Group as a whole has also been carried out, obtaining positive results regarding their effectiveness, so it is concluded that the control environment is reasonable.

Additionally, this year Internal Control System over Sustainability Reporting (ICSR) was designed and implemented to respond to the main risks in the Dia Group's critical processes, including those related to the reliability of the sustainability information reported.

The design of the ICSR system has taken as a reference the COSO framework on non-financial reporting, adapted to the reality of the Group based on the following premises:

- 100% alignment with the Group's risk management and internal control strategy and operations.
- Efficient allocation of resources for risk mitigation.
- Leveraging Group Risk Management and Controls (SAP GRC) technology.
- Agile and scalable implementation for the future.

The main objectives of the implementation of ICSR have been the following:

- Formalise and strengthen control activities related to the reliability of sustainability information published by the Group, providing Directors with a level of assurance and comfort comparable to that available for reporting financial information (ICFR).
- Improve the quality and transparency of sustainability information.
- Increase the Group's awareness regarding sustainability, the ownership and quality of sustainability information and its necessary control, fostering a cohesive culture.
- The ICSR covers, in a broad sense, all material issues according to the result of the Double Materiality Analysis, highlighting the following:

1) Nutritional quality at affordable price and value chain
2) Working conditions
3) Climate change mitigation
4) Renewable and non-renewable energy consumption
5) Customer and end-user satisfaction

The ICSR has been developed with an efficient, agile and scalable approach, focusing efforts on the most relevant information and/or where a greater risk of fraud and error has been identified, prioritising those indicators taking into account the topics and reporting processes associated with the indicators. For these, flowcharts/descriptives of the information generation processes have been developed and specific controls have been defined that provide a higher level of assurance on the reliability of the sustainability information to be reported and that will also be subject to control testing by the Internal Control and Global Risks Department.

All these actions are governed by the Dia Group's Corporate Risk Policy, approved by the Board of Directors, applicable to all the geographies where the Group operates, communicated internally to all employees and published on the Group's corporate website[24]. This policy is inspired by the methodological framework established in COSO ERM 2017 (Committee of Sponsoring Organizations, of the Treadway Commission - Enterprise Risk Management 2017), and is adapted to the needs and specificities of the Dia Group.

In 2024, the ICFR Policy was updated, integrating the new internal control system for sustainability information (ICSR), thus taking a further step towards achieving unified reporting. Its objective is to provide guidelines and establish basic principles to ensure the quality and reliability of financial and sustainability information. It will be applicable to all significant processes of the group for financial or sustainability reporting. It also details the basic principles of action, based on the international COSO framework, defines responsibilities and determines the processes, documentation and continuous evaluation of the controls that must cover assertions aimed at the reliability of financial and sustainability information.

In relation to the regulatory system, Dia Group has different instruments that have been appropriately documented and disseminated throughout the organisation and, where applicable, also in its value chain:

- Code of Ethics: basis of the company's system of standards and values.
- Corporate policies: these establish the general principles that must govern all areas of the Group, following the recommendations of the Unified Code of Good Governance for Listed Companies. They are approved, where appropriate, by the Board of Directors.
- Compulsory standards (CS): these regulate aspects of high impact and criticality for the Group and detail the key controls and requirements for action in a process or area. These types of standards were developed in 2020 by mandate of the Audit and Compliance Committee and are approved by the Risk and Internal Control Committee, with updates being made when deemed appropriate.
- Specific internal regulations for the Group and countries: these constitute the set of rules, procedures and manuals that govern the operation of the areas in each country where the company is present.

In order to carry out the internal control function, there are also specific control systems that mainly comprise the following implemented control models:

- System of Internal Control over Financial Reporting (ICFR): In order to establish a reference framework of principles and good practice, and contribute to improving the transparency of information, Dia has an internal control system where risk assessment, control activities, information and communication, and supervision operate jointly with the aim of preventing, detecting, compensating, mitigating or correcting errors with a material impact, or fraud in financial reporting.
- Criminal Offence Prevention Model (Spain): In order to assess which crimes Dia is most exposed to as a direct consequence of the development of its activity, the risk of each crime identified as potentially applicable to the Group is assessed and the analysis and evaluation of the controls (general or cross-cutting, and specific) established is subsequently carried out.
- Anti-fraud model: Dia Group has an anti-fraud and anti-corruption programme, which identifies and evaluates these types of risks in relation to its activity, as well as the control environment for the prevention and detection of the commission of corrupt and fraudulent practices.
- System of Internal Control over Sustainability Reporting (ICSR): In order to reinforce the reliability of the reported sustainability information, the internal control system has been redesigned so that specific risks and control activities are identified and documented in accordance with the new CSRD requirements, and to allow for periodic monitoring of its effectiveness.

[24] Policies that by law, the Group's Articles of Association or the recommendations of the Code of Good Governance are the non-delegable responsibility of the Board of Directors are available at www.diacorporate.com.

8.1.1.2. Ethics Committee[25]

The description and operation of the Ethics Committee can be consulted in section S1-17 "Incidents, complaints and severe human rights impacts"

The activity carried out during the year is described below:

- In 2024, 325 complaints related to some ethical breach received (656 the previous year) and 4 queries (33 the previous year) were received.
- Following the investigation of the complaints received during 2024 (as well as 58 that remained open at the end of 2023), it should be noted that of the 306 closed in 2024 (674 in 2023), 215 (456 in 2023) have been dismissed as it was considered that there were no indications of ethical non-compliance or due to the lack of sufficient information for the investigation, while 91 have been confirmed (218 in 2023).
- Among the complaints confirmed after the investigations, it should be noted that:
  - Confirmed allegations of corruption: 0 allegations of corruption have been confirmed (no cases were confirmed in 2023 either).
  - Confirmed complaints of discrimination or harassment: 1. In 2023, there were 4 confirmed cases that led to the departure of the reported persons from the Group.
- Another priority to achieve improved ethical management in the Group and greater trust on the part of employees and other stakeholders is to achieve greater agility in the management of complaints that come through the ethics channel.po In 2024, the average resolution time was 45 days at Group level (53 days in 2023).

The Group has not received any sanctions for discrimination, harassment or violation of human rights during 2024.

Communications to the Ethics Channel	Employees	Franchisees	Customers	Suppliers	Shareholders	Others	Anonymous	Total
COMMUNICATIONS ADMITTED FOR PROCESSING THROUGH THE ETHICS CHANNEL	**60**	**3**	**4**	**0**	**0**	**16**	**250**	**333**
COMPLAINTS ADDRESSED TO THE ENTITY ITSELF	**55**	**0**	**4**	**0**	**0**	**16**	**247**	**325**
For corruption and bribery	**0**	**0**	**0**	**0**	**0**	**0**	**8**	**8**
Open	0	0	0	0	0	0	3	3
Closed	0	0	0	0	0	0	5	5
Dismissed	0	0	0	0	0	0	5	5
On human rights: discrimination, harassment and equality	**4**	**0**	**1**	**0**	**0**	**0**	**3**	**8**
Open	2	0	0	0	0	0	0	2
Closed	2	0	1	0	0	0	3	6
Confirmed	1	0	0	0	0	0	0	1
Dismissed	1	0	1	0	0	0	3	5
For human rights: other reasons	**10**	**0**	**3**	**0**	**0**	**0**	**5**	**18**
Closed	10	0	3	0	0	0	5	18
Confirmed	4	0	0	0	0	0	2	6
Dismissed	6	0	3	0	0	0	3	12
Due to working conditions	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**1**
Closed	0	0	0	0	0	0	1	1
Confirmed	0	0	0	0	0	0	1	1
For other reasons	**41**	**3**	**0**	**0**	**0**	**16**	**230**	**290**
Open	7	0	0	0	0	0	7	14
Closed	34	3	0	0	0	16	223	276
Confirmed	11	3	0	0	0	6	63	83
Dismissed	23	0	0	0	0	10	160	193
CONFLICT OF INTEREST COMMUNICATIONS	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**4**
Closed	4	0	0	0	0	0	0	4
Confirmed	1	0	0	0	0	0	0	1
Dismissed	3	0	0	0	0	0	0	3
CONSULTATIONS	**1**	**0**	**0**	**0**	**0**	**0**	**3**	**4**

Table 37 Communications through the ethical channel

[25] The figures include the cases of Portugal, Clarel an Brazil during the time thehyy were part of the company

Ethics Channel Data: Communications, complaints and queries received

	2024	2023
communications admitted for processing	333	689[26]
queries	4	33
complaints	325	656

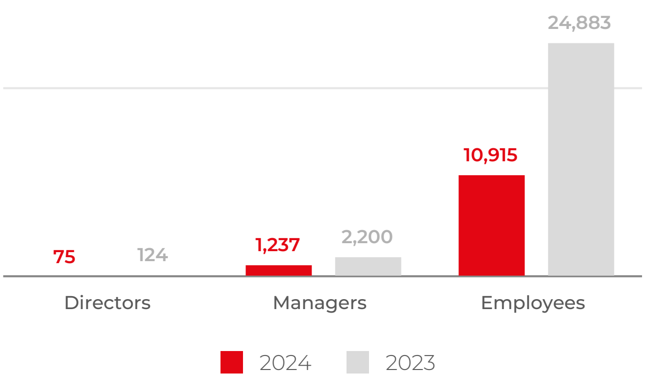
Average time for resolution of complaints

2024	2023
45 days	53 days

Compliance and ethics training

Finally, the organisation's commitment to ethics has resulted in a new investment in training in 2024, which complements the efforts already made in previous years. It should be noted that the training programmes on ethics and compliance aim to raise awareness and train employees in all countries in which Dia operates, so that they share the same values, the same culture of ethics and integrity, and can prevent and mitigate any such unethical behaviour. For this reason, the training is always provided in a standardised and harmonised manner for all of them. The Group is working on identifying effective training channels for the store network to improve the training rates, both in Spain and Argentina. All new employees, both in stores, offices and warehouses, are trained in ethics and the group includes a clause in their employment contracts for mandatory compliance with the code of ethics.

Ethics training (205-2)



Total 2024	Total 2023
12.227[27]	27.207
72%	95%

During 2024, 4 training cycles have been taught, all in online format, in relation to compliance with this matter:

- Ethical culture
- Competition law
- Information Security Training
- Learn about the Dia Group's internal regulations and policies

As regards the Directors, all have profiles that include knowledge and extensive experience in training in ethics policies. In this regard, the members of the Audit and Compliance Committee were provided with written documentation on the training content of the training carried out in the field of ethics.

Furthermore, support and monitoring from the Board of Directors is a priority and, as an example, ongoing training in Regulatory Compliance for all professional categories has been included within the Group's strategic objectives.

8.1.1.3. Internal audit

The Dia Group's internal audit function plays a fundamental role in the good governance of the company as an independent and objective assurance and consulting activity, designed to add value and improve the organization's operations. Thus, this function helps the organisation to meet its objectives, providing a systematic and disciplined approach to assess and improve risk management, control and governance processes.

Internal auditing carries out its work in strict compliance with the mandatory elements of the International Framework for Professional Practice, The Institute of Internal Auditors" including:

- The Fundamental Principles for the Professional Practice of Internal Auditing,
- The Code of Ethics,

[26] The figures from 2023 has been restated because they referred to all the communication received instead of those admitted for processing
[27] Number of employees with ethics training, excluding Brazil, Portugal and Clarel.

- The Standards,
- The Definition of Internal Audit.

The Group's annual audit plan is drawn up based on the Company's risk map, considering, among others, the most relevant risks and identifying the processes associated to them.

Through the tests carried out, an independent opinion is obtained on whether the controls implemented in the reviewed processes are effective and efficient in mitigating risks. The results of the work carried out are communicated both to the company's Management and to the Audit and Compliance Committee of Dia Group. Additionally, in addition to the risk-based audit, since 2022, the Internal Audit function has included ongoing auditing through monthly monitoring of indicators (Audit Monitoring Indicators) on certain key aspects.

At the end of 2023, the Institute of Internal Auditors of Spain carried out an external quality assessment of the internal audit function, obtaining the highest rating of "Generally complies".

8.1.2 Business conduct policies and corporate culture, prevention and detection of corruption and bribery (G1-1, G1-3)

As part of the objective of promoting an ethical culture, Dia Group has a Regulatory Compliance division, which aims to identify, advise, control and report the risks of non-compliance with applicable legal provisions. To respond to these risks of non-compliance, in addition to the existence of a Regulatory Compliance Policy that defines the principles in this area and the bases of operation, it is worth highlighting the existence of the following related policies:

- The Conflict of Interest and Related-Party Transactions Management Policy, which aims to establish and regulate the applicable procedure for situations in which the interests of Dia or the Group companies directly or indirectly conflict with the personal interests of the members of the governing bodies and their representatives, is applicable to all the Group's geographies and companies.
- The Policy on International Sanctions (measures imposed by States and supranational organisations such as the European Union (EU), which in many cases apply sanctions of the United Nations (UN) Security Council), which aims to establish a regulatory framework in this regard, for all operations in which the Dia Group may be involved through the performance of its commercial activities, and to establish an authorisation procedure that allows the Group to maintain control of all relationships established with third parties. For the application of this policy, a tool has been available since 2021 that centrally validates suppliers before the start of any commercial relationship.

Furthermore, as already mentioned, it should be noted that Dia Group has an Anti-Fraud and Anti-Corruption Program, which identifies and evaluates these risks in each of the jurisdictions in which it operates, assigning a person in charge to each one. The risks identified by this programme include bribery, facilitation payments, money laundering[28], conflicts of interest, alteration of market competition, financing of political parties, their candidates or their foundations, or influence peddling[29]. Control systems are in place as measures to avoid or minimise these risks, including:

- Crime Prevention and Anti-Corruption Policy, the purpose of which is to establish the most appropriate internal control procedures and policies to prevent the commission of acts contrary to the law and, where appropriate, to be able to exempt the Dia Group Companies from liability in accordance with the provisions of the current Organic Act 1/2015 of 30 March 30, amending Organic Act 10/1995, of 23 March on the Criminal Code.

Managers, directors and, in particular, those employees whose duties include negotiating with third parties and who belong to the procurement and/or commercial areas of each of the Dia Group companies are the positions within the company that are most at risk of corruption and bribery.

- Anti-Bribery Policy, the purpose of which is to establish compliance standards for the supervision and safeguarding of Dia's position regarding bribery; and effective mechanisms for communication and awareness among Obligated Persons in order to prevent, detect and react to bribery issues.

> The Group's annual audit plan is drawn up based on the Company's risk map, considering, among others, the most relevant risks and identifying the processes associated to them

[28] In terms of money laundering, since Dia is not included in the subjective scope of application of Act 10/2010, a specific policy for the prevention of money laundering has not been developed within the Anti-Fraud Programme. However, the Group has control and restriction systems established in its procedures to manage aspects related to this matter: payments to suppliers of goods and services go through authorisation platforms and cash payments are very limited within the Group (as a general rule, cash payments are not permitted and, if exceptionally necessary, they are duly recorded and documented under the required controls). As with the rest of the risks related to the prevention of crimes for which the legal entity could be responsible, they are periodically reviewed and reported.

[29] Particularly relevant for corruption and bribery risks are activities related to purchasing (the smaller the supplier, the greater the risk), as well as business expansion, i.e. purchasing, leasing of premises and construction (where a higher risk is recognised in cases where public administrations are involved). In turn, there is a higher inherent risk factor for activities carried out in Argentina, since the risk of corruption and bribery is considered higher than in Europe.

- Gift Policy, the Code of Ethics or specific regulations governing purchase and sale prices and contract management or the segregation of functions, all of which are applicable to all companies in the Group and to all geographies where it has a presence.

- Crime prevention model (CPM): The Dia Group companies based in Spain have implemented a CPM that identifies and assesses the risks of committing crimes associated with each area and activity of the organisational structure that may give rise to criminal liability for the legal entity, as well as the corresponding rules, procedures and controls for identifying and preventing the commission of such crimes. The purpose of the CPM is to establish the most appropriate internal control procedures and policies to prevent the commission of acts contrary to the law and, where appropriate, to exempt the Dia Group companies from liability in accordance with the provisions of ruling Organic Act 1/2015 of 30 March, amending Organic Act 10/1995, of 23 March, on the Criminal Code.

The Dia Group's CPM is made up of a series of elements, policies, internal regulations and controls. Specifically, the following main elements:

1) Code of Ethics: The Code of Ethics is applicable to all Subject Persons and constitutes their commitment to the ethical business principles that must govern all areas of activity.

2) Compliance Policy: The objective of this policy is (i) to define the Compliance principles of the Dia Group, (ii) to define the bases of operation and development of the Compliance Function of the Dia Group, (iii) to define the functions and responsibilities of all members of the Dia Group responsible for ensuring regulatory compliance and, (iv) to identify the resources, internal control measures and channels that will be used to guarantee regulatory compliance.

3) Risk assessment and monitoring and control measures: Based on a prior assessment of criminal risks, Dia Group has implemented controls to prevent the commission of identified crimes or significantly reduce the risk of their commission.

4) Criminal Compliance Body: The Criminal Compliance Body of Dia Group or Audit and Compliance Commission (hereinafter, “ACC”) is a collegiate body that reports to the Board of Directors of the Company.

5) Protocols and procedures that specify the process of forming the will of the legal entity.

6) Financial resources management model: Dia Group has management models aimed at preventing the commission of crimes.

7) Supervision Plan: The effectiveness of the Model is periodically verified, guaranteeing the effectiveness of the control measures implemented.

8) Training: Dia Group promotes the proper training of the Subject Persons for the knowledge of its ethical principles, as well as the duties and principles of action derived from the CPM aimed at preventing the commission of crimes.

9) Whistleblowing Channel: Dia Group has an Ethics Channel, through which it is guaranteed that any employee who is aware of a breach of the law, the Code of Ethics or the applicable internal regulations, or of any illegal act committed in the Company, can report it with full guarantees and without fear of any retaliation.

The operation of the reporting channel is described in section S1-17 "Incidents, complaints and serious incidents related to Human Rights"

10) Disciplinary system: In order to ensure the effectiveness of the Model, Dia Group will sanction non-compliance with it in accordance with current legislation, the Company's disciplinary regime and the applicable Collective Agreement.

The purpose of the Model is to convey to all directors, managers and employees of the Dia Group (hereinafter, “Subject Persons”), as well as to third parties who have dealings with the Company, its firm commitment to monitoring and penalising any illicit conduct, whether criminal or of any other nature, as well as to maintain communication and awareness mechanisms throughout the organization, in order to promote an ethical business culture and absolute compliance with the law.

The risk assessment of Dia Group has resulted in the Criminal Risk Matrix, which includes crimes that may attract criminal liability for Dia Group due to the sensitive activities it carries out within the framework of its corporate purpose.

These Policies are available and accessible to all users on the corporate website and are applicable, without exception, to all companies of the Group, members of the Board of Directors, managers, employees and contracted personnel, wherever they are located, and to any other related person who carries out activities in relation to the Group.

In 2024, the Dia Group did not record any incidents related to corruption or bribery.

The purpose of the CPM is to establish the most appropriate internal control procedures and policies to prevent the commission of acts contrary to the law and, where appropriate, to be able to exempt the Dia Group Companies from liability

8.1.3 Supplier relationship management (G1-2)

8.1.3.1 Dia, reference partner for the supplier

Dia works to build a transparent and fair relationship with its strategic partners with the ultimate goal of generating 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.

Dia Group's activity consists of responding to the needs of its customers with the best product at the best price and in the most convenient and accessible way for everyone.

96% of purchasing expenditure comes from local (national) suppliers (96% in 2023), whose size and location vary greatly, as Dia Group works with both large multinational groups and small local suppliers.

Main communication channels with suppliers

The suppliers' perspective is taken into account by Dia Group in the different areas that impact them, such as due diligence, commercial, environmental or any other area that they consider important. For them, the channels that the Group makes available to them are the following:

- Supplier portal: an online platform where suppliers can access historical databases, the billing system and, in some cases, inventory status.
- Regular meetings with Management.
- Sales and support team.
- Web channel for potential suppliers.
- Reduction in the tools used to interact with suppliers, creating a single channel that improves the efficiency and agility of communications.
- Supplier satisfaction survey about their relationship with Dia.

Policies

- Corporate Quality and Food Safety Policy: aims to create a relationship with consumers based on trust, through a system that rigorously guarantees the proper production, processing and management of all products offered by the company. Consequently, the Group maintains control of the quality and safety of products throughout the entire supply chain, supervising the storage, transport and sales processes.
- Policy for Respect for Human Rights in the Supply Chain: aims to establish how Dia Group prevents or mitigates adverse impacts on labour human rights that may be linked to its operations with third parties.
- International Sanctions Policy: aims to establish a regulatory framework regarding international sanctions.

These Policies are available on the corporate website and are applicable, without exception, to all companies in the Group, members of the Board of Directors, managers, employees and contracted personnel, wherever they are located, and to any other related person who carries out activities in relation to the Group.

Dia Group does not have a specific supplier payment policy, although it does adopt the payment terms set out in current legislation.

8.1.3.2 Management of potential impacts associated with the Dia Group value chain

8.1.3.2.1 Sustainability of raw materials

Chapter E4-3 and E4-4 "Actions, targets and resources related to biodiversity and ecosystems" highlights some outstanding good practices concerning some raw materials.

8.1.3.2.2 Human Rights Management

Recognising that the agricultural sector is a sector with a high risk of violation of basic human and labour rights, such as child labour and slave labour, the prevention and mitigation of these potential impacts in the value chain has gained consideration as a material matter within the Dia Group 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. The implementation of this commitment is supported by various regulatory instruments and management systems that are being created for this purpose[30], in accordance with the UN 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.

In 2024, the commitment of suppliers and franchisees to these principles has become part of the contractual reality of Dia Group, and 98% of suppliers in Spain have already committed to this policy (in 2023 it was 94%).

[30] Based on factors such as the sector of operations, geographic location and the existence of a sufficient internal control environment (active union representation among Dia workers and the set of policies, procedures and channels of dialogue dedicated to detecting any non-compliance and promoting the improvement of their wellbeing), compliance with labour human rights is not considered material in relation to the activities carried out within the scope of the Dia Group. For this reason, this chapter focuses on the prevention and minimisation of human rights violations in third parties or in the value chain.

8.1.4 Cases of corruption or bribery (G1-4)

During the 2024 financial year, no incidents of corruption or bribery have occurred in any of the jurisdictions in which the Dia Group operates. Consequently, the Organization has not been exposed to any monetary sanctions, nor has it been required to adopt any specific actions in relation to this aspect.

8.1.5 Political influence and lobbying activities (G1-5)

Dia Group maintains a transparent and ongoing relationship with the public administrations of all the countries in which it operates. The company considers public participation in the process of adopting any regulatory initiative to be important, in order to ensure that the interests of all those who will be affected by the measures to be adopted are duly considered and reflected.

Dia Group advocates constant dialogue with regulatory authorities, engaging and committing to collaborate with them and, consequently, actively involves itself in the development of public policies that affect the areas in which it operates, contributing the experience of the private sector to regulatory bodies.

The company's position is always consistent with its commitment to caring for and respecting the environment, human rights and sustainability in the use of resources.

In accordance with the provisions of its Code of Ethics, Dia Group does not make financial contributions for political purposes or to obtain preferential treatment. Likewise, the Organisation does not sponsor or donate for these purposes, as these behaviours are totally contrary to the company's internal regulations.

Details of the donations made by the company can be found in chapter 7.3.3 Processes for engaging with affected communities about impacts.

8.1.6 Payment practices (G1-6)

Below is the information required by the Third Additional Provision of Spanish Act 15/2010, of 5 July, as amended by the Resolution of 29 January, 2016, of the Institute of Accounting and Auditing of Accounts and by Spanish Act 18/2022, of 28 September, on the creation and growth of companies, on the information to be included in the annual accounts notes in relation to the average payment period to suppliers in commercial operations of the Spanish companies of the Dia Group:

	2024	2023
	Days	Days
Average payment period to suppliers	44	43
Ratio of paid operations	45	44
Ratio of outstanding payments	33	34
	Amount in thousands of euros	**Amount in thousands of euros**
Total payments made	4,172,269	4,033,882
*Total pending payments	410,134	436,848

Table 38 Average payment period to suppliers *This amount does not include uninvoiced receipts or invoices that at the end of the year have been subject to the use of the aforementioned confirming lines.

The amount of payments made during the 2024 financial year in a period less than the maximum established is 2,776,814 thousand euros (67% of the total), corresponding to 718 thousand invoices (62% of the total).

The amount of payments made during the 2023 financial year in a period less than the maximum established was 2,379,741 thousand euros (59% of the total), corresponding to 612 thousand invoices (52% of the total).

Confirming with suppliers is considered in the calculation of the average payment period.

During this year 2024, Dia Group has had two disciplinary proceedings for late payment to suppliers.

8.1.7 Governance and tax management

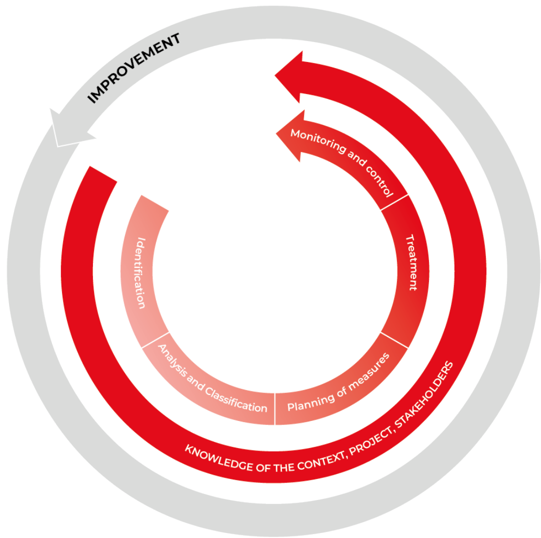
Dia Group's Tax Strategy was approved by the Board of Directors in 2015 and its main objective is to ensure responsible compliance with tax regulations in the corporate interest and supporting the Group's business strategies. The tax principles and good practices that make up the Group's Tax Strategy must guide decision-making at all levels.

As part of the good tax practices that guide Dia's activity, the Tax Strategy establishes 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.

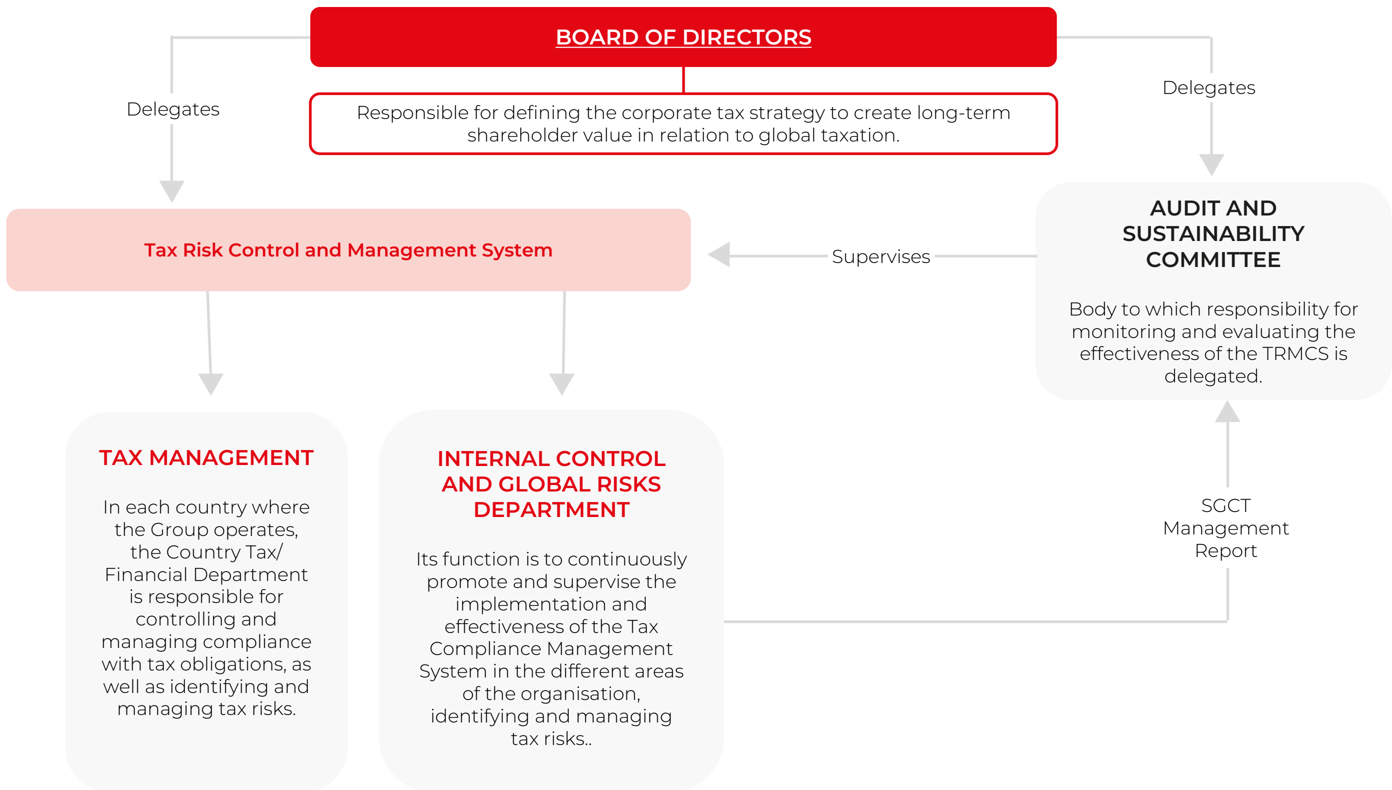
Likewise, Dia Group is committed to complying with the provisions of the "OECD Guidelines for Multinational Enterprises" in tax matters.

As a result of Dia Group's Tax Strategy, the company has designed a System for the Control and Management of Tax Risks, even though legal regulations do not strictly require it. Its objective is the management of the main tax risks identified in each Business Unit and the supervision of the effectiveness of the controls that mitigate them within the comprehensive risk management system.

CONTINUOUS IMPROVEMENT PROCESS OF THE TAX RISK MAP



Since 2023, the Tax Risk Management and Control System (TRMCS) has been supervised and reported to the Audit and Control Committee (CAC) by the Group's Internal Control department within the framework of the Group's Risk Management and Control System.



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

	Earnings before taxes (thousands of euros)		Taxes paid (thousands of euros)	
	2024	2023	2024	2023
ARGENTINA	-31,094	37,169	-12,970	-13,040
BRAZIL	-106,835	-154,340	-7	-31
SPAIN	68,712	84,326	18,415	-24,896
PORTUGAL	681	-175	466	-498
TOTAL	**-68,536**	**-33,020**	**5,904**	**-38,465**

Table 39: Pre-tax profits and taxes paid, in thousands of euros. A negative value for tax paid means a tax payment and a positive value means a tax refund. In 2023 and 2024, the pre-tax profits of Switzerland and Luxembourg (-70 in 2024 vs -18 in 2023, and -397 in 2024 vs -507 in 2023, respectively) are included as part of Spain. The tax paid of Switzerland (0 in 2024 vs -1 in 2023) would also be included as part of Spain.

The tax paid has been calculated on a cash basis, for which the main considerations that have been taken into account have been the following: withholdings incurred during the year, payments on account of the year, tax payments/refunds (normally corresponding to the previous year) and payments derived from tax inspections.

Further information on tax management, including litigation and periods open to inspection, can be found in note 17 of the 2024 Consolidated Financial Statements.

With regard to other transactions with public bodies, in 2024 (as in 2023), Dia Group has not received public subsidies in any of the countries in which it operates.[31]

8.1.8 Cybersecurity management

Dia Group has an information security team, led by the CISO (Chief Information Security Officer) and made up of multidisciplinary teams for the following functions:

- Safety engineering,
- Security Operations,
- Information Security Governance, Risk and Compliance and
- Cyber-Resilience.

The Information Security team is integrated into the information technology (IT) team, reporting to the CTO (Chief Technology Officer) of Dia Group, and follows a Security Master Plan that is updated periodically, which is reported to Dia Group's Management as well as its control bodies, the objectives of which are to maintain the levels of control over the information systems, as well as to identify and apply identified improvements to them in accordance with the organisation's objectives.

There is a Corporate Information Security Policy (reviewed and updated annually) which includes the information protection strategy in relation to security linked to human resources, training and awareness, asset management, vulnerability management, access control, encryption, physical and environmental security, operational security, communications security, project and development security, third-party security, asset monitoring, security incident management, compliance and contact with authorities, supervision and continuous improvement, and guidelines regarding data retention.

The policy defines the criteria to mitigate risks affecting the confidentiality, integrity and availability of all information, including for financial reporting.

The policy guidelines are developed within a security regulatory framework that is periodically reviewed and updated in accordance with the company's development.

We also have Standards and procedures associated to change management and the operation of information systems, as well as a Business Continuity Policy updated in 2024 to strengthen the continuity of operations.

At Dia Group we are constantly identifying and implementing improvements in ITGC controls in the main systems that support financial processes, with the aim of guaranteeing the levels of internal control and security over Dia Group's critical systems.

In addition, periodic reviews are carried out on systems, processes and controls (both internally and by the external auditor) to verify compliance with internal standards and policies.

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

9 Taxonomy

Nueva calidad
PRECIO EXCLUSIVO CLUB DIA
1€
Royal
CHEESE CAKE
POR FAVOR NO OLVIDES CERRAR LA PUERTA
DANONE
AHORRO

TAXONOMY

In order for companies to make public the information that the capital market needs to incorporate sustainability criteria into its decision-making, the Delegated Regulation on the European Taxonomy requires that companies carry out an analysis of the degree of compliance under two criteria – eligibility and alignment – and report the results in their Non-Financial Information Statements (future corporate sustainability reports).

ELIGIBILITY

1 Identification of activities

Does the activity carried out by Dia Group comply with the description of sustainable activities set out in the Complementary Delegated Acts of the European Taxonomy?

► NO. The accounting item is not eligible (and therefore not aligned).

▼ YES. The accounting item is eligible.

ALIGNMENT

2 Substantial contribution to an environmental objective

Does the activity meet the substantial contribution criteria defined for one of the environmental objectives?

► NO. The accounting item is eligible (but not aligned).

▼ YES. The accounting item is eligible and potentially aligned.

3 Do no significant harm to the remaining environmental objectives (DNSH)

Does the activity cause harm to any of the other 5 environmental objectives according to the criteria defined?

► YES. The accounting item is eligible (but not aligned).

▼ NO. The accounting item is eligible and potentially aligned.

4 Compliance with Minimum Social Safeguards

Are the minimum safeguards met? (At the corporate level, determine whether the requirements on Human Rights, Corruption and Bribery, Taxes and Fair Competition are met)

► NO. The accounting item is eligible (but not aligned).

▼ YES. The accounting item is ELIGIBLE and ALIGNED.

5 Calculation
Of the key reference indicators (Turnover, CapEx and OpEx)

For the 2024 report, the obligation to disclose key reference indicators in terms of eligibility, as well as in terms of alignment, was established for the published objectives:

- Climate Change Adaptation, and
- Climate Change Mitigation
- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Pollution prevention and control,
- Protection and recovery of biodiversity and ecosystems.

For this reason, in 2024, the Dia Group has reviewed the previous year's eligibility exercise, delving deeper into the analysis carried out during 2023 by taking into account new updates, legislative changes and FAQs, so that the eligible activities in the current year respond to a more precise and homogeneous criterion. In addition, the alignment exercise has been carried out for the second time, carrying out an analysis of compliance with the substantial contribution criteria, respect for the "Do No Significant Harm" principle and compliance with the Minimum Social Safeguards for the objectives of climate change mitigation and adaptation.

In view of this, and in accordance with the provisions of the Delegated Regulation, the consolidated Non-Financial Statement 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 (turnover).
- 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 activity of Dia Group has been considered in accordance with the scope included in the Consolidated Annual Accounts.

9.1 Identification of eligible activities

To assess the eligibility of activities within the 6 environmental objectives, coordinated work has been carried out between the infrastructure, IT, sustainability, operations and finance teams.

Detailed and specific questionnaires have been drawn up, which consider all the possible eligible activities of the Dia Group for each of the 6 environmental objectives. They have raised questions adapted to each activity of the Taxonomy and to the particular situation of the Dia Group, with the aim of inquiring about the projects that have been carried out in the company, as well as obtaining the amount related to each of them and their relationship to said activities.

To resolve these issues, mainly technical staff and, where necessary, other relevant areas have been involved.

Once all the answers have been obtained, the finance team proceeds to analyse them, defining the eligible activities and involving accounting to identify those projects defined by the technicians with the corresponding accounting accounts or asset registrations, with traceability at all times between the amounts of each eligible activity and the annual accounts.

The activities identified as eligible for climate change mitigation, climate change adaptation or circular economy objectives in 2024 are as follows:

ECONOMIC ACTIVITY	CODE	DESCRIPTION OF TAXONOMY ECONOMIC ACTIVITY	DESCRIPTION OF DIA ACTIVITY
5.5 Collection and transportation of hazardous and non-hazardous waste	5.5*	Collection and separate transport of non-hazardous waste in individual or mixed fractions with a view to preparing it for reuse or recycling.	Collection and separate transport of non-hazardous waste in individual or mixed fractions with a view to preparing it for reuse or recycling.
Transport by motorcycles, cars and light commercial vehicles	6.5	Acquisition, financing, rental, leasing and operation of vehicles classified in categories M1 and N1 or in category L.	Renewal of the corporate car fleet towards more efficient and modern models.
Renovation of existing buildings	7.2/3.2	Construction and civil engineering works or preparation of such works.	Renovation of warehouses and shops.
Installation, maintenance and repair of energy efficient equipment	7.3	Individual renovation measures consisting of the installation, maintenance or repair of energy-efficient equipment.	Renewal of more efficient cooling, refrigeration and air conditioning equipment using refrigerant gases with lower GWP; LED renovation projects with the aim of reducing electricity consumption.
Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	7.5	Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings.	Renovation of refrigeration and control systems in stores and warehouses to improve energy efficiency
Acquisition and ownership of buildings	7.7	The activity consists of the acquisition of real estate (buildings, land or other real estate, etc.) and the exercise of ownership rights over such assets.	Acquisition and ownership of a building in compliance with IFRS 16 regulations where the minimum requirement is that these properties must have obtained a Class A Energy Efficiency Certificate
Data processing, hosting and related activities	8.1*	Storage, manipulation, management, circulation, control, display, switching, exchange, transmission or processing of data across data centres, including edge computing.	Storage, sharing, data transmission through data centres and edge computing

*Additional activity identified in the 2024 eligibility analysis

9.2 Identifying activities that fit the taxonomy (alignment)

After identifying the eligible activities, a second questionnaire was prepared for each of them, with the corresponding alignment requirements. These questionnaires were provided to the technical teams to respond to the information requested in relation to each of the projects carried out related to these activities. Once the necessary answers were obtained, the finance team interpreted the results and classified the activities that are aligned with the taxonomy. After a suitability analysis, it was determined that the efforts and investments made were aimed at minimising and eliminating Greenhouse Gases (GHG), so they will be reported as aligned with the Climate Change Mitigation objective if they meet the technical requirements of that objective.

Subsequently, the financial information is identified for the calculation of the key indicators of business volume, CapEx and OpEx.

Based on this analysis, it is concluded that none of the eligible activities generate income for the Company; therefore, the reference indicator for turnover acquires a value of 0%.

Regarding CapEx, according to the calculation criteria described by the Taxonomy, 16.42% is eligible according to the delegated climate mitigation act, of which 4.74% is aligned.

Regarding OpEx, it has been determined that 7.76% is eligible and not aligned, which corresponds to 10,013 thousand euros, and 9.49% is aligned (12,235 thousand euros) with respect to the 128,985 thousand euros of the total OpEx defined in the Taxonomy Regulation.

Indicator	Proportion of eligible and aligned economic activities	Proportion of eligible and non-aligned economic activities	Proportion of ineligible economic activities
Turnover	-	-	100%
Capital expenditure (CapEx)	4.75%	16.45%	78.80%
Operating Expenses (OpEx)	9.49%	7.76%	82.75%

Table 40 Activities that fit the taxonomy

9.2.1 Compliance with the substantial contribution criteria

- Activity 7.5 Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings: The equipment installed corresponds to home automation equipment. This equipment is part of a control system designed for the efficient management of lighting, air conditioning, security alarms, electrical power control and management of the system itself in the buildings in which it has been installed. Therefore, the substantial contribution criterion would be implicitly met, since the control system corresponds to "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 in compliance with IFRS 16 regulations, with the minimum requirement that these properties must have obtained a Class A Energy Performance Certificate or belong to the 15% more efficient, thereby guaranteeing a lower environmental impact and greater sustainability in the consumption of resources. This measure responds to the group's commitment to energy efficiency.

- Activity 5.5 Separate collection and transport of non-hazardous waste in individual or mixed fractions with a view to preparing it for reuse or recycling. All non-hazardous waste, once collected and transported separately, is managed in such a way as to ensure its proper segregation at source. This waste is destined for processes of preparation for reuse or recycling, thus ensuring sustainable management aligned with the principles of the circular economy. Furthermore, the different fractions of waste collected separately are not mixed in storage and transfer facilities, avoiding any cross-contamination with other waste or materials with different properties. In this way, the use of resources is optimised and the environmental impact associated with waste management is minimised.

- Activity 8.1 Storage, manipulation, management, circulation, control, display, switching, exchange, transmission or processing of data across data centres, including edge computing. During all processes it is ensured that the global warming potential (GWP) of the refrigerants used in the data centre cooling system does not exceed the value of 675 GWP . In addition, all equipment used complies with the requirements for servers and data storage products. It is also ensured that the devices do not contain any of the restricted substances, unless their concentration values by weight in homogeneous materials are within the established limits.

9.2.2. Compliance with the principle do no significant harm to other objectives (DNSH)

Considering compliance with the applicable appendices required for activities 5.5, 7.5, 7.7 and 8.1 in this regard, it should be noted that the Dia Group complies with the requirements in Appendix A by having a physical climate risk analysis and an adaptation plan for the risks that have been identified as material.

Following the evaluation carried out and the results obtained, it is evident that the activities and facilities of the Dia Group analysed comply with the DNSH criteria for climate change adaptation of Regulation (EU) 2020/852 on Taxonomy.

All of them fall within a low or moderate-medium risk level.

Furthermore, the Dia Group has identified measures to reduce even low and medium risks in Spain, since acting preventively is always the most efficient.

9.3 Minimum safeguards analysis

These are assessed at the corporate level and emerge as a guarantee to prevent income/investment/expenditure from being considered sustainable if they are generating a negative effect in social terms. That is, in addition to complying with a series of objective technical criteria for each of the activities in the Taxonomy (which globally measure environmental performance), alignment depends on compliance at the corporate level with a series of minimum social safeguards included in art. 18 of Delegated Regulation 2020/8529 in which four large thematic blocks are identified that can be seen in the following table:

HUMAN RIGHTS

Requirements

1. Has a due diligence process 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	Dia Compliance
1. Adopt and incorporate a commitment to HRDD in policies and processes ("UNGP 16 and OECD Guide RBD DD step 1") HRDD: Human Resources Due Diligence.	Dia has a Human Rights Policy, 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. This Policy mentions its alignment with the required principles: "Dia's approach is fundamentally based on the principles of the Universal Declaration of Human Rights, the fundamental standards of the International Labour Organization (ILO) and the main national and international laws. It is also governed by the framework of the United Nations Guiding Principles on Business and Human Rights in relation to the way in which the Group addresses its responsibility to respect and protect human rights associated with its operations."
2. Identification and assessment of adverse impacts, including through engagement with stakeholders ("UNGP 17, 18 and OECD RBD DD Guide step 2")	1) Dia has a Human Rights Due Diligence process, which identifies and manages potential risks linked to the value chain through a questionnaire that must be completed by all suppliers working with the company, thus being able to identify the risks of each supplier based on their responses. To carry out this monitoring, Dia works with the Sedex platform, an ethical exchange platform that enables the definition and monitoring of the entire supply chain monitoring program, being able to identify the risk of human rights violations through questionnaires and audits provided by the supplier. To identify and assess these risks, firstly, the suppliers with the highest risk are defined based on different criteria (sector, ratio of immigrant labour, formality, etc.). 2) Dia Group has a Crime Prevention Model (MPDD), the objective of which is to control and prevent those operations and/or actions that may lead to the criminal liability of the legal entity or that may involve the imposition of any of the additional penalties provided for in the Criminal Code. This model identifies the risks of criminal charges in each business area, and establishes a matrix of risks of different types, including those related to human rights, as well as the corresponding rules and controls to mitigate them. 3) The General Human Resources Policy is articulated through seven Areas of Action that guide the Dia Group's commitment to job creation and people management.

3. Take measures to stop, prevent, mitigate and remedy adverse impacts ("UNGP 17, 19 and OECD RBD DD Guide step 3")	1) Dia has a Human Rights Due Diligence process, which identifies and manages potential risks linked to the value chain through a questionnaire that must be completed by all suppliers working with Dia, thus being able to identify the risks of each supplier based on their responses. To carry out this monitoring, Dia works with the Sedex platform, an ethical exchange platform that enables the definition and monitoring of the entire supply chain monitoring program, being able to identify the risk of human rights violations through questionnaires and audits provided to the supplier. After identifying the risk associated with each supplier and those with the highest risk, a tolerable risk threshold is defined and for those suppliers above that threshold, an audit is requested or appropriate monitoring is carried out to reduce the identified risk. 2) Dia Group has a Crime Prevention Model (MPDD), the objective of which is to control and prevent those operations and/or actions that may lead to the criminal liability of the legal entity or that may involve the imposition of any of the additional penalties provided for in the Criminal Code. This model identifies the risks of criminal charges in each business area, and establishes a matrix of risks of different types, including those related to human rights, as well as the corresponding rules and controls to mitigate them. Subsequently, an analysis and assessment of the controls (general or transversal, and specific) established and the incidents identified is carried out. 3) The General Human Resources Policy is articulated through seven Areas of Action that guide the Dia Group's commitment to job creation and people management.
4. Monitoring the implementation of these actions and their results ("UNGP 17, 20 and OECD RBD DD Guide step 4")	1) Dia Group carries out periodic monitoring of the internal control systems implemented, prepares reports on the performance of the Criminal Compliance Body and the operation of the Model itself, with recommendations and updates that are considered appropriate for submission to the Board of Directors. It also ensures that the Criminal Compliance Body has the necessary material and human resources to effectively carry out the functions entrusted to it. Reports of alleged irregular acts and conduct are investigated, guaranteeing the confidentiality of the complainant and the rights of the persons investigated, applying, where appropriate, in a fair, non-discriminatory and proportional manner, the appropriate sanctions in accordance with the applicable legislation. 2) In its Sustainability Plan, the Dia Group establishes a series of goals and commitments regarding customer, employee, franchisee and supplier satisfaction, for which it develops key indicators with measures to stop, prevent, mitigate and remedy adverse impacts delegated to the corresponding department for their execution and monitoring. In this same Sustainability Plan, it develops the action plan to achieve compliance with these indicators, defining specific measures. Each year, the results obtained are disclosed in an external and audited report document (Sustainability Report).
5. Public communication on the HRDD approach and the measures taken to avoid and address adverse effects. ("UNGP 17, 21 and OECD RBD DD Guide step 5")	Dia Group publishes all its corporate policies on its website, making them accessible to all stakeholders. These include the Human and Labour Rights Policy, which details that the company expects the labour standards established in the Ethical Trade Initiative Base Code to be applied throughout the supply chain. The Anti-Corruption and Anti-Bribery Policies are also published. In addition, 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 EINF publishes the results of these measures and the degree of compliance with the main indicators. During 2024, training has been provided to employees on the Code of Ethics: "Respect as an Ethical Principle of the Code of Ethics".
6. Provide or cooperate in remediation, including establishing grievance mechanisms where individuals and groups can raise concerns about adverse impacts ("UNGP 22, 29, 31 and OECD RBD DD Guidance step 6")	Dia provides secure grievance mechanisms for any employee or third party who wishes to report any potential breach. It also places particular emphasis on those business relationships where the Company has the greatest responsibility and influence, where there may be a greater risk of violation of fundamental labour rights and where Dia's contribution can be most significant. Where Dia cannot resolve complex problems on its own, the Group will work together with others to drive transformative change on a larger scale. It also provides full transparency by implementing appropriate internal channels that favour the immediate communication of potential irregularities, including the Whistleblowing Channel.

Requirements

2. Are there any signs that this process has not been properly implemented and/or that human rights violations have been committed?

Aspects to be evaluated	Dia Compliance
The company or its senior management has been convicted in certain types of legal proceedings. These include: labour law, human rights, data protection, consumer protection, humanitarian law and criminal law.	No convictions or legal proceedings have been identified.
OECD National Contact Point (NCP) has accepted a case and the company refuses to engage with the OECD guidelines party that initiated it, or the NCP demonstrates that the company is not in compliance with OECD guidelines	No complaints have been identified by NCP.

The Business and Human Rights Resource Centre (BHRRC) has taken up a complaint against the company and it has not responded for three months. In this case it will be considered non-compliant for two years.	No complaints have been identified by BHRRC.

CORRUPTION

Requirements

1. Are there processes in place to prevent corruption such as adequate internal controls, ethics and compliance programs, or bribery prevention and detection measures?

Aspects to be evaluated	Dia Compliance
Policies, processes, programs or measures related to the prevention of corruption	1) The Dia Group has a Crime Prevention and Anti-Corruption Policy. 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 that must govern the actions of the Dia Group's directors and employees in the exercise of their duties with regard to the prevention, detection, investigation and remediation of any corrupt practice within the organisation. In addition, the Dia Group has an anti-fraud and anti-corruption programme and a regulatory compliance programme through which the risks of corruption and fraud are identified and assessed in relation to its activity, as well as the control environment for the prevention and detection of the commission of corrupt and fraudulent practices. 2) The MPDD implemented by Dia has specific risks and controls regarding corruption, some of these risks being "Crime of corruption in business", "Crime of money laundering", "Crime against the Public Treasury and Social Security", "Crime of bribery", etc. 3) The Group has an Anti-Bribery Policy, the purpose of which is to establish compliance standards for the supervision and safeguarding of Dia's position on bribery; and to establish effective mechanisms for communication and awareness among subject persons in order to prevent, detect and react to bribery issues. 4) The Group also has a Risk Management and Internal Control Committee for decision-making 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, as well as implementing the tools and procedures necessary to identify, prevent, minimise and manage the risks associated with all areas of activity, ensuring the achievement of business objectives in a sustained manner over time. This committee ensures the proper functioning of the risk management system (it allows for the identification, measurement, control, management and reporting of the most significant potential risks affecting the Group).

Requirements

2. Are you free from final convictions for corruption or bribery?

Aspects to be evaluated	Dia Compliance
Final convictions related to corruption or bribery	Currently, no definitive convictions have been identified for corruption or bribery.

TAXATION

Requirements

1. Are tax governance and compliance treated as important elements of oversight and are there appropriate tax risk management strategies and processes as described in the OECD tax guidelines for multinational enterprises?

Aspects to be evaluated	Dia Compliance
Comply with the spirit of tax laws and regulations by taking reasonable steps to understand the legislator's intent and interpreting those rules taking into account that intent in light of the legislative text and contemporary legislative history.	Dia Group has signed the Code of Good Tax Practices with the Spanish Tax Authority, in order to promote transparency, good faith and cooperation, increase legal certainty, reduce litigation and avoid conflicts. It has been verified on the official website of the Tax Agency headquarters that Distribuidora Internacional de Alimentación, S.A. appears as one of the companies adhering to this code, thus collaborating with the tax authorities.
Cooperate with tax authorities and provide them with the information necessary to ensure effective and equitable application of tax laws	One of the good tax practices described in the Group's Tax Policy consists of providing the tax authorities with the information they require in accordance with the legally established procedures and in the shortest period of time reasonably possible.

Companies' commitments to cooperation, transparency and tax compliance must be reflected in risk management systems, structures and policies.	1) Dia Group is committed to complying with current tax regulations. It has a Tax Policy in which it undertakes to follow, within the framework of its activity, good tax practices that lead to the reduction of significant tax risks and the prevention of those conducts that may generate them. This policy develops a series of good practices, towards which the Group directs its activity. Some of these practices consist of: - Development of the Risk Management Policy and establishment of a system for the control and management of fiscal risks in order to prevent and minimize them. This Policy develops the operation of the Risk Management System from start to finish, from the identification of risks, their assessment, the development of a response (controls and mitigation measures associated with these risks evaluated by the Risk Control and Management area), supervision, and finally reporting. 2) Dia Group also details in its Code of Ethics that it assumes as its own the commitments to good practices defined by the tax authorities. In this regard, it has signed the Code of Good Tax Practices with the Spanish Tax Administration, in order to promote transparency, good faith and cooperation, increase legal certainty, and reduce litigation and avoid conflicts.

Requirements

2. Are you free from convictions for violating competition laws?

Aspects to be evaluated	Dia Compliance
Final convictions related to tax evasion	Currently, no definitive convictions have been identified in connection with tax evasion.

FAIR COMPETITION

Requirements

1. Is employee awareness promoted and senior management trained in relation to the importance of compliance with all applicable competition laws and regulations?

Aspects to be evaluated	Dia Compliance
Competition-related policies	Dia Group undertakes not to engage in practices that may be considered criminal, anti-competitive, misleading or unfair, as stated in the Code of Ethics: "We comply with free competition regulations and compete in an honourable and fair manner, without engaging in practices that may be considered criminal, anti-competitive, misleading or unfair. Market information must have been obtained appropriately and confidential information must not be used without express authorisation, especially if it is the property of other organisations or companies. We must take special care to avoid violating trade secrets."
Awareness/training on the importance of complying with all competition laws and regulations.	This Code of Ethics is published on Dia's website and is accessible to all employees of the group. Additionally, it details that Dia Group promotes knowledge and compliance with its regulations and internal policies. All employees of Dia Group must strictly comply with the regulations and internal policies. To this end, they have access to constant training and receive communications about updates to said regulations and internal policies, with the aim of making the best decisions for the Company. During 2024, training has been provided to employees about the Code of Ethics: "Respect as an Ethical Principle of the Code of Ethics".

Requirements

2. Are you free from convictions for violating competition laws?

Aspects to be evaluated	Dia Compliance
Final convictions related to violation of competition laws	To date, no final convictions have been identified for violating competition laws.

9.4 Accounting policy

In order to avoid double counting, Dia Group has established the necessary supervision and control measures to ensure consistency and reliability from the process of extracting and transforming information, to its calculation and final reporting, thereby guaranteeing the integrity and traceability of the information. These measures include verification of subtotals, with the aim of ensuring that all information is included.

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

The following describes how turnover (billing), capital expenditure (CapEx) and operating expenses (OpEx) were determined and assigned to both the numerator and denominator of each reported indicator.

Business Volume

The key indicator related to turnover is defined in Delegated Regulation (EU) 2021/2178 as the proportion of revenues derived from activities that comply with the taxonomy (numerator) over the total revenue of the group (denominator), in accordance with International Accounting Standard (IAS) 1, paragraph 82, letter a), adopted by Commission Regulation (EC) No 1126/2008. The numerator of this indicator remains zero, since the Group does not have any revenue-generating activities among those described by the Taxonomy Regulation. The amount shown in the denominator, therefore, corresponds to that shown as Net Revenue[32] in the consolidated income statement of the 2024 Consolidated Annual Accounts of Dia Group.

Capex

The numerator of the indicator corresponding to CapEx has been obtained by identifying those eligible activities that meet the alignment requirements based on the detail of fixed asset additions for the year at maximum breakdown, recorded in accordance with International Accounting Standards (hereinafter, "IAS") and in accordance with the requirements described in section 1.1.2 of Annex I of Delegated Act 2021/2178 of July 6, 2021.

Based on the instructions of the technicians in charge of each identified investment project, the assets corresponding to each of them have been identified, starting from the accounting base, so there is traceability of all the amounts in the numerator with the annual accounts.

Each activity included has only been computed by one area of the Company, thus avoiding double counting of such investments. The denominator includes additions to tangible and intangible assets, before amortization and possible revaluations, including those resulting from revaluations and impairments, corresponding to the year 2024, excluding changes in fair value. If applicable, additions to tangible and intangible assets resulting from business combinations would also have been included, covering the costs accounted for in accordance with IAS 16 Property, Plant and Equipment and IFRS 16 Leases. In accordance with our consolidated financial statements, total CapEx[33] is shown in Notes 5, 6.2 and 7.1 of the 2024 Consolidated Financial Statements. The proportion obtained in the eligible CapEx indicator in the year 2024 was 21% compared to 16% in 2023.

OpEx

In the case of OpEx, the indicator represents the proportion of operating expenses specified in the regulation on activities that comply with the taxonomy (numerator) over the total taxonomic OpEx (denominator), understood as non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance of tangible fixed asset assets by the Dia Group or a third party to whom activities are subcontracted and that are necessary to ensure the continued and efficient operation of said assets. The amount expressed in the denominator is reflected in Note 20.4 of the 2024 Consolidated Annual Accounts of the Dia Group. Compared to the 2023 financial year, OpEx[34] goes from having an eligibility percentage of 17% to 1%.

9.5 Next steps

Currently, Dia Group is actively working on adapting and improving its systems, incorporating the analysis of the Taxonomy. For this reason, projects have been initiated to adapt the processes of financial and infrastructure information, incorporating fields related to the Taxonomy. The objective is to have systems sufficiently equipped to identify and classify this information in a more automated way, incorporating it into the reality of day to day life as a priority.

[32] Note 19 Net turnover from continuing operations €5,880m plus €489.4m from discontinued activities (Note 13 of the Consolidated Annual Accounts)
[33] Note 5, 6.2 and 7.1 CAPEX of continuing activities (€233,554m) plus the amount of CAPEX of discontinued activities (€9,286m)
[34] Note 20.4 The amounts considered are the headings "Repair and maintenance", "Real estate rentals" and "Furniture rentals".

A Appendices

APPENDIX 1. List of Indicators (disaggregated businesses)

Throughout the Non-Financial and Sustainability Statement and in accordance with the requirements of Act 11/2018 and the CSRD consolidated information is provided for the Dia Group (including in the scope the businesses over which the Dia Group has had operational and financial control during the year in order to report on all aspects and impacts of the business). However, in this Appendix, the details of the quantitative indicators are shown, disaggregating the information of those operations that have been classified as discontinued in the financial statements (Portugal, Brazil and Clarel), in order to have a better traceability of the evolution in future reports.

Dia Group in the world

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Net sales (millions of euros)	490.00	5,880.00	5,720.46

Main channels of communication with customers

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Number of communications handled	42,176	557,356	700,582
Number of claims and complaints	35,225	165,978	228,200

Policies related to consumers and end users

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Number of internal audits carried out (Cold chain, Cleaning and hygiene, Internal laboratories, Store audit)	1,636	663	5,209

Human capital

Annual average number of contracts by gender (number)

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Permanent Men	2,810	6,302	725
Permanent Women	6,795	9,833	1,113
Temporary Men	121	336	27
Temporary Women	381	786	62
Full time Men	2,704	6,190	719
Full time Women	4,913	7,847	951
Part time Men	227	448	59
Part-time Women	2,262	2,772	271

Annual average number of contracts by age (number)

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Permanent <30 years	2,949	2,585	442
Permanent 30-50 years	5,050	10,752	1,155
Permanent >50 years	1,606	2,798	241
Temporary <30 years	388	603	58
Temporary 30-50 years	94	473	29
Temporary >50 years	19	45	3
Full time <30 years	2,534	2,376	428
Full time 30-50 years	4,117	9,043	1,012
Full time >50 years	967	2,617	231
Part-time <30 years	803	813	109
Part time 30-50 years	1,028	2,182	203
Part-time >50 years	659	226	19

Annual average number of contracts by professional category (number)

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Permanent Directors	45	88	10
Permanent Managers	806	1,488	162
Permanent Employees	8,754	14,559	1,666
Temporary Managers	1	8	1
Temporary Employees	501	1,114	89
Full-time Directors	45	89	10
Full-time Managers	802	1,454	161
Full-time Employees	6,771	12,493	1,499
Part-time Managers	6	41	4
Part-time Employees	2,484	3,179	327

Dismissals by gender

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Men	1,388	381	682
Women	2,002	631	1,342

Dismissals by age range

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
<30 years	1,670	279	438
30-50 years	1,580	608	1,286
>50 years	23	125	300

Dismissals by professional category

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Directors	12	10	16
Managers	310	27	150
Employees	3,068	975	3,039

Turnover rate by gender

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil
Men	120%	39%
Women	78%	4%

Turnover rate by age range

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil
<30 years	194%	68%
30-50 years	66%	11%
>50 years	19%	6%

Turnover rate by professional category

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil
Directors	44%	26%
Managers	63%	9%
Employees	93%	19%

Training hours by professional category

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Training hours completed by Directors	585	1,713	2,450
Training hours completed by Managers	5,186	30,807	40,500
Hours of training completed by Employees	23,125	208,509	247,899

Absenteeism and key health and safety indicators

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Hours of absenteeism in men	158,661	862,013	1,101,949
Number of accidents in men	34	419	590
Number of serious accidents in men	—	2	10
Occupational diseases in men	—	4	3
Frequency rate men	—	57.07	30.01
Severity Index Men	—	0.03	2.34

Absenteeism and key health and safety indicators

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Hours of absenteeism in women	414,324	2,039,674	2,517,910
Number of accidents in women	93	404	565
Number of serious accidents in women	2	3	2
Occupational diseases in women	2	6	5
Frequency rate women	—	33.43	18.98
Severity index women	—	0.05	3.52

Average salaries by gender (euros)

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Men	17,324	26,201	19,644
Women	9,319	21,510	16,629

Average salaries by age (euros)

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
<30 years	9,239	17,344	10,085
30-50 years	13,266	23,135	18,516
>50 years	10,178	28,904	26,458

Average remuneration by professional category (euros)

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Director	182,010	258,080	239,389
Manager	34,874	43,763	37,776
Employee	8,167	19,743	14,619

Wage gap (%)

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Director	1.65	0.58	67.16
Manager	0.56	0.15	96.70
Employee	0.26	0.17	101.46

Average remuneration of senior management by gender (thousands of euros)

Indicator	Data Portugal, Clarel and Brazil 2024[35]	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Men	242,357	287,039	881
Women	58,248	188,971	338

Governance and tax management

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Profits generated before taxes (thousands of euros)	(106,374)	37,618	(31,678)
Taxes paid (thousands of euros)	459	5,445	(37,959)

Political influence and lobbying activities

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Donation of surplus (kg)	96,569	778,472	678,234
Donation of additional products (kg)	114,296	797,361	814,549
Monetary donation (€)	6,427	567,067	89,060

Responsible use of natural resources

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Paper and cardboard	351	5,512	5,627
Of which recycled	72	4,219	3,407
Plastic	47	1,997	1,629
Of which recycled	—	689	349

[35]The difference between the average remuneration of women and men is largely explained by the fact that CEOs in Global, Spain, Brazil and Argentina, who are men, receive higher remuneration due to their position and not their gender.

Responsible waste management

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Paper/cardboard	3,212	39,227	36,530
Toner	—	—	1
Organic fraction	682	10,078	9,383
Plastic	322	2,972	2,702
Other Valuables	—	1,842	1,751
Wood	87	145	163
WEEE	1	—	—
Scrap	173	87	111
Rest	2,146	4,535	6,227

Energy consumption

	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources	—	200,359	212,204
Consumption of self-generated renewable energy that is not used as fuel	32,651	2,175	1,834
Total renewable energy consumption	**32,651**	**202,534**	**214,038**
Diesel/petrol fuel consumption	32,444	288,397	303,201
Natural gas fuel consumption	74	—	—
Propane fuel consumption	2	—	—
LPG fuel consumption	3,604	254	—
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources	—	135,552	143,565
Consumption of electricity, heat, steam and cooling purchased or acquired from nuclear sources	—	122,194	129,418
Electricity consumption Other sources	74,227	163,272	56,052
Total non-renewable energy consumption	**110,351**	**709,669**	**632,236**
Total (Mwh)	**143,002**	**912,203**	**846,274**

Scope 1+2 Emissions (Tn CO_{2e})

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
SCOPE 1			
Company cars	380	2,509	2,137
Refrigerant gases	36,428	195,718	241,512
Fixed sources	845	—	—
SCOPE 2			
Electricity (location)	23,963	174,098	180,402
Electricity (market)	18,330	158,530	165,236
SCOPE 3			
Product goods	—	260,939	217,544
Capital goods	—	1,282	1,426
Fuel and energy related activities	7,483	59,660	62,926
Transport	7,598	70,692	76,916
Waste generated in operations	1,665	9,157	11,517
Business trips	244	4,304	2,705
Pendulum shift of wage earners	—	24,062	24,031
Franchises	—	37,162	19,605

Ethics Committee

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Communications in consultation format	2	109	4
Number of closed complaints	222	88	652
Number of discrimination cases	—	8	3

Taxonomy

Indicator	Data Portugal, Clarel and Brazil 2024	Consolidated Group Data 2024 (Spain + Argentina), not including Portugal, Clarel and Brazil	Consolidated Group Data 2023 (Spain + Argentina), not including Portugal, Clarel and Brazil
Eligible CAPEX	598	50,775	53,327
Aligned CAPEX	—	11,508	514
Eligible OPEX	377	21,871	958
Aligned OPEX	—	12,235	—

APPENDIX 2. TABLE OF CONTENTS according to Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regard sustainability reporting standards.

Requirements of RD 2023/2772	RD	Content	Page	Chapter
		ESRS S2 WORKERS IN THE VALUE CHAIN		
Strategy	ESRS 2 SBM-2:	Stakeholder interests and opinions	110	7.2.1
	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	110	7.2.1
Impact, risk and opportunity management	S2-1	Policies related to workers in the value chain	112	7.2.2
	S2-2	Processes for engaging with workers in the value chain about impacts	113	7.2.3
	S2-3	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	113	7.2.3
	S2-4	Taking action to manage material impacts on workers in the value chain, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain and the effectiveness of those actions	114	7.2.4
Metrics and targets	S2-5	Targets related to the management of material negative impacts, advancing positive impacts and managing material risks and opportunities	114	7.2.5
		ESRS S3 AFFECTED GROUPS		
Strategy	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	115	7.3.1
Impact, risk and opportunity management	S3-1	Policies related to affected groups	116	7.3.2
	S3-2	Processes for engaging with affected groups about impacts	117	7.3.3
	S3-3	Processes for engaging with affected groups about impacts	120	7.3.4
	S3-4	Taking action to manage material impacts on affected groups, and approaches to managing material risks and pursuing material opportunities related to affected groups and effectiveness of those actions	120	7.3.5
Metrics and targets	S3-5	Targets related to managing material negative impacts, advancing positive incidents and managing material risks and opportunities	120	7.3.5
		ESRS S4 CONSUMERS AND END USERS		
Strategy	ESRS 2 SBM-3:	Material impacts, risks and opportunities and their interaction with strategy and business model	122	7.4.1
Impact, risk and opportunity management	S4-1	Policies related to consumers and end users	123	7.4.3
	S4-2	Processes for engaging with consumers and end users about impacts	125	7.4.4
	S4-3	Processes to remediate negative impacts and channels for consumers and end users to raise concerns	126	7.4.5
	S4-4	Taking action to address material impacts on consumers and end-users, approaches to mitigate material risks and pursues material opportunities related to consumers and end-users and the effectiveness of those actions	126	7.4.5
Metrics and targets	S4-5	Targets related to the management of material negative impacts, advancing positive impacts and managing material risks and opportunities	126	7.4.5
		ESRS G1 BUSINESS CONDUCT		
Governance	ESRS 2 GOV-1:	The role of administrative, management and supervisory bodies	128	8.1.1
Impact, risk and opportunity management	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	128	8.1.1.1
	G1-1	Corporate culture and corporate culture and business conduct policies	133	8.1.2
	G1-2	Supplier Relationship Management	135	8.1.3
	G1-3	Prevention and detection of corruption and bribery	135	8.1.3
Metrics and targets	G1-4	Confirmed cases of corruption or bribery	136	8.1.4
	G1-5	Political influence and lobbying activities	136	8.1.5
	G1-6	Payment practices	136	8.1.6

ANNEX 3. Taxonomy: Disclosure Table

Proportion of Turnover from eligible and ineligible economic activities according to the Taxonomy, as of 2024.[36]

Economic activities	Codes	Turnover (thousands of €)	Proportion of turnover, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of turnover aligned with taxonomy (A.1.) or eligible according to the taxonomy (A.2), year 2023	Facilitating activity category	Category transition activity
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Of which: facilitators		0	0	0						0	0	0	0	0	0	0		F	
Of which transitional		0	0	0						—%	—%	—%	—%	—%	—%	—%			T
A.2. Eligible activities according to taxonomy but not environmentally sustainable (non- taxonomy-aligned activities)																			
Turnover from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		0	0	0	0	0	0	0	0										
A. Turnover of eligible activities according to the taxonomy (A.1+A.2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**										
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
Turnover from activities not eligible according to taxonomy (B)		6,370.00	100%																
TOTAL		**6370**	**1**																

[36] Amounts from Portugal, Clarel and Brazil listed under discontinued activities are included

Proportion of CapEx from eligible and ineligible economic activities according to the Taxonomy, as of 2024.

Financial year 2024	Year			Criteria for substantial contribution						Criteria for absence of significant harm ("Do no significant harm").									
Economic activities	Codes	CapEx (thousands of €)	CapEx share, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of CapEx aligned to taxonomy (A.1.) or eligible according to the taxonomy (A.2), year 2023	Facilitating activity category	Category transition activity
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
7.5. Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	CCM 7.5	72	0.03%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.14%	F	
7.7. Acquisition and ownership of buildings	CCM 7.7	11,436	4.71%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.09%		
CapEx of environmentally sustainable activities (that fit the taxonomy) (A.1)		**11,508**	4.74%	4.74%	—%	—%	—%	0	0	0	0	0	0	0	0	0	0.23%		
Of which: facilitators		72	0.03%	0.03%	0	0	0	0	0	S	S	S	S	S	S	S	61.41%	F	
Of which: transitional		0	—%	0						0	0	0	0	0	0	0	—%		T
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (non-taxonomy-aligned activities)																			
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5 / CCA 6.5	2,393	0.99%	HE	HE	N/EL	N/EL	N/EL	N/EL								0.74%		
7.2. Renovation of existing buildings	CCM 7.2. / CCA 7.2/ CE 3.2.	21,420	8.82%	HE	HE	N/EL	N/EL	HE	N/EL								10.43%		
7.3. Installation, maintenance and repair of energy efficient equipment	CCM 7.3 / CCA 7.3	15,418	6.35%	HE	HE	N/EL	N/EL	N/EL	N/EL								4.20%		
8.1 Data processing, hosting and related activities	CCM 8.1	633	0.26%	HE	HE	N/EL	N/EL	N/EL	N/EL								—%		
CapEx from taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		**39,865**	16.42%	16.42%	16.42%	—%	—%	8.82%	—%								15.37%		
A. CapEx of eligible activities according to the taxonomy (A.1+A.2)		**51,372**	21.15%	21.15%	16.42%	—%	—%	8.82%	—%								15.60%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
CapEx from activities not eligible according to taxonomy (B)		**191,468**	78.85%																
TOTAL		**242,840**	**100%**																

	CapEx/Total CapEx Ratio	
	Taxonomy-aligned by objective	eligible according to the taxonomy by objective
Climate Change Mitigation (CCM)	5%	21.15%
Climate Change Adaptation (CCA)	—%	21.15%
Protection of Water and Marine Resources (WTR)	—%	—%
Circular Economy (CE)	—%	8.82%
Pollution Prevention and Control (PPC)	—%	—%
Biodiversity (BIO)	—%	—%

Proportion of OpEx from eligible and ineligible economic activities according to the Taxonomy, as of 2024.

Financial year 2024	Year			Criteria for substantial contribution						Criteria for absence of significant harm ("Do no significant harm").									
Economic activities	Codes	OpEx (miles de €)	OpEx share, year 2024	Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Proportion of OpEx aligned to taxonomy (A.1.) or eligible according to the taxonomy (A.2), year 2023	Facilitating activity category	Category transition activity
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
5.5 Collection and transportation of hazardous and non-hazardous waste	CCM 5.50 / EC 2.30	5,039	3.91%	S	HE	N/EL	N/EL	N	N/EL								—%		
7.5. Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	CCM 7.5	2,071	1.61%	S	HE	N/EL	N/EL	N/EL	N/EL								—%	F	
8.1 Data processing, hosting and related activities	CCM 8.1	5,124	3.97%	S	HE	N/EL	N/EL	N/EL	N/EL								—%		
OpEx from environmentally sustainable activities (taxonomy-aligned) (A.1)		**12,235**	9.49%	9.49%	0	0	0	0	0	0	0	0	0	0	0	0	—%		
Of which: facilitators		2,071	16.93%	16.93%						0	0	0	0	0	0	0	0	F	
Of which: transitional		0	—%	0						0	0	0	0	0	0	0	0		T
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (non-taxonomy-aligned activities)																			
6.5. Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5 / CCA 6.5	1,595	1.24%	HE	HE	N/EL	N/EL	N/EL	N/EL								1.00%		
7.3. Installation, maintenance and repair of energy efficient equipment	CCM 7.3 / CCA 7.3	8,057	6.25%	HE	HE	N/EL	N/EL	N/EL	N/EL								0.10%		
8.1 Data processing, hosting and related activities	CCM 8.1	360	0.28%	HE	HE	N/EL	N/EL	N/EL	N/EL								—%		
OpEx from activities eligible under the taxonomy but not environmentally sustainable (non-taxonomy-compliant activities) (A.2)		**10,013**	7.76%	7.76%	7.76%	0	0	0	0								1.10%		
A. OpEx of eligible activities according to the taxonomy (A.1+A.2)		**22,248**	**17.25%**	**17.25%**	**7.76%**	**—%**	**—%**	**—%**	**—%**								**1.10%**		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
OpEx from activities not eligible according to taxonomy (B)		106,737	82.75%																
TOTAL		**128,985**	**100.00%**																

	OpEx/Total OpEx Ratio	
	Taxonomy-aligned by objective	eligible according to the taxonomy by objective
Climate Change Mitigation (CCM)	9.5%	17.2%
Climate Change Adaptation (CCA)	—%	7.8%
Protection of Water and Marine Resources (WTR)	—%	—%
Circular Economy (CE)	—%	—%
Pollution Prevention and Control (PPC)	—%	—%
Biodiversity (BIO)	—%	—%

Activities related to nuclear energy and fossil gas

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

APPENDIX 4.Table of contents required by Act 11/2018

Information required by Act 11/2018	Reference to DR (DP) by CSRD	Chapter / Page
General Information		
A brief description of the business model including its business environment, organisation and structure	(ESRS 2) SBM-1	3/16
Markets in which it operates	(ESRS 2) SBM-1	3/16
Objectives and strategies of the organisation	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	2/11 3/16 2/11 2/11 2/11
Main factors and trends that may affect its future development	(ESRS 2) SBM-2 SBM-3 IRO-1 IRO-2	2/11 4.4/33 4.4/33
Reporting framework used	ESRS 1 ESRS 2	2.1/11 2.2.6/13
Principle of materiality	(ESRS 2) SBM-2 SBM-3 IRO-1 IRO-2	4.4/33 4.4/33
Environmental Issues		
Management approach: description and results of policies related to environmental issues	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	2/11 2/11 2/11 2/11 2/11
Detailed general information		
Detailed information on current and foreseeable effects of activities on the environment and health	IRO-1 E1-1 E2-1 E3-1 E4-1 E5-1 E2-6 AR (31 b)	6.1.3/49 6.1.4/55 6.2.2/71 6.3.2/74 6.5.2/79
Environmental assessment or certification procedures	E4-2 AR (17 d) E1-2 E2-2 E3-2 E4-2 E5-2	6.4.2/75 6.1.5/60 6.2.3/71 6.3.3/74 6.4.2/75 6.5.3/79
Resources dedicated to the prevention of environmental risks	E1-9 E2-5 E3-5 E4-6 E5-6	6.2.6/71
Application of the precautionary principle	E1-9 E2-5 E3-5 E4-6 E5-6	6.1.3.1.2/52
Amount of provisions and guarantees for environmental risks	E1-9 E2-5 E3-5 E4-6 E5-6	6.1.3.1.2/52 6.2.6/71
Pollution		
Measures to prevent, reduce or repair emissions that affect the environment	E2-2	6.2.3/71
Including noise and light pollution	E2-2	6.2.3/71
Circular economy and waste prevention and management		
Waste Generated	E5-5 (37a) E5-5 39	6.5.5/82
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	E5-2 E5-5	6.5.3/79 6.5.5/82
Actions to combat food waste	E5-2 E5-5	6.5.3/79 6.5.5/82

Information required by Act 11/2018	Reference to DR (DP) by CSRD	Chapter / Page
Sustainable use of resources		
Water consumption and supply in accordance with local limitations	E3-2 E3-4	6.3.3/74
Consumption of raw materials and measures to improve their efficiency	E5-2 E5-4	6.5.3/79 6.5.4/81
Direct and indirect energy consumption	E1-5 (37) E1-5 (38)	6.1.7/62
Measures taken to improve energy efficiency	E1-2 E1-5	6.1.5/60 6.1.7/62
Use of renewable energy	E1-5 (37) E1-5 (39)	6.1.7/62
Climate change		
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	E1-6	6.1.8/63
Measures taken to adapt to the consequences of climate change	E1-1 (SBM-3) E1-3	6.1.2/48 6.1.6/60
Voluntarily established medium- and long-term reduction targets to reduce greenhouse gas emissions and the means implemented to this end	E1-1 E1-4	6.1.4/55 6.1.6/60
Protection of Biodiversity		
Measures taken to preserve or restore biodiversity	E4-1 E4-3 E4-5	6.4.3/76 6.4.4/77
Impacts caused by activities or operations in protected areas	E4-1 (SBM-3) E4-1 (IRO-1) E4-3 E4-5	6.4.3/76 6.4.4/77
Social and Personnel Issues		
Management approach: description and results of the policies related to these issues as well as the main risks related to these issues linked to the group's activities	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	7.1/85
Employment		
Total number and distribution of employees by country, sex, age and classification	S1-6 (50 a, b) S1-9 (66 b)	7.1.7/96 7.1.10/101
Total number and distribution of types of employment contracts and annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification	Internal framework	7..1.7.1/98
Number of dismissals by sex, age and professional classification	Internal framework	7..1.7.1/98
Average remuneration and its evolution broken down by sex, age and professional classification or equal value	Internal framework	7.1.12/102
Wage gap, remuneration for equal positions or average in the company	S1-16	7.1.17/107
Average remuneration of directors and managers, including variable remuneration, allowances, compensation, payment to long-term savings pension systems and any other payment broken down by sex	Internal framework	7.1.12/102
Implementation of work disconnection policies	Internal framework	7.1.16/107
Number of employees with disabilities	Internal framework	7.1.13/104
Work organisation		
Organisation of working hours	S1 (SBM-3) S1-1 S1-8 S1-11 S1-15	7.1.1/85 7.1.2/87 7.1.9/100 7.1.12/102 7.1.16/107 7.1.7.1/98
Number of hours of absenteeism	Internal framework	7.1.15/106
Measures aimed at facilitating work-life balance and co-responsibility	S1-4 S1-15	7.1.2/87 7.1.7.1/98 7.1.16/107
Health and Safety		
Health and safety conditions at work	S1-1 S1-14	7.1.2/87 7.1.15/106
Workplace accidents, frequency, severity and occupational diseases	Internal framework[ES7]	7.1.15/106

Information required by Act 11/2018	Reference to DR (DP) by CSRD	Chapter / Page
Social Relations		
Organisation of social dialogue including procedures for informing, consulting and negotiating with staff	S1-2 S1-2 AR (24, 25) S1-3 S1-2 AR (28, 29)	7.1.1/85 7.1.3/92 7.1.4/92
Review of collective agreements, particularly in the field of health and safety at work	S1-8 S1-8 AR	7.1.9/100
Review of collective agreements, particularly in the field of health and safety at work	S1-8 S1-14 (88 a)	7.1.9/100 7.1.15/106
Mechanisms and procedures that the company has in place to promote employee involvement in the management of the company, in terms of information, consultation and participation	S1-1 S1-2 S1-3	7.1.1/85 7.1.2/87 7.1.3/92 7.1.4/92
Training		
Policies implemented in the field of training	S1-1 S1-1 AR (17 a, c, f, h) S1-13	7.1.2/87 7.1.14/104
Total number of training hours by professional category	Internal framework ES8]	7.1.14/104
Universal Accessibility		
Universal accessibility for people with disabilities	S1-1 AR (17 d) S2-2 (23) S4-2 (21) S4-5 AR (44) S4 (SBM-3 10 c)	7.1.2/87 7.2.3/113
Equality		
Measures taken to promote equal treatment and opportunities between women and men	S1-2 S1-3 S1-4 S1-15 S1-16	7.1.2/87 7.1.3/92 7.1.4/92 7.1.5/93 7.1.16/107 7.1.17/107
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment	S1-1 (20, 24 a,b,c) S1-1 AR (14, 17 b) S1-17 (102, 103) S1-17 AR (104 b,c)	7.1.2/87 7.1.18/109
Policy against all types of discrimination and, where appropriate, diversity management	S1-1 AR (17 d) S2-2 (23) S4-2 (21) S4-5 AR (44) S4 (SBM-3 10 c)	7.1.2/87 7.2.3/115 7.4.4/125 7.4.5/126 7.4.1/ 122
Policy against all types of discrimination and, where appropriate, diversity management	S1-1 S1-2 S1-3 S1-4	7.1.2/87 7.1.3/92 7.1.4/92 7.1.5/93
Respect for Human Rights		
Management approach: description and results of the policies related to these issues as well as the main related risks	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	7.1/85 7.2/110 7.3/115
Application of due diligence procedures	(ESRS 2) GOV-4 (ESRS 2) MDR-P S1-1 S1-17 S2-1 S3-1 S4-1	7.1.2/87 7.1.18/109 7.2.2/112 7.3.2/116 7.4.3/123
Application of due diligence procedures in the field of human rights and prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed	(ESRS 2) MDR-A (ESRS 2) MDR-T S1-2 / S1-3 / S1-4 S2-2 / S2-3 / S2-4 S3-2 / S3-3 / S3-4 S4-2 / S4-3 / S4-4	7.1.3/92 - 7.1.4/92 -/ 7.1.5/93 7.2.3/113 - 7.2.4/114 7.3.3/117 -7.3.4/120 - 7.3.5/120 7.4.4/125 -7.4.5/126
Complaints about cases of human rights violations	S1-17 S2-4 (36) S3-4 (36) S4-4 (35)	7.1.18/109 7.2.4/114 7.3.5/120 7.4.5/126

Information required by Act 11/2018	Reference to DR (DP) by CSRD	Chapter / Page
Promotion and enforcement of the provisions of the ILO core conventions relating to respect for freedom of association and the right to collective bargaining	S1-8	7.1.9/100
Elimination of discrimination in employment and occupation	S1-1 (24) S2-1 (17)	7.1.2/87 7.2.2/112
Elimination of forced or compulsory labour	S1-1 (22) S2-1 (18) S3-1 (16) S4-1 (16)	7.1.2/87 7.2.2/112 7.3.2/116 7.4.3/123
Effective abolition of child labour	S1-1 (22) S2-1 (18) S3-1 (16) S4-1 (16)	7.1.2/87 7.2.2/112 7.3.2/116 7.4.3/123
Fight against corruption and bribery		
Management approach: description and results of the policies related to these issues as well as the main risks related to these issues linked to the group's activities	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	8.1/ 128
Information on the fight against corruption and bribery		
Measures taken to prevent corruption and bribery	G1-1 G1-3 G1-4	8.1.2/133 8.1.2/133 8.1.4/136
Measures to combat money laundering	G1-1 G1-3 G1-4	8.1.2/133 8.1.2/133 8.1.4/136
Contributions to foundations and non-profit entities	Internal framework[ES9]	7.3.3/117
Information about the Company		
Management approach: description and results of the policies related to these issues as well as the main risks related to these issues linked to the group's activities	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	7.3/115
Company commitments to sustainable development		
Impact of the company's activity on employment and local development	S3-1 S3-2 S3-3 S3-4 S3-5	7.3.2/116 7.3.3/117 7.3.4/120 7.3.5/120 7.3.5/120
Impact of the company's activity on local populations and the territory	S3-1 S3-2 S3-3 S3-4 S3-5	7.3.2/116 7.3.3/117 7.3.4/120 7.3.5/120 7.3.5/120
Relations maintained with local community stakeholders and forms of dialogue with them	S3-1 S3-2 S3-3 S3-4 S3-5	7.3.2/116 7.3.3/117 7.3.4/120 7.3.5/120 7.3.5/120
Partnership or sponsorship actions	Internal framework [ES10]	7.3.2/116
Outsourcing and Suppliers		
Inclusion of social, gender equality and environmental issues in purchasing policy	SBM-1 (42) MDR-P (65 b) S2-1 18 S2-4 AR (30) S3-4 AR (27) S4-4 AR (27)	7.2.2/112 7.3.5/120 7.4.5/126
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility	SBM-1 (42) MDR-P (65 b) S2-1 18 S2-4 AR (30) S3-4 AR (27) S4-4 AR (27)	7.2.2/112 7.3.5/120 7.4.5/126
Monitoring and audit systems and their results	Internal framework [ES11]	8.1.3.2.2/135
Consumers		

Information required by Act 11/2018	Reference to DR (DP) by CSRD	Chapter / Page
Measures to ensure the health and safety of consumers	S4-1 S4-2 S4-3 S4-4	7.4.5/126
Complaint systems, complaints received and their resolution	S4-3 S4-4	7.4.5/126
Tax Information		
Profits obtained country by country	Internal framework [ES12]	8.1.7/137
Taxes on profits paid	Internal framework[ES13]	8.1.7/137
Public subsidies received	Internal framewokr[ES14]	8.1.7/137
Regulation (EU) 2020/852 - Taxonomy		
Qualitative information		
Accounting policy	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	9.4/147
Compliance assessment of Regulation (EU) 2020/852	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	9.1 /141
Contextual information	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	9.2/142
Quantitative information		
Eligibility and alignment of revenue volume	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	Annex 3/159
CapEx Eligibility and Alignment	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	Annex 3/159
OpEx Eligibility and Alignment	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	Annex 3/159

APPENDIX 5. List of data points in topical and cross-cutting standards that derive from other EU legislation

Requirement for disclosure of related data points	Reference to the Regulation on disclosures relating to sustainability in the financial services sector	Pillar reference	Reference to the Regulation on benchmarks	Reference to European Climate Legislation	Page(s)
ESRS 2 GOV-1 Gender diversity on the board of directors section 21, letter d)	Indicator No. 13 of Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 e)			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 GOV-4 Declaration of due diligence section 30	Indicator No. 10 of Table 3 of Annex 1				
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 section 14				Regulation (EU) 2021/1119, Article 2, paragraph 1	
ESRS E1-1 Companies excluded from benchmarks harmonised with the Paris Agreement section 16, letter g)			Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio – Climate-related transition risk: credit quality of exposures by sector, issuance and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1, points (d) to (g), and Article 12, paragraph 2	
ESRS E1-4 GHG emission reduction targets section 34	Indicator No. 4 of Table 2 of Annex 1	Article 449(a) of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking portfolio – Climate-related transition risk: harmonisation parameters	Delegated Regulation (EU) 2020/1818, Article 6		
ESRS E1-5 Energy consumption from non-renewable fossil fuels, broken down by source (only sectors with high climate impact) section 38	Indicator No. 5 of Table 1 and Indicator No. 5 of Table 2 of Annex 1				
ESRS E1-5 Energy consumption and mix section 37	Indicator No. 5 of Table 1 of Annex 1				
ESRS E1-5 Energy intensity related to activities in sectors with high climate impact sections 40 to 43	Indicator No. 6 of Table 1 of Annex 1				
ESRS E1-6 Gross scope 1, 2 and 3 GHG emissions and total GHG emissions section 44	Indicators numbers 1 and 2 of table 1 of annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking portfolio – Climate-related transition risk: credit quality of exposures by sector, issuance and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5, paragraph 1, and Articles 6 and 8, paragraph 1		

Requirement for disclosure of related data points	Reference to the Regulation on disclosures relating to sustainability in the financial services sector	Pillar reference	Reference to the Regulation on benchmarks	Reference to European Climate Legislation	Page(s)
ESRS E1-6 Gross GHG emissions intensity sections 53 to 55	Indicator No. 3 of Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking portfolio – Climate-related transition risk: harmonisation parameters	Delegated Regulation (EU) 2020/1818, Article 8, paragraph 1		
ESRS E2-4 Quantity of each pollutant listed in Annex II of the European PRTR Regulation (European Pollutant Release and Transfer Register) released to air, water and land, section 28	Indicator No. 8 of Table 1 of Annex 1, Indicator No. 2 of Table 2 of Annex 1, Indicator No. 1 of Table 2 of Annex 1, Indicator No. 3 of Table 2 of Annex 1				
ESRS E3-1 Water and marine resources section 9	ndicator No. 7 of Table 2 of Annex 1				
ESRS E3-1 Specific policies section 13	Indicator No. 8 of Table 2 of Annex 1				
ESRS E3-1 Sustainable management of oceans and seas section 14	Indicator No. 12 of Table 2 of Annex 1				
ESRS E3-4 Total water recycled and reused, section 28, letter c)	Indicator No. 6.2 of Table 2 of Annex 1				
ESRS E3-4 Total water consumption in m3 by net income from own operations section 29	Indicator No. 6.1 of Table 2 of Annex 1				
ESRS 2 - E4. SBM 3 section 16, letter a), subsection i)	Indicator No. 7 of Table 1 of Annex 1				
ESRS 2 - E4. SBM 3 paragraph 16, b)	Indicator No. 10 of Table 2 of Annex 1				
ESRS 2 - E4. SBM 3 paragraph 16, c)	Indicator No. 14 of Table 2 of Annex 1				
ESRS E4-2 Sustainable agricultural or land use practices or policies section 24,b)	Indicator No. 11 of Table 2 of Annex 1				
ESRS E4-2 Sustainable marine or ocean policies or practices section 24(c)	Indicator No. 12 of Table 2 of Annex 1				
ESRS E4-2 Policies to address deforestation section 24(d)	Indicator No. 15 of Table 2 of Annex 1				
ESRS E5-5 Non-recycled waste section 37, d)	Indicator No. 13 of Table 2 of Annex 1				
ESRS E5-5 Hazardous waste and radioactive waste section 39	ndicator No. 9 of Table 1 of Annex 1				
ESRS 2 - S1.SBM-3 Risk of forced labour cases section 14, letter f)	Indicador n.º 13 del cuadro 3 del anexo I				
ESRS 2 - S1. SBM3 Risk of cases of child labour, paragraph 14,g)	Indicator No. 12 of Table 3 of Annex I				
ESRS S1-1 Political commitments on human rights section 20	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex I				

Requirement for disclosure of related data points	Reference to the Regulation on disclosures relating to sustainability in the financial services sector	Pillar reference	Reference to the Regulation on benchmarks	Reference to European Climate Legislation	Page(s)
ESRS S1-1 Due diligence policies regarding matters covered by International Labour Organization core conventions 1 to 8 section 21			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1 Processes and measures for preventing human trafficking section 22	Indicator No. 11 of Table 3 of Annex I				
ESRS S1-1 Accident prevention policies or management system in the workplace section 23	Indicator No. 1 of Table 3 of Annex I				
ESRS S1-3 Complaints and complaints management mechanisms section 32,c)	Indicator No. 5 of Table 3 of Annex I				
ESRS S1-14 Number of fatalities and number and rate of occupational accidents section 88, b) and c)	Indicator No. 2 of Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-14 Number of days lost due to injuries, accidents, deaths or illness section 88,e)	Indicator No. 3 of Table 3 of Annex I				
ESRS S1-16 Unadjusted gender pay gap section 97, a)	Indicator No. 12 of Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-16 Excessive pay gap between the CEO and employees paragraph 97, b)	Indicator No. 8 of Table 3 of Annex				
ESRS S1-17 Discrimination cases section 103, letter a)	Indicador n.º 7 del cuadro 3 del anexo I				
ESRS S1-17. Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines section 104, a)	Indicator No. 10 of Table 1 and Indicator No. 14 of Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1		
ESRS 2 - S2.SBM-3 Significant risk of child labour or forced labour in the value chain (section 11,b)	Indicators numbers 12 and 13 of Table 3 of Annex I				
ESRS S2-1 Political commitments on human rights section 17	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex 1				
ESRS S2-1 Policies related to workers in the value chain section 18	Indicators numbers 11 and 4 of table 3 of annex 1				
ESRS S1-1. Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines section 19	Indicator No. 10 of Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1		
ESRS S2-1 Due diligence policies regarding matters covered by International Labour Organization core conventions 1 to 8 section 19			Delegated Regulation (EU) 2020/1816, Annex II		

Requirement for disclosure of related data points	Reference to the Regulation on disclosures relating to sustainability in the financial services sector	Pillar reference	Reference to the Regulation on benchmarks	Reference to European Climate Legislation	Page(s)
ESRS S2-4 Human rights incidents and impacts related to upstream and downstream phases of the value chain section 36	Indicator No. 14 of Table 3 of Annex 1				
ESRS S3-1 Political commitments on human rights section 16	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex 1				
ESRS S3-1 Failure to comply with the UN Guiding Principles on Business and Human Rights, the ILO Principles and the OECD Guidelines section 17	Indicator No. 10 of Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1		
ESRS S3-4 Human rights issues and incidents section 36	Indicator No. 14 of Table 3 of Annex 1				
ESRS S4-1 Policies related to consumers and end users section 16	Indicator No. 9 of Table 3 and Indicator No. 11 of Table 1 of Annex 1				
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines section 17	Indicator No. 10 of Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1		
ESRS S4-4 Human rights issues and incidents section 35	Indicator No. 14 of Table 3 of Annex 1				
ESRS G1-1 United Nations Convention against Corruption, paragraph 10,b)	Indicator No. 15 of Table 3 of Annex 1				
ESRS G1-1 Whistleblower protection section 10(d))	Indicator No. 6 of Table 3 of Annex 1				
ESRS G1-4 Fines for breaching anti-corruption and bribery laws, section 24,a)	Indicator No. 17 of Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS G1-4 Anti-corruption and anti-bribery standards section 24, b)	Indicator No. 16 of Table 3 of Annex 1				

APPENDI 6. Verification report

Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement and Sustainability Information for the year ended December 31, 2024

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.
AND SUBSIDIARIES

Building a better working world

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

(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.

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have performed a limited verification engagement on the Consolidated Non-Financial Information Statement ("NFIS") for the year ended December 31, 2024, of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. (the "Entity") and subsidiaries (the "Group"), which is part of the Group's Consolidated Management Report.

The content of the NFIS includes information in addition to that required by prevailing company law in respect of non-financial information, specifically the Sustainability Information prepared by the Group for the year ended December 31, 2024 (the "sustainability information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting (the "CSRD"). The sustainability information was also subject to limited verification.

Based on the procedures applied and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The Group's NFIS for the year ended December 31, 2024 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria selected in European Sustainability Reporting Standards ("ESRS"), as well as other criteria described as explained for each subject matter in table of "Annex 4. Table of contents required by Law 11/2018" of the NFIS.

b) The sustainability information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying section "2. Basis for preparation of the Consolidated Non-Financial and Sustainability Statement (ESRS-2)", including:

- That the description of the process for identifying the sustainability information to be disclosed included in section "4.4. Material impacts, risks and opportunities and their interaction with strategy and business model. Double Materiality Analysis (SBM-3)" is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.

- Compliance with ESRS.

- Compliance of the disclosure requirements included in subsection "6.1.4.5. Business strategy aligned with the European taxonomy of sustainable activities" on the environment in the sustainability information with Article 8 of 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.

Basis of conclusion

We have performed our limited verification engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Guidelines 47 (revised) and 56 issued by the Spanish Institute of Chartered Accountants on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures performed in a limited verification engagement are less in extent than for a reasonable verification engagement. Consequently, the level of assurance obtained in a limited verification engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the *Practitioner's responsibilities* section of our report.

We have complied with the independence and other ethics requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) of 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 (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.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Directors

The preparation of the NFIS included in the Group's Consolidated Management Report is the responsibility of the Directors of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. The NFIS has been prepared in accordance with the content required by prevailing company law and the criteria selected in ESRS, as well as other criteria described as explained for each subject matter in table of "Annex 4. Table of contents required by Law 11/2018" of the NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, whether due to fraud or error.

The Directors of DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

In relation to the sustainability information, the entity's Directors are responsible for developing and implementing a process for identifying the information to be included in the sustainability information in accordance with the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the sustainability information itself in section "4.4. Material impacts, risks and opportunities and their interaction with strategy and business model. Double Materiality Analysis (SBM-3)". This responsibility includes:

- Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.
- Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.
- Assessing the materiality of the identified impacts, risks and opportunities.
- Making assumptions and estimates that are reasonable under the circumstances.

The Directors are also responsible for the preparation of the sustainability information, which includes the information identified by the process, in accordance with the sustainability reporting framework used, including compliance with the CSRD, the ESRS, and compliance of the disclosure requirements included in subsection "6.1.4.5. Business strategy aligned with the European taxonomy of sustainable activities" of the section on the environment in the sustainability information with Article 8 of 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.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider relevant to enable the preparation the sustainability information that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for the presentation of sustainability information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the entity's Directors are required to prepare forward-looking information on the basis of assumptions and hypothetical assumptions, which must be included in the sustainability information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the sustainability information, the entity's Directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, and, accordingly, are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the verification engagement to obtain limited assurance about whether the NFIS and sustainability information are free from material misstatement, whether due to fraud or error, and to issue a limited verification report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited verification engagement, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and sustainability information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.

- Design and perform procedures responsive to disclosures in the NFIS and sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited verification engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and sustainability information.

Our work consisted of making inquiries of Management and of the Group's various business units and components that participated in the preparation of the NFIS and sustainability information, reviewing the processes used for compiling and validating the information presented in the NFIS and sustainability information, and applying certain analytical procedures and performing tests of details on a sample basis as described below:

For verification of the NFIS:

- Holding meetings with Group personnel to obtain an understanding of the business model, the policies and Management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.

- Analyzing the scope, relevance and completeness of the content of the 2024 NFIS based on the materiality assessment performed by the Group and described in section "4.4. Material impacts, risks and opportunities and their interaction with strategy and business model. Double Materiality Analysis (SBM-3)" of the NFIS, considering the content required in prevailing company law.

- Analyzing the processes used to compile and validate the data presented in the 2024 NFIS.

- Reviewing the disclosures relating to the risks, policies and Management approaches applied with respect to the material matters presented in the 2024 NFIS.

- Checking, through sample testing, the information underlying the content of the 2024 NFIS and whether it has been adequately compiled based on data provided by information sources.

For verification of the sustainability information:

- Making inquiries of Group personnel:

  - To understand the business model, the policies and Management approaches applied and the main risks related to these matters and to gather the information needed to perform the independent assurance work.

  - To know the source of the information used by Management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.

- Obtaining, through inquiries of Group personnel, insight into the entity's processes for gathering, validation, and presenting information relevant for the preparation of its sustainability information.

- Assessing whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the sustainability information is consistent with the description of the process included in that information, as well as assessing whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of the ESRS.

- Assessing whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the sustainability information is effectively included.

- Evaluating whether the structure and presentation of the sustainability information is consistent with ESRS and the rest of the sustainability reporting framework applied by the Group.

- Performing inquiries of relevant personnel and analytical procedures on the disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Performing, as appropriate, substantive procedures through sampling of selected disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Obtaining, as appropriate, reports issued by accredited independent third parties accompanying the Consolidated Management Report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.

- Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the sustainability information are met.

- Obtaining a representation letter from the Directors and Management regarding the NFIS and sustainability information.

Other information

The persons in charge of the entity's governance are responsible for the other information. The other information comprises the consolidated financial statements and the rest of the information included in the Consolidated Management Report, but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the sustainability information and attached to the Consolidated Management Report.

Our verification report does not cover the other information and we do not express any form of verification conclusion on it.

Our responsibility in connection with our engagement to verify the sustainability information is to read the other information identified and consider whether it is materially inconsistent with the sustainability information or the knowledge we have obtained during the verification engagement that could indicate material misstatements in the sustainability information.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

____

María del Tránsito Rodríguez Alonso

February 27, 2025

Disclaimer

The members of the Board of Directors of Distribuidora Internacional de Alimentación, S.A. ("Dia") declare that, to the best of their knowledge, the individual and consolidated annual accounts for the year ended 31 December 2024, prepared in accordance with applicable accounting principles and in a single electronic format, provide a true and fair view of Dia's assets, financial position and results and that the individual and consolidated management reports include a true analysis of the business performance and results and the position of Dia and the companies included in the consolidation taken as a whole, together with a description of the main risks and uncertainties they face.

27 February, 2025

Mr Benjamin J. Babcock

Chairman

Ms Luisa Deplazes de Andrade Delgado

Director

Mr Sergio Ferreira Dias

Director

Mr Vicente Trius Oliva

Director

Mr Marcelo Maia Tavares de Araújo

Director

Mr Jose Wahnon Levy

Director

Ms Gloria Hernandez Garcia

Director

Alberto Gavazzi

Director