

CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT 2019

Distribuidora Internacional de Alimentación, S.A. (the Company) and its dependent companies (the Group, or the DIA Group) have prepared this consolidated Non-Financial Information Statement, following the requirements of new Law 11/2018 on non-financial information of 28 December 2018. This report is part of the DIA Group Consolidated Director's Report 2019.

CONTENTS

	1
1. BASIS OF PREPARATION FOR THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT	3
2. COMPANY PRESENTATION	4
2.1. Corporate structure	4
2.2. Shareholding structure	5
3. BUSINESS MODEL	6
3.1. Recent action and new business strategy	7
4. CORPORATE GOVERNANCE	9
4.1. Composition and changes to the board of directors and leadership team	9
4.2. Corporate policies	10
4.3. Risk management at DIA Group	11
4.4. Compliance and ethics management	12
5. CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT AT DIA	15
6. CUSTOMERS	17
7. EMPLOYEES	19
7.1 Employment and social dialogue	20
7.2 Health and safety in the workplace	22
7.3 Equal opportunities	23
7.4 Employee training	24
8. FRANCHISEES	26
9. SUPPLIERS	28
10. INVESTORS	30
11. ENVIRONMENT	31
11.1 Complying with existing regulations	31
11.2 Promoting the responsible use of resources	31
11.3 Managing waste following the waste hierarchy model	32
11.4 Adopting measures to reduce the emission of greenhouse gases	33
11.5 Actively working on identifying improvement opportunities	34
11.6. Encouraging staff through training and awareness initiatives	34
12. SOCIETY	36
12.1. Tax governance, control and risk management	36
12.2. Partnerships and sponsorship actions	37
13. GLOBAL REPORTING STANDARD EQUIVALENCE INDEX OF ACT 11/2018	40
14. ANNEX: REGIONAL INFORMATION ON SOME IMPORTANT INDICATORS	46

1. BASIS OF PREPARATION FOR THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

The Director's Report for DIA Group consists of its Financial and Non-Financial Statements, based on the recommendations of the CNMV's "Guide for the Preparation of Director's Reports of Listed Companies" and the requirements of the new Law 11/2018 on non-financial information of 28 December 2018. This integrated approach therefore encompasses the information required to understand the Group's evolution, results and financial position and the information needed to appreciate the impact of DIA Group's activities on the environment, society and its employees.

The Consolidated Non-Financial Information Statement (hereinafter NFIS) of DIA S.A. and Subsidiaries comprising the Group (hereinafter DIA or the Group) is issued annually and includes consolidated data from the Company overall¹ for all of 2019. The information has been prepared in accordance with prevailing commercial legislation for the issues that were considered material for the Group. The different indicators are presented following Global Reporting Initiative (GRI) standards and show the Company's performance for 2019 and comparative figures for the previous year. The annex provides information in greater detail for certain indicators included in this report.

For any general enquiries about this report, interest groups should contact the External Relations and CSR Department at Jacinto Benavente 2A, 28232 Las Rozas de Madrid, or email rsc@diagroup.com or comunicacion@diagroup.com.

¹ All companies that make up the DIA Group are included in the scope of this report. However, due to the size or inactivity of any of the companies, the most material companies in terms of employees and environmental performance are: DIA Portugal Supermarkets, Lda and DIA Portugal II in Portugal; DIA Argentina, S.A. in Argentina; DIA Brasil Sociedade Limitada in Brazil; DIA Retail, S.A., Beauty by DIA, S.A. and Grupo El Arbol, Distribución y Supermercados, S.A. in Spain.

2. COMPANY PRESENTATION

Distribuidora Internacional de Alimentación S.A. (the “Company”, and together with its subsidiaries, the “Group” or “DIA”) is a leading convenience grocery retailer with an average of 2.9 million tickets per day and over 20 million active members worldwide. Based in Madrid, Spain, and listed on the Spanish stock exchanges, the Group is the Spanish grocery retailer with the largest network of stores in the country, the highest rate of penetration in small municipalities and the third-largest market share in Spain in 2019². As at December 31, 2019, the Group operated 6,626 stores across Spain, Portugal, Brazil and Argentina (including franchised stores and *Clarel*, and excluding *Max Descuento*) and had 39,379 employees.

The Group is organized into business units and has four reporting segments based on geography: Spain, Portugal, Brazil and Argentina. As at December 31, 2019, Spain accounted for 60.8% of the Group’s sales, with Portugal accounting for 8.6%, Brazil for 17.2% and Argentina for 13.4%.

2.1. Corporate structure

Name	Location	Activity	% interest 2019
DIA Portugal Supermercados, Lda.	Lisbon	Wholesale and retail distribution of food and high consumption products.	100,00
DIA Portugal II	Lisbon	Retail distribution of food products and high consumption.	100,00
DIA Argentina, S.A.	Buenos Aires	Wholesale and retail distribution of food products and high consumption.	100,00
Distribuidora Internacional, S.A.	Buenos Aires	Consulting services.	100,00
DIA Paraguay, S.A.	Asunción	Wholesale and retail distribution of food products.	100,00
DIA Brasil Sociedade Limitada	Sao Paulo	Wholesale and retail distribution of food and high consumption products.	100,00
DBZ Administração, Gestão de Ativos e Serviços Imobiliários, L.T.D.A.	Sao Paulo	Wholesale and retail distribution of food products.	100,00
DIA América Latina Estudos, Pesquisas e Treinamentos, L.T.D.A.	Sao Paulo	Delivery of services to latam countries related to studies and market surveys of the retail market and participation in the capital of other companies.	100,00
DIA Retail España, S.A.U. ³	Madrid	Wholesale and retail distribution of food and high consumption products.	100,00
Pe-Tra Servicios a la distribución, S.L.U.	Madrid	Leasing of business premises.	100,00
DIA World Trade, S.A.	Geneva	Provision of services to suppliers of DIA Group companies.	100,00
Beauty by DIA, S.A.U.	Madrid	Distribution of cleaning and toiletry products.	100,00
Grupo El Árbol, Distribución y Supermercados, S.A.U.	Madrid	Wholesale and retail distribution of food products and high consumption.	100,00
DIA ESHOPPING, S.L.U.	Madrid	Creation, maintenance and exploitation of web pages and portals for the sale of products and services.	100,00
Finandia, S.A.U.	Madrid	Loan and credit transactions, including consumer loans, mortgage loans and finance for commercial transactions, and credit and debit card issuing and management.	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
Luxembourg Investment Company 317. S.a.r.l.	Luxembourg	Company holding shares.	100,00
Luxembourg Investment Company 318. S.a.r.l.	Luxembourg	Company holding shares.	100,00
Luxembourg Investment Company 319. S.a.r.l.	Luxembourg	Company holding shares.	100,00

² Kantar Worldpanel “Informe Cliente DIA”.

³ TWINS Alimentación, S.A.U. in 2018.

Name	Location	Activity	% interest 2019
Luxembourg Investment Company 320. S.a.r.l.	Luxembourg	Company holding shares.	100,00
Luxembourg Investment Company 321. S.a.r.l.	Luxembourg	Company holding shares.	100,00
Luxembourg Investment Company 322. S.a.r.l.	Luxembourg	Company holding shares.	100,00
Luxembourg Investment Company 323. S.a.r.l.	Luxembourg	Company holding shares.	100,00
CD Supply Innovation S.L.	Madrid	Financial and supplies services management for own brand.	50,00
ICDC Services Sàrl	Geneva	Negotiation of On Top services with international suppliers.	50,00
Red Libra Trading Services, S.L.	Madrid	Negotiation with suppliers of distribution brands.	50,00
Horizon International Services, S.a.r.l.	Geneva	Negotiation of On Top services with international suppliers.	25,00

Table 1: Corporate structure as at December 31, 2019, including legal name, country of registration, registered office and direct and indirect stake (%) of the Company.

In the context of the agreement to modify and recast the DIA Group's bank debt, the General Shareholders' Meeting of 30 August 2019 agreed to carry out a subsidiary transaction at the request of the syndicated lenders. In implementation of that agreement and after the approval of that operation by the Board of Directors of DIA Group on 26 December 2019, a process of several transactions and legal procedures has been initiated during the first months of 2020, to transfer the main business units to certain subsidiaries directly or indirectly owned by different Luxembourg companies which in turn will be direct or indirect subsidiaries of DIA, S.A.

2.2. Shareholding structure

DIA is listed on the Madrid stock exchanges. Below is a summary of the shareholder structure.

N° shares in circulation	6,677,978,979	100%	Direct voting rights	Indirect voting rights	Financial instruments
Treasury stock	1,238,790	0.02%	0.00%	0.00%	0.00%
Free Float	1,680,327,841	25.16%	0.00%	0.00%	0.00%
LETTERONE INVESTMENT HOLDINGS, S.A.	4,996,412,348	74.82%	0.00%	74.82%	0.00%

Table 2: Significant holdings and treasury stock in 31 December 2019, according to communications of significant holdings by CNMV.

3. BUSINESS MODEL

The Group operates grocery retail stores under the convenience model through its network, which it manages either directly or under franchise agreements. As at December 31, 2019, 44% of stores were franchises, making the Group the largest Spanish grocery retail franchiser among main competitors. Moreover, it is the fourth-largest franchiser in Europe and it is in the top 25 franchiser worldwide, according to the most recent studies⁴.

The Group has four store formats in Spain with varying characteristics, but with a unified focus on fresh offerings and convenience through its capillarity and proximity format: *DIA*, *La Plaza de DIA*, *DIA & Go* and *Clarel*. The *DIA* format is present across all four jurisdictions in which the Group operates, with stores located near to customers in cities, suburban towns and smaller villages. The *La Plaza de DIA* format is only available in urban areas across Spain with a focus on fresh and premium products. *DIA & Go*, the newest format introduced in 2018, is located in high-density urban areas in Spain, Portugal and Brazil and caters to high convenience, on-the-go shoppers. *Clarel* is a new store concept where the target is to become the benchmark neighborhood store for shoppers looking to buy beauty, household and personal care items. All four formats are designed to serve all major shopping missions with a tailored, customer-centered approach.

The Group targets a broad range of customers by offering a variety of food and non-food products of excellent quality at different price points. The Group's food product offering, which accounts for more than 80% of the sales, includes, but is not limited to: produce, pre-packaged foods, grocery, meat and poultry, seafood, cured-meats and baked goods. As part of a focused effort to enhance its fresh food offering, the Group is introducing meat, fish and deli counters in a selected number of stores, and packed fresh products in all of its stores. The Group is committed to increasing the area dedicated to bakery goods, fruit and vegetables and to offering on-the-go food. It has also increased the assortment, variety and frequency of delivery of fresh products across its store network.

The Group has more than 30 years' experience in private label development and its current private label offering includes around 7,000 SKUs:

- *DIA*. This has been the Group's traditional brand for over 30 years. It encompasses all the mass-consumption product categories.
- *Bonté*. This brand specializes in personal care products and perfumes.
- *Delicious*. This is the Group's premium label (gourmet) with the highest added value for the Group.
- *Basic Cosmetics*. This is the make-up and decorative cosmetics brand.
- *BabySmile* and *JuniorSmile*. This brand specializes in baby and child care products.
- *As*. This brand specializes in pet care and pet food.
- *Vital*. This is the most recent brand developed by the Group. It specializes in healthy nutrition and includes over 170 items across the countries.

The Group's business model is underpinned by a time-tested supply chain system. The Group operates its own fully-integrated logistics system based around 29 warehouses that match the Group's geographic footprint across its primary jurisdictions, with a total aggregate storage space of approximately 676,670 m² as at December 31, 2019 and the support of third-party transportation companies.

⁴ Kantar Worldpanel; Franchise Direct 2018 Ranking.

3.1. Recent action and new business strategy

The last two years have been challenging for the DIA Group, both financially and commercially speaking. A profit warning about profits, financial re-expressions, downgrades and liquidity constraints have led to a real threat of insolvency and falling share prices. In 2019, this led to a refinancing agreement that has been extensively explained in Consolidated Annual Accounts (14 note). At the same time, some priority actions have been taken this year with the objective of stabilizing and repositioning the business. The most important of these actions are as follows:

- DIA store reduction and defranchising process (turning franchised stores into DIA own stores).
- A template adjustment process, mainly in Brazil and Spain, with the aim of improving the efficiency and productivity of the Group.
- Discontinuation of non-core business activities (for example, DIA Opportunities, Bahia and Mini preço in Brazil).
- Implementation of an Action Plan for the continuous review and improvement of the areas of Compliance and Internal Control at the Group level.

Business strengths

- Customer proximity and capillarity: the Group has a leading distribution network⁵ of over 6,600 stores focused on convenience. This allows it to exploit favorable consumption trends: approximately 63% of respondents in a 2017 study indicated that proximity, convenience and ease were the most important factors when choosing a grocery store, an increase of 18% compared to 2010⁶.
- Value for money uplift potential from its private label: the Group was the first company to introduce private label products in Spain over 40 years ago. The Group can develop high-quality private label products and offer them at competitive prices because of the Group's sales volumes, its extensive expertise and the strong relationship it has with suppliers, and savings resulting from reduced marketing and advertising expenses.
- Differential business model with around 50% of the network franchised: this model has allowed the Group to scale its operations and enhance its capillarity and recognition in a cost-efficient way, saving the Group time and resources while boosting store returns and margins and allowing for great flexibility in both management and operation. The Group has 30 years of experience with, and achieved a high level of recognition for, its franchise business model. As at December 31, 2019, the Group is the largest Spanish grocery retail franchiser among main competitors, it is in the top 5 in Europe and in the top 25 franchiser worldwide⁷.
- Large, loyal and data-rich customer base: the Group's ClubDIA loyalty program, which was established over 21 years ago, had over 20 million active members at 2019. More than 70% of sales are made using the ClubDIA loyalty card and the average basket size of a customer using the loyalty program is higher than the basket size of a customer that did not.

⁵ Among leading retailers in Spain in terms of market share, DIA has the largest store network in the market with 3,476 points of sale (PoS) as at June 30, 2019, followed by Mercadona with 1,628 PoS and Eroski with 1,321 PoS.³²

⁶ Observatorio Cetelem, Consumo Europa 2017; MAPAMA; Kantar Worldpanel.

⁷ Franchise Direct 2018; Kantar Worldpanel.

Transformation process

The process of transforming DIA into a modern, profitable retail company focuses on:

- Investing in the skills needed to lead this transformation: having experts in global food distribution, building an efficient organisation and developing the best operational standards.
- Restoring DIA's culture and confidence, promoting long-term relationships with shareholders and key players in the Group and creating a new performance-based, leadership-centred culture.
- Transforming the DIA Customer Value Proposal, establishing a new product selection, improving the fresh produce offering and own brand, adapting prices and promotions, investing in the store network and reinventing the franchise model.

One of the most important tasks during 2019 that has been successfully completed has been the formation of a new team. Over 80 new successful professionals from the field of distribution have joined all of the Group's functional departments (Sales, Operations, Logistics, etc.) at all levels (CEO-1, CEO-2, etc.). These new appointments complement the Group's existing and talented professionals, some of whom have been duly promoted to leadership positions, creating a winning team. From the beginning, the new team has committed itself to the new DIA stage, setting out action plans and developing road maps so as to meet the Group's transformation objectives.

Many of the initiatives that make up the Group's transformation process have already been successfully rolled out in Spain: (i) improvements to the fresh product offering, focussing on quality, presentation, freshness and price, (ii) a new, already tested, franchise model resulting from a significant streamlining of the franchise network, and (iii) the operational excellence initiative that has begun with the roll out of optimisation processes in stores and logistics improvements to respond to faster service levels for fruit and vegetables.

4. CORPORATE GOVERNANCE

DIA Group has a corporate governance and compliance system that works to ensure a proper climate of control and compliance with both external and internal regulations. The Company's internal regulations are in line with the Spanish Companies Act, corporate governance principles and best practices of listed companies. The Company's internal regulations are the following: the bylaws ("Estatutos"), the general shareholders' meeting regulations, the Board of Directors Regulations, the Audit and Compliance Commission Regulations, the Ethics Code of Conduct and corporate policies.

According to the Annual Report on Corporate Governance ("Informe Anual de Gobierno Corporativo"), the Company complies with all the Corporate Governance Code Recommendations ("Recomendaciones del Código de Buen Gobierno para Sociedades Cotizadas, 2015"), with this exception:

- Recommendation 7: live broadcast of the General Shareholders' Meeting. Three Board meetings were held in 2019. An ordinary one, which was broadcast live, and two extraordinary ones in which there was no live retransmission when the Company considered that the broadcast systems and the channels of information to shareholders in connection with the holding of these general meetings are sufficient without the need to retransmit their celebration.

4.1. Composition and changes to the board of directors and leadership team

In line with its regulations, DIA's Board of Directors, through its Appointments and Remuneration Commission, ensures that the selection procedures for directors encourage diversity of experience and knowledge. Proposed appointments are always based on a prior analysis of the Board's needs, in the general interests of the Company, so that every member of the Board is a professional with a clear executive profile and extensive experience in businesses related to retailing and consumer goods.

In 2019, DIA's Board of Directors has been overhauled by means of the resignation of all Board members other than Jaime García-Legaz Ponce and the appointment of six new members (Stephan DuCharme, Sergio Dias, Karl-Heinz Holland, Michael Casey, José Wahnón Levy and Christian Couvreur). The new Board of Directors, whose biographies can be found on DIA's corporate website, has a new approach for performance tracking and finance oversight. On August 30, 2019, the Extraordinary General Shareholders Meeting fixed the number of members of the Company's Board of Directors at eight directors. However, the Board of Directors currently comprises seven members and there is one unfilled vacancy, which as of the date of this report is still not covered.⁸

In addition to the changes at Board level, a new CEO, Karl-Heinz Holland, was appointed on May 21, 2019 to lead the company's transformation. Alongside him, a new leadership team of retail experienced professionals are responsible for the execution of a new business plan that stabilizes operations and taps into the company's significant strengths and opportunities to achieve its objectives.

Overall, the new business structure aims to create a leadership culture chiefly focused on responsibility, ethics and performance-orientation along with the necessary sense of engagement.

Board Commissions

The Board of Directors has several Commissions which are governed by the Company's bylaws, the Board of Directors Regulations and the Commission's specific regulation, in its case. These Commissions are structured as follows:

Audit and Compliance Commission

José Wahnón Levy (Independent Chairman)
Sergio Dias (External Proprietary Member)
Jaime García-Legaz Ponce (Independent Member)

⁸ On 14 January 2020, the Board of Directors appointed Basola Vallés as the new independent director for DIA Group. With effect from the same date, Michael Casey submitted his resignation from the position of director.

Appointments and Remunerations Commission

Christian Couvreur (Independent Chairman)
 Jaime García-Legaz Ponce (Independent Member)
 Stephan DuCharme (External Proprietary Member)

Finance and Capital Structure Commission

Jaime García-Legaz Ponce (Independent Chairman)
 Christian Couvreur (Independent Member)
 Michael Casey (External Proprietary Member)
 Sergio Dias (External Proprietary Member)

Directors' remuneration

According to the Spanish Companies Act and to the Company's internal regulations, such as the Remuneration Policy, the members of the Board of Directors shall receive, as directors, compensation that shall be determined by the shareholders' general meeting by means of the approval of a remuneration policy, which shall be submitted for approval at least every three years. The directors' remuneration, which is explained in detail in the Directors Remuneration Report, will consist of a fixed monthly stipend, per diems for attending meetings and compensation for functions delegated or entrusted to them.

On August 30, 2019, the Company's Extraordinary General Shareholders' Meeting approved a new directors' remuneration policy for 2019-2022. The main features of this new policy are as follows:

- Commitment and attraction and retaining of talent: the aim of the remuneration policy will be to reward quality, dedication, responsibility, knowledge of the business and commitment to the Company and to the people who are in key positions and lead the organization.
- External and internal equity: the external competitive environment and internal equity will be taken into account when setting remuneration.
- Transparency.
- Promotion of the creation of long-term value for the Company and its shareholders.
- Proprietary directors will not have any remuneration as directors.

	Average compensation paid (euros)			
	2018		2019	
	Men	Women	Men	Women
Directors	461,034.05	105,400.00	680,842.33	123,207.30

Table 3. Average remuneration paid to directors, including executives, for all remuneration concepts, considering in the calculations the real time each has exercised as a Director during 2019. More information about the detail of individual remuneration received by each Director and time held by the position can be found in 21 note of the Consolidated Annual Accounts and in the Council Annual Remuneration Report, 2019.

4.2. Corporate policies

Following the CNMV's recommendations on the Good Governance Code, DIA's relationship with its main stakeholders is governed by the company's different corporate policies, all of which apply to the whole Group and are approved by the Board of Directors:

- Corporate Social Responsibility Policy.

- Corporate Investor Relations Policy.
- Corporate Tax Policy.
- Corporate Risk Management Policy.
- Corporate Environmental Policy.
- Corporate External Relations Policy.
- Corporate Quality and Food Safety Policy.
- Corporate Crime Prevention and Anti-corruption Policy.
- Corporate Franchise Policy.
- Corporate Human Resources Policy.
- Corporate Marketing and Client Communication Policy.

All of these policies are available to the general public at www.diacorporate.com.

DIA Group executives and, ultimately, the Board of Directors, are responsible for the implementation of these policies. More details on policy performance can be found in the stakeholder chapters below.

4.3. Risk management at DIA Group

Risk monitoring and management systems

The Group uses the COSO II methodology (Enterprise Risk Management) as a reference for its risk management system, ensuring a systematic and detailed approach is undertaken with the aim of identifying events, and assessing, prioritizing and responding to risks related to the achievement of the Group's strategy and business objectives.

The Company's Management (Executive Committee), the Board of Directors and the Audit and Compliance Commission (ACC) are responsible for the design and proper functioning of the Risk Management Model (RMM):

- The Board of Directors is responsible for approving the Enterprise Risk Management Policy and the Executive Committee is responsible for establishing risk tolerance levels which is ultimately approved by the Board of Directors.
- DIA Management (the Executive Committee) is responsible for the design, implementation and establishment of the strategy, culture, people, processes and technology that make up the Risk Management Model.
- The Audit and Compliance Commission is responsible for monitoring and periodically reviewing the effectiveness of DIA Internal Control procedures, Internal Audit and Risk Management Systems, and for verifying the adequacy and completeness of them.

In order to manage the Risk Management Model, the Group has established a Risk Committee and has designated a Risk Coordinator for each country as well as at the corporate level. The Risk Coordinator communicates and coordinates meetings, collects information and prepares the minutes of each Commission meeting. In addition to the foregoing responsibilities, the Corporate Risk Coordinator (CRC) also acts as country intermediary at the corporate level and reports to the Audit and Compliance Commission. The Risk Committee comprises the Risk Coordinator and the person responsible for each of the functional lines (Area Directors). The Area Director is responsible for preventing and managing risks

appropriately, as well as adequately implementing the necessary mechanisms in order to minimize the impact of a risk to the greatest extent possible. The Risk Committee evaluates the overall process of risk management and assesses the need for new or different controls and response mechanisms. There is also an annual review of both, financial and non-financial risks, included in the risk map.

The main Risk Committee's responsibilities include company context (external and internal) and new project analysis, establishing recommendations for the development and/or continuation of specific action plans, and permanently monitoring the risks identified using the risk map (particularly risks that could impact on the Group's strategy, customers, franchises and suppliers).

DIA's Internal Audit Department assesses the overall functioning of the risk monitoring and management system, the performance of the management bodies and the effectiveness of the monitoring activities established, and reports to the Audit and Compliance Commission. As a result of organizational changes and the company's new strategy, this function is currently in a process of reviewing its role and scope of work.

Materialization of non-financial risks

In 2019, important risks inherent in the business model arose. These DIA specific, non-financial risks for the Company and its primary stakeholders⁹ have been specified in each of the following chapters.

All of these risks have been duly analyzed and diverse action plans have been put into place to address them. In this regard, it should be noted that, as of the date of this report, a plan for the continuous review and improvement of the group's risk management model is being carried out for adaptation to the new DIA management model.

4.4. Compliance and ethics management

The DIA Group's ethics and compliance model, which is managed by the Company's Board of Directors, aims to encourage conduct that embodies the Company's values, including the prevention and eradication of behaviors associated with criminal actions. This model is based on the principle of due control, since it is based on the following criteria:

- Compliance risks are regularly analyzed.
- Expected behaviors are carefully defined in different regulations, which are shared and actively communicated to all employees.
- There is an independent prevention and compliance body that has the resources to assess the effectiveness of the model, reporting directly to the Audit and Compliance Commission and the Board of Directors.
- There is an enabled channel in place to anonymously and confidentially report any irregularities.

Regulations and procedures for compliance at DIA Group

The Ethics Code probably forms the cornerstone of this compliance system: all company employees, managers and directors must comply with it. This is a high-level set of rules that defines what is desirable conduct and what is unacceptable conduct (including conduct that is potentially associated with criminal actions such as corruption and money laundering). Suppliers, franchisees and contractors are all proactively informed about the existence of the Ethics Code and the reporting and consultation channel is also available to them with the same assurances as any other employee.

⁹ Common sectorial risks or those more closely linked to the success of the business model, such as an increase in commodity prices or high competition risk, have not been included in the NFIS.

The DIA Group Ethics Committee, which heads up the Ethics Committees in the different countries, is responsible for implementing the Code of Ethics. The Board of Directors, which receives a regular report from the Group Ethics Committee, is responsible for assessing the effectiveness of the code and issuing any modifications that it believes are appropriate for achieving the objectives sought.

The DIA Group uses a further four control programs to identify and prevent fraud, which reinforce the implementation of the Code of Ethics.

- DIA Group companies based in Spain have implemented a Crime Prevention Model that identifies and evaluates the risks of committing crimes that could give rise to criminal liability for the legal entity, as well as the corresponding rules, procedures and controls to identify and prevent those crimes from being committed. A manager to lead the crime prevention function has been appointed within the Company, permanently reporting to and assisting the Compliance Officer and the Ethics Committee at a corporate level and who is responsible for the maintenance and correct functioning of the prevention model.
- In all the jurisdictions in which the Group operates, DIA Group companies have an Anti-Fraud and Anti-Corruption program that identifies and evaluates the risks of corruption and fraud in their activities. Each country has appointed an anti-fraud prevention officer, and, in Spain, this resource is also the crime prevention officer.
- The Corporate Information Security Policy is also an important part of the compliance system. It includes the strategy of information protection in relation to information access, user responsibilities, security in communications and operations, incident management, business continuity and compliance. It defines the criteria to mitigate the risks that affect confidentiality, integrity and availability of the Company's information. This policy and its associated control framework are based on the ISO 27000 international standards.
- Lastly, the Company has an internal control system relating to the financial information (SCIIF) that defines the objectives, the roles and responsibilities concerning the reporting of financial data. This system manages the risks associated with financial information and sets up internal control procedures to minimize these risks. Its objective is to provide reasonable assurance regarding the reliability of the financial information provided.

In terms of money laundering, as DIA is not subject to the effects of Law 10/2010, specific money laundering prevention policy has not been drawn up within the Anti-Fraud Program. However, the Company has control and restriction systems established in order to manage related issues: supplier of goods and service payments pass through authorization platforms and cash payments are highly limited within the Company (as a general rule, cash payments are not allowed and, if exceptionally needed, they are duly registered and documented under the mandatory controls). Furthermore, like all other risks related to the prevention of crimes for which the legal entity may be responsible, they are regularly reviewed and reported.

Regarding contributions to foundations and non-profit organizations, there is no financial donation.

Irregularities and disciplinary measures

Within the context of the Group's review of its profit outlook for the year ended December 31, 2018, which revealed the existence of irregular accounting practices in Spain and Brazil and which led to the restatement of the Group's financial statements for the years ended December 31, 2017 and 2016, the Group appointed an external firm of advisors to carry out a forensic investigation to establish the causes of such irregularities and to identify the people responsible for them. The investigations, both in Spain and Brazil, have been completed and final reports were brought to the attention of the Anti-Corruption Prosecutor's Office in 2019.

Ethics Committee activity	ARGENTINA		BRAZIL		SPAIN		PORTUGAL	
	2018	2019	2018	2019	2018	2019	2018	2019
No. Reports - employees	10	13	47	41	3	12	8	8
No. Reports - external (suppliers, franchisees)	8	4	1	0	1	1	0	0
No. Reports - anonymous	0	5	3	25	3	13	0	1
Total no. of reports	18	22	51	66	7	26	8	9
Total no. of reports resolved	16	19	39	37	4	12	1	7
Total no. of reports in progress	2	3	12	29	3	14	7	2
No. Consultations - employees	1	2	15	27	11	2	5	17
No. Consultations - external (suppliers, franchisees)	3	5	0	4	2	0	0	0
No. Consultations - anonymous	0	1	0	6	0	0	0	1
Total no. Consultations	4	8	15	37	13	2	5	18
Total no. of consultations resolved	2	8	15	35	10	1	3	17
Total no. consultations in progress	2	0	0	2	3	1	2	1

Table 4: Ethics Committee activity in 2018 and 2019 by nature of report/consultation. Spain includes those communications managed from the corporate division.

During 2019, 188 communications have been received through the ethical channel, of which 123 are complaints of non-compliance (compared to 84 the previous year) and 65 are consultations (compared to 37 the previous year). Following the investigation of the allegations, of the 75 communications closed in 2019, a complaint has been confirmed as sexual harassment, which has led to the dismissal of the employees involved; no allegations of corruption or discrimination have been confirmed (in 2018 a case of corruption was confirmed). The Ethics Committee has confirmed a total of 6 complaints that have ended in employee layoffs for non-compliance of any of the principles of the Code of Ethics. All other complaints have either been dismissed after the investigation, or other corrective measures have been implemented (training, change of functions, provisional discharge, etc.).

No additional communications of corruption have been confirmed through court ruling in 2019.

Strengthening the business ethics culture

The Company is implementing a plan to review and continuously improve its internal control model that encompasses the control of financial information, control of compliance and activity-related (operations).

One of the first steps has been to include, and communicate, in all of the company's new corporate values, a zero-tolerance policy towards behaviors that are not governed by the Corporate Code of Ethics. Commitment to this value has been a key part of the personal message launched by the CEO and top management to Group employees. In 2019, 3,388 employees were proactively trained in anticorruption policies or the Ethics Code (157 of them were executives), compared with 375 employees in 2018. Furthermore, recent reinforcement of the whistle blowing channel, via an externally managed platform and telephone line, show the Company's strong commitment to fostering a culture of robust ethics.

Training in anti-corruption policies/Code of Ethics	ARGENTINA		BRAZIL		SPAIN		PORTUGAL	
	2018	2019	2018	2019	2018	2019	2018	2019
Directors	0	0	0	0	0	0	0	0
Executives	0	7	0	9	0	140	11	1
Managers	0	3	0	58	0	336	82	3
Employees	0	0	0	0	0	367	282	2,464

Table 5: Employees proactively trained in anti-corruption policies or the Ethics Code in 2019, by professional category. This includes classroom learning and e-learning platforms.

5. CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT AT DIA

Governance of Corporate Social Responsibility (CSR)

CSR issues are ultimately the responsibility of DIA’s Board of Directors, through its Audit and Compliance Commission. This Commission is responsible for ensuring that the Company’s CSR strategy and practices address its non-financial risks and fulfill its stakeholders’ expectations, as well as for approving and assessing the General CSR Policy’s level of compliance.

Furthermore, the Board of Directors, through this Commission, coordinates and approves the non-financial reporting process in accordance with the latest applicable regulations. At the level of senior management, the Department of External Relations and RSC, which reports directly to the CEO and the Audit and Compliance Commission, analyses and identifies risks and trends, based on their knowledge of the business and dialogue with stakeholders, and also manages that the requirements for non-financial reporting are included in the company’s information and control systems. Finally, as explained, there is also an Ethics Committee composed of managers from different departments that reports directly to the Audit and Compliance Commission and also collaborates in the management of compliance control of the Social Responsibility.

Dialogue with interest groups

The DIA Group identifies and engages with its traditional stakeholders (customers, the investor community, employees, franchisees and suppliers) as an integral part of the Company’s day-to-day activities, in a process that involves diverse areas across the whole of the Company’s value chain.

Furthermore, the External Relations and CSR Department identifies, consults and responds to other interested parties that are also important to the business (regulators and public administrations, industry and professional associations, the media, NGOs and members of the local community). This department’s reporting line ensures that important matters that are identified are known by the Company’s principal governing bodies.

Material CSR issues

DIA’s materiality matrix was developed in 2016 by the Company’s Management and it was reviewed in 2017. This matrix incorporates a study of the relevance of different proposed issues (based on their representativeness for the leading organisms CSR influencers, such as the Dow Jones Sustainability Index, the Global Reporting Initiative sector report, Vigeo, Sustainalytics, Carbon Disclosure Project, the National Securities Market Commission, press analysis or the “Behind the Brands” report), and their historical relevance in the sector at a national and international level (based on a study commissioned by DIA of companies in the sector). This analysis was supplemented with the inclusion of an internal relevance factor for each issue.

The indicators and the information to be reported on performance in non-financial matters have been defined taking into account both this materiality analysis and the requirements of applicable law.

DIA Group material issues
Governance System
Ethics and compliance
Transparency and investor relations
Tax practices
Development of human capital

DIA Group material issues
Workplace practices
Gender Equality
Health and Safety
Quality and food safety
Franchise relations
Digital Transformation
Eco-efficiency
Food waste
Consumer information and protection

Table 6: DIA Group material issues in the corporate social responsibility context.

Justification of the non-materiality of other matters required by law and not material for DIA, for which no information is provided in this report:

- Water consumption: water is exclusively used for cleaning purposes and not for production activities. Nevertheless, the company supports and encourages its responsible consumption with internal communication actions.
- The impact of the Company's activities on biodiversity: as the Group's facilities and activities are located or carried out in urban areas, the impact on biodiversity is small.
- Light and noise pollution: the impact produced is considered not relevant because lights in stores are fully switched off when closed and logistics centers are not located in residential areas.

In addition to the above mentioned, there are other matters not material in DIA, but for which the information is provided. The equivalence table at the end of this report provides guidance on these cases.

Next steps in CSR management

The new business model towards sustainable value creation includes within its objectives a more integrated and strategic CSC supported by the Board of Directors and its Audit and Compliance Commission, as well as from the Executive Committee. In this regard, CSR priorities and objectives are being reviewed to define a 2020 Master Plan. The objective of this Plan will be to identify the risks of key RSC for the Company, integrating its management into the daily operation and improving the control and reporting system thereof.

6. CUSTOMERS

As already mentioned, DIA Group has an average of 2.9 million tickets per day and over 20 million active members worldwide. Understanding and addressing the needs of these and other, potential customers is the Company's cornerstone.

Main communication channels with this stakeholder

The Group connects with and listens to its customers using different channels:

- The requested surveys, which ClubDIA customers receive after each purchase in their email and where they are invited to quickly rate their shopping experience.
- The CLUB DIA APP, from where the customer can voluntarily evaluate their shopping experience, the App itself or contact the Group directly to transmit their queries or suggestions.
- The online purchase website www.dia.es and its corresponding APP (DIA online) where the customer can evaluate the products and fill out the contact form with customer support.
- Anonymous communities of clients to know their opinion about the Company, its establishments and its own brand.
- Consumer panels, which allow the Group to evaluate the organoleptic characteristics of the products. This year, 3,662 panels have been made.
- Social networks for the Group's commercial and corporate operations. The Group has profiles on the most used platforms in all the countries in which it operates, including Facebook, Twitter, Instagram and YouTube.
- Customer Support Services: This year, more than 250,000 inquiries, complaints and suggestions related to issues related to stores, products, opening hours, online services, etc. have been assigned to a manager, attended, analyzed and analyzed Answered. This year, more than 90,000 complaints or complaints have been received, with those related to discounts and promotions being the most frequent.

Main risks associated with this stakeholder

The most relevant risks identified are not being able to meet the customer's needs and possible non-compliance with internal food safety requirements and standards. These risks could also lead to loss of reputation and brand value, especially if incidents related to the quality of home-branded products, unreliable customer service, poorly maintained stores or poor data management adverse advertising, government investigations or even litigation. The company's new management believes that the risk of not meeting customer demands has materialized and, therefore, concrete action plans have been defined in this regard.

Main policies governing relations with this stakeholder and performance

- Corporate Quality and Food Safety Policy: The Company's Corporate Quality and Food Safety Policy aims to develop a relationship with its consumers based on trust through a system that rigorously guarantees the proper production, processing and management of all the products the Company offers.

The Company keeps control of product quality and safety across the supply chain, monitoring storage, transport and sales processes. As a pre-requisite to product validation, private label products and corresponding suppliers are evaluated by the Group in terms of quality and safety. This process consists of conducting systematic quality audits at suppliers' production centers. As at December 31, 2019, the Group had a total of 33 in-house laboratories that had conducted 603,366 internal analyses (910,015 in 2018) as part of its control program. The Group works with approved external laboratories where additional analyses are carried out in addition to the internal

checks. This year, the number rose to 21,352 analyses in addition to the internal checks (compared to 23,153 analyses in 2018). Finally, the Group's Quality Control Department carries out ongoing checks and periodical audits of warehouses and stores, where they supervise and evaluate aspects such as tidiness and cleanliness, the management of expired products, and the cold chain, guaranteeing compliance with the defined standards.

The company has managed two health alerts relating to sardine and tuna products in 2019. In both cases, the measures adopted went beyond legal requirements and a precautionary approach was always taken, focusing on customer safety. On this basis, the batches of allegedly affected products were voluntarily and successfully withdrawn from stores, all customer queries were promptly responded to, and appropriate investigations, in collaboration with the health authorities, were carried out to identify potential weaknesses, if any, in the control systems. In the end, both cases were closed by the relevant authorities without responsibility being assigned to the company. In this regard, there were no incidents arising from non-compliance with health and safety regulations leading to a fine or material sanction in 2019.

- Corporate Marketing and Client Communication Policy: The Company's Corporate Marketing and Client Communication Policy bases its guidelines on respecting the commitments undertaken with clients; honesty in both verbal and written communications; and integrity in all of the Company's professional actions in this context. Accordingly, the guidelines in relation to communication with clients are based on the general principles of transparency, proximity, equality and quality.
- Corporate Information Security Policy: The purpose of this policy is to define the guidelines aimed at ensuring the confidentiality, integrity and availability of information and it has to be met by employees, external staff and external collaborators who have to access the Company's information systems.

Beyond the corporate marketing strategy, the current Board of Directors and management team deem DIA's commercial value proposition to be insufficient to create value for customers, the most important of the stakeholders. As a result, a new business strategy is being drawn up, based on the six transformation pillars already presented in the business model chapter. This new commercial proposition includes changes to the assortment, categories and private labels, and a new pricing and promotion strategy. The ultimate goal is to develop an outstanding private label and become a leader in the fresh food and customer experience.

In addition, a new operational store model has been designed to achieve excellence. This model is based on three pillars: optimizing store processes, becoming a benchmark in terms of fresh products and excelling at customer service. These objectives will be supported by a new logistics distribution model.

7. EMPLOYEES

DIA Group has a diverse workforce of 39,379 employees at 2019 year end, distributed in four countries: Spain, Portugal, Brazil and Argentina. Of all employees working in DIA, 72% work in Europe and 28% in Latin America.

			Workforce by status, gender and age at December 31					
			Executives		Managers		Employees	
			2018	2019	2018	2019	2018	2019
ARGENTINA	Men	<30 years	-	-	36	31	1,203	997
		30-50 years	14	10	356	293	1,160	1,119
		>50 years	3	1	33	27	21	20
	Women	<30 years	-	-	22	29	646	555
		30-50 years	1	1	141	127	844	804
		>50 years	-	-	4	5	18	20
TOTAL			18	12	592	512	3,892	3,515
BRAZIL	Men	<30 years	-	-	10	9	2,263	1,716
		30-50 years	16	15	124	98	1,336	1,072
		>50 years	3	-	9	9	75	69
	Women	<30 years	-	-	4	4	2,767	2,143
		30-50 years	1	3	76	63	2,176	1,832
		>50 years	1	-	3	3	59	52
TOTAL			21	18	226	186	8,676	6,884
SPAIN	Men	<30 years	-	-	10	12	1,996	1,618
		30-50 years	42	52	285	260	4,144	3,732
		>50 years	43	25	96	97	961	979
	Women	<30 years	-	-	13	10	2,703	2,331
		30-50 years	16	19	272	246	13,437	12,342
		>50 years	22	20	58	77	2,597	2,929
TOTAL			123	116	734	702	25,838	23,931
PORTUGAL	Men	<30 years	-	-	2	-	464	401
		30-50 years	3	4	38	25	619	634
		>50 years	3	1	15	17	94	94
	Women	<30 years	-	-	-	-	730	702
		30-50 years	7	6	46	40	1,436	1,443
		>50 years	-	-	2	2	105	129
TOTAL			13	11	103	84	3,448	3,403

Table 7: Total number and distribution of employees by gender, age, country and professional classification¹⁰. 2018 figures in Spain have been restated to include two employees from Switzerland. Directors have not been included in this breakdown.

Main communication channels with this stakeholder

There are different communication channels with employees, most of them promoting two-way communication. Below are the most relevant:

- Corporate Portal for employees: a space for promoting communication with employees, for generating professional knowledge, sharing free time and disseminating corporate information.

¹⁰ Executives include the 5 higher category levels at the company; Managers include the following 3 category levels in the hierarchy; employees include the other categories. Directors have not been included in this breakdown.

- Newsletters: weekly issue for sharing good practice and progress on the business strategy among all Group employees. In addition, operational teams also receive daily and weekly newsletter updates on the projects they are involved in.
- DIA also conducts regular surveys to evaluate employees' feedback on different issues (from specific initiatives carried out to general corporate culture assessments). These communication channels, regardless of whether they are run internally or through a third party, guarantee total anonymity and privacy with regards the answers given by employees.
- Face-to-face communication between top management and employees has also been strengthened in 2019.

Main risks associated with this stakeholder

The most relevant risks identified are labor conflict, inadequate talent structure and inadequate compliance with labor regulations. The inadequate talent structure is considered to have materialized and therefore, changes have already been made as stated in the chapter "Composition and changes to the Board of Directors and Leadership Team".

Main policies governing relations with this stakeholder and performance

- Corporate Human Resources Policy: This includes DIA Group's commitment to creating jobs and developing professionals within the context of the Company's corporate values. This policy also aims to promote the Company's long-term commitment to generating pride and a sense of belonging, adapting to the different cultural, labor and business contexts in every country in which it operates.

With regards diversity, training and disconnect from work policies, the DIA Group does not define these independently. However, most of these HR-related issues are addressed from the general Human Resources policy.

As a result of the Human Resources Policy and 2019's operational and financial priorities, the key areas in human resources management for this year are: the collective dismissal process in Spain, the roll out of new corporate principles and efforts to bring employees closer to daily store operations.

7.1 Employment and social dialogue

A considerable part of the DIA workforce operates under permanent and full-time contracts, as shown in the tables below.

Total employees by contract type and type of workday at December 31		
	2018	2019
Permanent	38,772	35,057
Temporary	4,912	4,317
TOTAL	43,684	39,374
Full-time	34,469	31,209
Part-time	9,215	8,165
TOTAL	43,684	39,374

Table 8: Total number and distribution of employment contract type. Temporary contracts in 2018 have been restated adding internships. Permanent and full-time contracts in Spain are also restated for 2018 to include two employees from Switzerland. Directors have not been included in this breakdown.

Average annual contracts per gender (number)				
	2018		2019	
	Men	Women	Men	Women
Permanent	13,355	24,576	12,869	24,106
Temporary	2,152	3,464	1,837	3,371
Full-time	14,354	19,703	13,715	19,667
Part-time	1,154	8,337	991	7,811

Average annual contracts per age (number)						
	2018			2019		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Permanent	9,800	24,341	3,791	9,150	23,641	4,183
Temporary	3,051	2,251	314	2,795	2,108	305
Full-time	10,559	20,380	3,118	10,005	19,934	3,442
Part-time	2,293	6,212	986	1,941	5,815	1,046

Average annual contracts per status (number)						
	2018			2019		
	Executives	Managers	Employees	Executives	Managers	Employees
Permanent	182	1,659	36,091	171	1,601	35,203
Temporary	1	8	5,608	1	9	5,198
Full-time	0	39	9,451	172	1,569	31,640
Part-time	182	1,628	32,247	0	41	8,760

Tables 9, 10, 11: Average annual number of contracts by type of contract, gender, age and professional category. Directors have not been included in this breakdown.

The 100% of employees in Brazil, Spain and Portugal are protected by a collective labor agreement, either at company or industry level (in Argentina, this figure accounts for 69% of the workforce), and the Company has 1,176 trade union representatives worldwide (compared to 1,115 in 2018). Given the countries in which DIA Group operates and the significant trade union representation in place, there is no perceived risk of violation of basic human and labor rights (such as child labor, slave labor, freedom of association or the right to collective bargaining) at in-house operations. The DIA's Ethics Code and the Group's Ethics Channel were set up to manage this area and also to help safeguard the DIA Group's commitment to respecting these values.

With regards remuneration, DIA's salaries are in line with market rates and labor agreements. Merit is the main driver behind salary growth and the DIA Group has performance evaluation mechanisms in place for its workforce. Store and warehouse employees are assessed on their performance and productivity, both on an individual level and in their workplace. At the offices, the personal objectives are focused on individual performance and values, and aligned with the Company's results.

		Average compensation paid (euros)					
		<30 years		30-50 years		>50 years	
		2018	2019	2018	2019	2018	2019
Executives	Men	-	-	118,608.73	151,437.85	136,807.99	179,959.82
	Women	-	-	90,805.68	115,417.88	118,641.04	80,305.65
Managers	Men	22,477.81	23,199.15	35,609.93	33,582.27	51,353.79	40,775.24
	Women	20,413.24	20,529.71	36,151.92	33,515.13	53,007.63	44,966.90
Employees	Men	11,627.00	10,322.89	16,749.71	16,152.44	23,166.66	18,914.79
	Women	11,098.49	9,379.70	15,171.12	15,682.78	18,144.52	15,520.54

Table 12: Average compensation paid¹¹ by category, gender and age (euros).

As a consequence of the Company's difficult financial situation and in line with new operational and commercial priorities, DIA has undertaken several collective dismissal processes at Spanish subsidiaries (DIA Retail España, S.A.U., before TWINS Alimentación, S.A.U., and Grupo El Árbol Distribución y Supermercados, S.A.U.) that have affected 1,468 employees. In addition, dismissals have also taken place in the rest of the Group's countries, mainly due to the closure of stores and warehouses and due to management team renovations.

		Number of terminations							
		2018				2019			
		<30 years	30-50 years	>50 years	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Executives	Men	-	5	11	16	-	24	30	54
	Women	-	1	2	3	-	6	11	17
Managers	Men	3	40	13	56	8	151	29	188
	Women	1	19	5	25	6	63	3	72
Employees	Men	1,120	858	86	2,064	1,012	1,040	94	2,146
	Women	1,057	1,577	181	2,815	1,094	1,851	94	3,039
TOTAL		2,181	2,500	298	4,979	2,120	3,135	261	5,516

Table 13: Number of terminations by category, gender and age.

7.2 Health and safety in the workplace

DIA is aware of the importance of maintaining suitable prevention conditions. It therefore strictly abides by prevailing legislation and the collective agreements governing its labor relations contain specific points regarding employee health and safety. Along the same strategic lines, DIA has included procedures in its Global Prevention Plan to detect the repercussions of working conditions on employees' health, identifying employees who are particularly exposed to such risks so as to adapt their workplaces to the needs of each person. Beyond the collective agreements, there are no records of additional, specific health and safety agreements with trade unions.

In order to improve the well-being and work-life balance of store personnel, rest days are established taking into account the preferences of the worker whenever this is possible. There are also additional company benefits when it comes to child and dependent care. At the same time, employees at the headquarters have flexible in and out hours and intensive, compact working days during summer (in

¹¹ Everything received by employees throughout the year is considered here, except for payment in kind. This includes fixed pay actually processed and paid, additional payments dependent on the working day, productivity and performance bonuses and the distribution of profits. Executives category includes CEO.

Spain). Workers' right to disconnect from work has not been identified as a priority issue in the conversations held with employees and employees' representatives so far.

The next table shows company performance with regards the main health and safety indicators.

	Absenteeism and main health and safety indicators			
	Men		Women	
	2018	2019	2018	2019
Hours of absenteeism	1,909,199.4	1,754,311.0	5,193,002.7	5,216,606.0
Number of workplace accidents	1,024.0	1,127.0	1,389.0	1,442.0
Injury frequency rate	33.1	38.8	28.5	30.6
Serious accidents	10.0	36.0	17.0	21.0
Professional illnesses	10.0	2.0	24.0	22.0
Fatalities	0	0	0	0

Table 14: Absenteeism and main health and safety indicators. Hours of absenteeism include all possible causes (leave due to illness, accidents and other causes). Injury frequency rate is been restated for 2018 due to changes in the methodology (current rate represents the number of injuries per 1,000,000 employee-hours worked).

Absenteeism is an important indicator not only because of its impact on the Company's productivity, but also because it could negatively affect the work environment. There are several actions carried out to reduce this indicator, such as the individualized follow-up of cases, disease prevention campaigns/ promotion of healthy lifestyle habits or the active replacement of temporary or long-term leaves. The impact of these measures is still under study.

7.3 Equal opportunities

DIA is committed to respecting the principle of equality and condemns any type of discrimination, in any form, directly or indirectly, and for any reason: sex, marital status, age, race, social status, religion, political affiliation, etc. The general Human Resources Policy and the Ethics Code are the instruments that ensure compliance with this concept.

During 2019, one sexual harassment complaint has been received through the Ethics Channel, which led to the dismissal of two employees. No discrimination complaints have been proved this year. In relation to this topic, in 2018, a study by a third party was completed in Spain with the aim of confirming that there was no discrimination bias in the procedures used by the Company.

In Spain, the Group has had an Equality Program in place since 2012. This plan includes measures aimed at each of the following areas: access to the Company and selection; hiring; promotion; training; pay; reconciliation of personal, family, work and working time; occupational health; sexual harassment; gender violence; company culture, communication and awareness. The plan is preventive, in other words, it intends to eliminate any possibility of future discrimination based on sex. The existence of an Equality Agent, the implementation of different anti-harassment and gender-based violence protocols, discrimination prevention systems (access, promotion, compensation, language) and specific awareness campaigns are some of the best practices linked with this program.

DIA carries out a policy of equal pay in all its professional categories. The following table shows the gross pay gap by country for the different categories. It should be noted that the gross pay gap is the difference between the average total compensation for women and the average total compensation for men in an organization. This calculation does not take into account these key factors that allow comparability as a professional category, functional area, performance, knowledge or professional experience and that can significantly influence the final data.

	Gender pay gap	
	2018	2019
Executives	83.48	61.80
Managers	99.71	100.81
Employees	94.96	99.00

Table 15: Gender pay gap (ratio calculated as the average pay for women among men for each category). All concepts, except retribution in kind, are taken into account for calculation.

The DIA Group also works to integrate groups with disabilities in all countries in which it operates. In total, among DIA's workforce at the end of 2019, there were 497 people with some type of physical or intellectual disability. Despite the efforts made by different countries of the Group, this global figure has decreased in comparison to the previous year along with the contraction of the global workforce figure.

		Disabled employees in the workforce at December 31					
		<30 years		30-50 years		>50 years	
		2018	2019	2018	2019	2018	2019
Executives	Men	0	0	1	1	0	0
	Women	0	0	0	0	0	0
Managers	Men	0	1	0	0	1	1
	Women	0	0	2	2	0	0
Employees	Men	105	76	180	164	24	26
	Women	54	41	160	138	45	47
TOTAL		159	118	343	305	70	74

Table 16: Disabled employees in the workforce, by professional category, gender and age, at December 31.

Moreover, during 2017, an independent assessment of store accessibility was completed in 10 locations across the Spanish network. This assessment will serve as a basis for addressing appropriate accessibility improvements in the future.

7.4 Employee training

DIA Group maintains an active policy in terms of retaining and training talent. In addition to external training, the DIA Group has more than 30 in-house training centers for employees and franchisees who work in stores. These centers are involved in training sales people at all levels to carry out functions such as checkout operations, new services, and more specific tasks such as the running of the meat and fish sections. The Company also runs specific training programs at its logistics centers.

In 2019, employee training and communication programs have been built around four priorities:

- Promote the new Company's values:
 - Customers are at the center of everything we do.
 - Cooperation with our employees, franchise and business partners is based on fairness and mutual respect.
 - Dedication and strong engagement of all employees and franchise partners is vital for the long-term success of our company.
 - We adopt a zero tolerance policy in relation to corruption.

- We strive for permanent improvement in all areas of the business.
 - We foster a culture of change, permanent innovation and creative solutions. A culture of “allowed failure” is an integral part of that.
 - We strive for Operational Excellence in all parts of the Company.
 - We reduce complexity and follow the principle of “Keep it Simple”.
 - Cost consciousness, efficient workflow and short decision making processes are key for future success.
- Zero tolerance for corruption and unethical behavior: as shown in the compliance and ethics chapter, a total of 3,388 people have been trained on this (compared to the 2018 figure of 375). This includes 157 people within top management and face-to-face training sessions executed by the CEO and other company leaders.
 - New store operations model. Simplifying and standardizing procedures, as well as focusing on the customer are cornerstones not only for the new DIA values, but also for the new store operations model. Implementing it has required an in-depth review of the Company’s operations and everybody’s roles and responsibilities and it has been supported by the whole organization, including HR and its training and communications program.
 - Focus on store operations and the client. With the objective of better supporting the stores in giving customers the best shopping experience, a training program has been designed to bring office employees closer to the store network. This program, which at this date runs in Argentina and Spain, will enable employees to spend one day per semester working in the stores. In addition, any new recruits, regardless of their status, will undergo an induction period of two weeks, working in one or more of the stores. The final objective is that the whole organization understands the day to day reality of the stores and the client, and creates a closer and more effective relationship.

		Training					
		Executives		Managers		Employees	
		2018	2019	2018	2019	2018	2019
Men	Training hours	882.0	1,102.0	8,808.2	7,947.0	89,610.2	87,476.5
	Average training hours	6.8	9.4	8.6	8.3	6.2	6.4
Women	Training hours	773.0	436.0	7,746.1	5,469.0	175,523.9	143,628.0
	Average training hours	14.9	8.0	12.1	8.5	6.4	5.4
TOTAL		1,655.0	1,538.0	16,554.3	13,416.0	265,134.1	231,104.5

Table 17: Annual training hours and average training hours per professional category and gender.

8. FRANCHISEES

Almost 30 years of experience in developing the franchise model has seen the DIA Group become the number one ranked franchiser in Spain and fourth-largest franchiser in Europe in the food distribution sector, according to the international ranking carried out by consulting firm Franchise Direct, which is based on parameters that take into account financial issues, innovation capacity, environmental action and franchisee support, among other aspects.

At 2019 year end, the number of franchise stores in the Group came to 2,901, which is 44% of total stores overall. This number is made up of two types of store and contractual relationship:

- COFO (company owned franchise operated) model: stores are transferred to the franchisee for management and operation. The Group retains a portion of the revenues and the ownership of a potentially strategic point of sale.
- FOFO (franchised owned franchise operated) model: all personnel and operating costs, including establishment opening and improvement costs (investments), are borne by the franchisee.

In both types, the Company provides its historical knowledge of the sector and the strength of its brand and logistical developments, while the franchisee contributes their sales vocation and local market knowledge, which is key to developing the model of proximity and approachability.

This relationship of trust between the DIA Group and the entrepreneurs also creates value and wealth in the communities in which the franchises are set up. During 2019, DIA franchise business generated over 20,500 estimated direct jobs.

	Franchised stores December 31		Number of franchise employees	
	2018	2019	2018	2019
ARGENTINA	681	611	4,256	4,147
BRAZIL	686	347	9,576	5,611
SPAIN	2,069	1,665	7,469	6,793
PORTUGAL	309	278	2,179	1,969
TOTAL	3,745	2,901	23,832	20,539

Table 18: Franchised stores and estimated number of employees for the franchise network. Data for 2018 have been restated to include Clarel franchised stores and estimated employees.

Main communication channels with this stakeholder

- The Group closely monitors its franchisee relationship by conducting annual surveys prepared by Nielsen, an independent consultant. With this anonymous and confidential survey, you obtain information from franchisees about what aspects they consider to be eligible for improvement and what their levels of satisfaction are.
- The Franchise Portal, an online platform where entrepreneurs can access databases of their own and comparative information and can use the message servicing system to contact the Group directly.
- Regular discussion forums within the “Franchise Week” series and existing local assistance programs, such as “Atención al Socio Estratégico” in Spain, “El Defensor del Franquiciado” in Argentina and “DIA te escucha” in Brazil.
- Franchise newsletter in all the countries the Group operates in, with important information about the Group.

Main risks associated with this stakeholder

Conflict and potential loss of partners could affect the associated with the DIA brand and the success of the Group's business model, as it largely depends on its ability to maintain contractual relationships with profitable franchisees. The Company's new management considers that this risk has materialized and therefore concrete action plans have been defined to improve the relationship.

Main policies governing relations with this stakeholder and performance

- Corporate Franchise Policy: establishes the guidelines relating to franchisees, ensuring that each country's legislation is respected, the information provided is accurate, and that agreements with entrepreneurs who decide to manage a DIA store through the franchise model are fulfilled.

The Group has established several support programs through which franchisees can develop a closer relationship, resources to meet their specific needs and contribute to their success. As described above, there is a strong focus on improving communications between franchisees and the Group. In addition, Argentina and Brazil also organize an integration day with franchisees. The "DIA Academy" is a professional training school in Argentina to provide guidance to aspiring entrepreneurs on how to run a business. In 2017, Brazil set up the "DIA Experts Committee" with a group of franchisees. The aim of this initiative is to share issues, ideas, and suggestions on which it can subsequently implement improvement plans.

From an operational perspective, regional centers in Spain have been supplied with a franchise analyst for their team, in charge of providing franchisees with financial and economic advice, which allows such franchisees to leverage the profitability of their business. There is also a logistics contact person who deals with all order requests and any other logistics issues faced by franchisees. Although the Group does not have a formal commitment to financially assist franchisees, it has a financing committee that analyses cases where franchisees are undergoing financial difficulties to determine whether and how to assist them.

It has to be noted that all changes made at the operational and commercial level to improve the Company's business model benefit both company owned stores and franchisee stores. Treating franchisee stores with the same management criteria is a basic principle and an important commitment from the DIA Group.

In addition, one of the strategic objectives of the new management is a sustainable franchise model in the long term. To this end, several measures have been analyzed and tested this year that provide the franchise network with more liquidity and profitability and simplify operations. The objectives of this new model are to incentivize sales and attract highly professional franchisees, thus raising the strategic value of the franchise network for the DIA business model.

9. SUPPLIERS

DIA Group has numerous supply and supply agreements developed for all its products, which it acquires from suppliers of own brands and suppliers of national brands from all over the world. Supplier size varies, from large multinational groups to national suppliers and small local or regional suppliers. Most purchases are made directly to your suppliers, without intermediaries. At the same time, DIA Group continues to participate in the international trading platform Horizon International Services, together with Auchan Retail, The Casino Group and Metro Group to negotiate international services with domestic brand suppliers. The other purchasing plants in which DIA participated (CD Supply Innovation, S.L., Red Libra Trading Services, S.L.) do not have activity at the end of the year.

Main communication channels with this stakeholder

- Suppliers portal is an online platform where suppliers can access historical databases, the invoicing system and, in some cases, stock status.
- Suppliers annual/regular meetings, where suppliers are informed about the corporate priorities and situations and can exchange ideas with top management.

Main risks associated with this stakeholder

Non-compliance with applicable regulations and/or unethical conduct by suppliers. This risk did not materialize in 2019.

Main policies governing relations with this stakeholder and performance

- Corporate Quality and Food Safety Policy: The Company's Corporate Quality and Food Safety Policy aims to create a relationship with its consumers based on trust through a system that rigorously guarantees the proper production, processing and management of all the products the Company offers. Accordingly, the Company keeps control of product quality and safety throughout the supply chain, monitoring storage, transport and sales processes.

DIA Group selects its suppliers based on criteria related to competence, process efficiency and the highest quality of the products. The Group does not have a procurement policy as such that includes social and environmental principles applicable to its relations with suppliers. However, all suppliers have been proactively informed of the launch of the new DIA Group complaints and consultation channel as well as the new gift and hospitality policy, and have been encouraged to use the Canal in the event that the channel is detected some non-compliance situation.

Although a proactive process to detect non-compliance with human or labor rights has not been carried out to date, commercial and ethical channels have not detected any misconduct within the DIA supply chain. Since human rights management along the supply chain has gained relevance in the last years, its inclusion as a material issue will be reassessed in the near future to include it. In fact, in February 2020, an International Sanctions Policy is been approved. This policy will ensure that the Company does not carry out commercial relations with third parties (companies or people that provide any good or service) that have some kind of direct or indirect link with countries, organizations, groups and / or individuals. that are sanctioned for reasons of terrorism, drug trafficking, breach of human rights, among others, by international entities (UN, European Union, USA, etc.).

	Number of local suppliers		Proportion of spending on local suppliers (%)	
	2018	2019	2018	2019
ARGENTINA	472	456	96.41	96.68
BRAZIL	993	397	98.75	99.83
SPAIN	1,481	1,415	94.80	95.35
PORTUGAL	440	431	82.48	83.25

Table 19: Local suppliers and proportion of spending on local suppliers.

Together with the shared objective of guaranteeing product safety and quality (already explained in the Customer chapter), the Company will also foster a new and collaborative relationship with suppliers in the coming years. The objective of this new supplier relationship model will be to create symbiotic, fair and enduring partnerships with a shared focus on achieving long-term growth rather than short-term margin targets. This will not only enable us to achieve a new business model, but also better management of supplier compliance with DIA's values.

10. INVESTORS

The investment community is arguably one of the most important stakeholders for a listed company. This is true not only for companies with an important free float, as DIA has been until recently (LetterOne Investment Group held a 74.82% share as of December 31, 2019), since most of them need to call on financial markets for the development of their activity.

Main communication channels with this stakeholder

Shareholders and investors have a number of available communication channels where they are provided with detailed information about the Company's stock market and businesses, thus maintaining effective and transparent communication. Beyond the information regularly provided by corporate reports and the investor relations team, the department organized 151 different information activities across different platforms, including two roadshows, one-to-one meetings, webcasts and conference calls. All of them with the aim of providing the market and shareholders with the most up-to-date and accurate information, beyond the legal information that publicly traded companies are required to provide.

Main risks associated with this stakeholder

Any failure, insufficiency or breakdown in the Group's internal controls over financial reporting could have a material adverse effect on the Group's business, operating results, financial condition or prospects (materialized in 2019); The Group's ability to pay dividends to its shareholders is uncertain and may be restricted; protecting the interests of minority shareholders from the controlling shareholder.

Main policies governing relations with this stakeholder and performance

- Corporate Investor Relations Policy: The investor relations policy establishes the guidelines for the department that deals with the stock markets, based on transparency, truthfulness, responsiveness and permanent communication, in accordance with the applicable law, the Internal Code of Conduct and the rest of the Company's internal regulations. Those responsible for investor relations base their actions on these principles, reaching out to the necessary people so that shareholders, institutional investors and voting advisors have access to clearly identified contact people, as well as regular and simple access to the Company's information.

As already stated in the Compliance and Ethics chapter, by the end of 2018, the Group identified irregular accounting practices in Spain and Brazil, which led to the restatement of the Group's financial statements for the years ended December 31, 2017 and 2016. In 2019, the Group appointed a firm of advisors to carry out a forensic investigation to establish the causes of such irregularities and to identify the people responsible. The investigations, both in Spain and in Brazil, are complete and the final reports have been brought to the attention of the Anti-Corruption Prosecutor's Office (Fiscalía Anticorrupción). These investigations could adversely affect the Group's business or lead to the commencement of legal proceedings against the Group, which could have an adverse material effect on the Group's business, operating results, financial condition or prospects. At the same time, this fact, together with other relevant events (like the capital reduction) resulted in a significant fall in the Company's share price in 2018 and 2019.

A SCIIF Manual has been approved with the objective of specifying and developing the functions of the responsible identified in the previous Policy, as well as the methodology for the development of the internal control function. Additionally, Internal Control Committees (Corporate and countries) have been set up with the objective of creating a common area for joint knowledge and analysis of the issues related to the operation of the internal control system of DIA, with the final objective of channeling solutions to potential contingencies.

11. ENVIRONMENT

Since the environment could easily fit in the definition of stakeholder as someone who can affect or is affected by the Company's activity, it is treated here as one of the DIA Group's primary stakeholders. In addition to this, it can easily be incorporated into stakeholder management processes, bringing a more holistic approach to stakeholder management.

Main communication channels with this stakeholder

One-to-one personal meetings with environmental NGOs and active listening channels for legislative changes are the main communication channels with this stakeholder. This activity is also reinforced by the institutional agenda kept, mainly, through the industry organizations the Company belongs to.

Main risks associated with the environment

The most relevant risks identified are the inadequate compliance of environmental regulations and the risk of natural disasters. None of these risks have formally materialized in the Company reports, although the flooding in Alicante and Murcia, Spain, in September 2019 caused significant economic damage at the Company's facilities.

Main policies governing relations with this stakeholders and performance

The DIA Group's commitment to the environment is defined in its Environmental Policy, endorsed by the Board of Directors in 2016. This policy sets forth the objectives both in terms of operations and the organizational culture guiding the Company's activities. Performance attained in each of the policy objectives is set forth below:

11.1 Complying with existing regulations

Abiding by the law is the first mainstay upon which the DIA Group's work for the environment is based.

Moreover, no significant fines have been imposed for breach of regulations during this year¹². The Company considers that no significant contingencies exist concerning the protection and improvement of the environment and, accordingly, no provision has been made in this regard.

In addition to this and despite the fact that DIA Group's activities do not pose a serious environmental risk, due to their nature, any incidents that could arise in this regard are identified and monitored by the Company's risks map.

11.2 Promoting the responsible use of resources

In line with the regulatory developments, DIA Spain has reduced the environmental impact of using plastic bags. The offer of reusable, rigid bags made from up to 70% recycled plastic has been streamlined and different tests with FSC bags, both for rigid bags and sectioned bags, have been run.

Beyond regulatory requirements, the environmental performance of packaging has also been substantially improved in the fresh category, where bulk vegetable selling has increased 70% compared to last year, eliminating plastic from more than 1,000 tonnes of vegetables. The fruit and vegetable offering strategies are now made on the basis of bulk products, so the expectation is that this results in an important reduction in tonnes of plastic in a near future.

¹² The significance thresholds for reporting sanctions are: 0 euros for issues relating to competition; 30,000 euros for issues relating to the environment and 50,000 euros for all other issues.

The table below outlines usage of the different materials at DIA Group (packaging used in private label not included here). In 2019 there is a strong decrease in the consumption of paper and cardboard, mainly due to different streamlining projects carried out in the marketing departments in all countries.

Materials consumed, by major groups (Kg)	2018	2019
Paper and cardboard	11,762,246.0	9,481,420.3
Plastics	1,658,600.0	1,530,919.2
Others	286.4	0.0

Table 20: Materials consumed by major groups (Kg).

11.3 Managing waste following the waste hierarchy model

The policy's objective in this regard is managing waste by following the waste hierarchy model, prioritizing waste prevention and avoiding waste disposal where possible. The following table shows waste generated by the DIA Group, which in the case of non-hazardous waste has decreased by more than 900 tonnes with respect to the prior year.

	Non-hazardous waste generated (Kg)	
	2018	2019
Toner	21,595.0	1,847.7
Organic material	2,057,580.0	7,747,637.0
Scrap metal	1,289,473.0	2,942,471.8
Plastics	5,044,527.0	4,732,532.0
Wood	2,378,274.0	2,066,833.0
Paper/Cardboard	64,265,748.0	59,473,253.0
RAEE	35,787.0	23,473.0
Indifferentiated	47,738,822.0	44,929,791.0
TOTAL	122,831,806.0	121,917,838.5

Non-hazardous waste					
% Recycled		% Reused		% Landfill	
2018	2019	2018	2019	2018	2019
58.86	61.32	2.00	0.10	39.34	38.58

Tables 21, 22: Non-hazardous waste and its processing destination.

	Hazardous waste generated (Kg)	
	2018	2019
Batteries	64,796.0	71,531.4
Fluorescent bulbs	181.0	237.0
TOTAL	64,977.0	71,768.4

Hazardous waste					
% Recycled		% Reused		% Landfill	
2018	2019	2018	2019	2018	2019
99.92	100	0.00	0.00	0.08	0.00

Table 23, 24: Hazardous waste (Kg) and its processing destination.

During 2019, DIA Group continued working to minimize food waste, concentrating its efforts on the following lines of action:

- Ordering more effectively and managing stock properly: the frequency distribution of fresh products has been increased and the product portfolio has been optimized, therefore reducing the fresh stock at stores and the possibility of food waste. In addition, each section manager has been given specific responsibility over fresh stock management. This improvement has reduced food waste in Spain by over 7,000 tonnes in 2019.
- Selling products with short use-by dates at low prices: bargains on products that need to be consumed quickly at low prices.
- Raising public awareness: raising public awareness, in collaboration with AECOC, among different stakeholders, with a particular focus on the customer.
- Donation of unsold stock to people and families on very low incomes. This is done through authorized partners, making sure that the food products are stored and transported in the right conditions.
- Waste recycling: if in spite of these measures there is still organic waste at the Company's facilities, the first option is to recycle it as pet food, compost or biogas.

11.4 Adopting measures to reduce the emission of greenhouse gases

Product distribution and sales activity calls for the consumption of significant energy resources in stores, warehouses and transportation and the resulting greenhouse gas emissions.

		Energy and refrigeration gases consumption		CO ₂ emissions (Tn CO ₂ eq)	
		2018	2019	2018	2019
Scope 1	Stationary sources (GJ)	8,413.8	8,195.6	533.3	513.2
	Logistics (GJ)	1,951,948.2	2,033,779.8	145,771.0	151,882.0
	Company cars (GJ)	44,763.0	44,519.4	3,307.0	3,284.7
	Refrigeration gases (Kg)	147,083.5	81,786.2	300,455.0	171,426.0

		Energy and refrigeration gases consumption		CO ₂ emissions (Tn CO ₂ eq)	
		2018	2019	2018	2019
Scope 2	Electricity consumption (GJ)	3,876,219.1	3,801,029.7	290,807.0	291,903.8
Scope	Business travel	-	-	-	9,453.5

Table 25: Energy consumption and CO₂ emission at DIA Group¹³. Electricity consumption and the CO₂ footprint for Brazil and Portugal 2018 have been restated.

The 2019 has been a year of change at DIA Group in terms of management and financial structure, culture and operations. Against this backdrop, the defining of reduction targets and the implementation of eco-efficiency measures has been put on standby. DIA Group's carbon footprint of 628,463 CO₂ equivalent tonnes in 2019 (a 16% reduction compared to previous year) is mainly explained through the introduction of new operational projects:

- While the logistics footprint has increased in some countries because of the significant increase in distribution frequency (greater distribution frequency will translate into better stock management and fresher products for the customer), it has decreased in some countries due to the closure of stores.
- The refrigeration systems footprint has halved due to various factors: store closures, reduced renovations and the extended use of less pollutant gases over the last few years. These gases not only have lower global warming potential, but they also work at a lower pressure (which also helps to reduce leaks).
- The decreased used of renewable energies in 2019 (from approximately 62 million kWh used in 2018 to 35 million kWh in 2019) has been cancelled out by decreased electricity consumption due to store closures. As a result, scope 2 emissions from electricity consumption have increased by 0.01% compared to 2018.

11.5 Actively working on identifying improvement opportunities

The Group has set up an Environmental Management system designed to generate continuous improvement and minimize the environmental impact of the Group's activity. The environmental auditing of facilities and activities carried out regularly by the Environmental area enables DIA to assess the level of regulatory compliance (with legislation and in-house standards), as well as to identify improvement opportunities.

11.6. Encouraging staff through training and awareness initiatives

The most important information and training initiatives have been set up in 2019 around the following issues:

- Streamline use of resources: posters in workspaces to raise awareness of the importance of reducing the use of water, energy and material resources (paper, cling film, etc.).

¹³ Detail of refrigerant gases reported: R134A, R404A, R407A, R407C, R407F, R410A, R417A, R141B, R422D, R427A, R448A, R449A, R450A, R452A, R453A, R513A, R507 y R22. In terms of CF-11 equivalents, 1,24 tonnes have been produced by gas R-22; Electricity consumption for the last few months of 2019 includes some estimates in Brazil, Spain and Portugal; Scope 3 emissions have only been reported for Spain and Brazil, as business travel for the other countries represented less than 5% of this figure.

- Adequate waste management: training sessions geared towards warehouse and store staff to promote the separation of reusable, recyclable and recoverable waste components at source.

12. SOCIETY

DIA is very aware that the greatest impact it can have on society is the one that derives from its core business: successfully supplying products that meet all their customers' needs and making them accessible to everyone, creating quality jobs and entrepreneurship opportunities and, lastly, generating wealth through local business and supplier development. This is why the foregoing sections show DIA Group's relations with its main stakeholders and how these relations are managed by the Company.

DIA also recognizes its accountability towards other stakeholders that could be catalogued in the society group (general public, public administrations, media, etc.). Accountability to this group is fundamentally understood to be based on two pillars: a) ensuring strict compliance with the law and transparent and reliable information and b) tax responsibility, understood as strong tax governance procedures and tax discipline. With regards the first pillar, it should be noted that the Company has not received any fines for non-compliance with social or economic legislation in 2019¹⁴, other than the ones related to tax payments. In terms of tax responsibility, a specific section is included herein to describe the Company's policy in this regard.

Main communication channels with this stakeholder

Very diverse: from a dedicated team for external relations to corporate reports, official email channels and indirect participation in sectorial platforms.

Main risks associated with this stakeholder

The most relevant risk identified is the inadequate compliance with regulations, which could also lead to associated reputation risk erosion if it results in adverse publicity.

The application of tax laws, rules and regulations to the Group's business is subject to interpretation by the competent tax authorities. The Group relies on generally available interpretations of tax laws and regulations in the jurisdictions in which it operates, and it believes that it is in material compliance with applicable tax laws. However, there can be no assurance that tax authorities may not take the view that the Group's interpretations are not accurate.

Main policies governing relations with this stakeholder and performance

- Corporate Tax Policy (or Tax Strategy): The DIA Group's tax policy establishes the necessary scope of action to responsibly comply with tax regulations while ensuring that the Company's interests are covered, always supporting the Company's business strategy. Accordingly, DIA seeks to create a climate of compliance, good faith, transparency, collaboration and reciprocity in its relationships with the tax authorities, in accordance with the law, while defending its legitimate interests.
- Corporate External Relations Policy: The aim of the Corporate External Relations Policy is to promote transparent and accessible relations based on mutual respect with the media, regulatory bodies and associations. This policy focuses on achieving the Company's objectives outlined in its strategic plan and better positioning the Company in the market.

12.1. Tax governance, control and risk management

DIA Corporate Tax Strategy was approved by the Board of Directors in 2015 and its main aim is to ensure compliance with tax regulations while safeguarding the Company's interests. The tax principles and good practices comprising the DIA Tax Strategy should guide decision making at all levels.

As part of the good tax practices guiding DIA's activity, the Tax Strategy establishes that DIA does not use opaque corporate structures of any kind or companies located in tax havens for the purposes of concealing relevant information from the tax authorities. The Company is also part of the "Código de

¹⁴ The significance thresholds for reporting sanctions are: 0 euros for issues relating to competition; 30,000 euros for issues relating to the environment and 50,000 euros for all other issues.

Buenas Prácticas Tributarias¹⁵. In this regard, it should be noted that the transfer of assets from Spanish to Luxembourg subsidiaries is only for the purposes of the financial agreement reached with the syndicated lenders, as already explained, and not for tax purposes.

DIA Group is also committed to complying with the OECD Guidelines for Multinational Enterprises and OECD BEPS reports on tax matters.

As a result of DIA Group's Tax Strategy, DIA has designed a System for the Control and Management of Tax Risks, even where the legal standards do not strictly require it. The aim of this system is to identify the main tax risks in order to evaluate and prevent them. For these purposes:

- Controls are defined within the different tax processes that are documented through risk matrices and controls (more than 90% of the controls defined are key controls).
- The controls established are assessed annually, using SAP GRC.
- In addition to the obligatory mention of control and tax risk management in the Annual Corporate Governance Report, the results of the annual review of the Tax Risk Management and Control System are reported to the Board of Directors' Audit and Compliance Commission.

	Profits generated before taxes (thousand euros)		Tax paid (thousand euros)	
	2018	2019	2018	2019
ARGENTINA	-4,694	-34,513	-7,610	-479
BRAZIL	-8,408	-263,488	-1,694	-505
SPAIN	-129,267	-357,174	-7,753	328
PORTUGAL	-17,322	-21,782	-3,290	1,358

Table 26: Profits generated before taxes and tax paid in 2019, in thousand euros. Profit and tax figures from Paraguay (-197 and -15, respectively) included as part of Argentina; profit and tax figures from Switzerland (63 and -10 euros, respectively) and Luxemburg (-117 and 0, respectively) included as part of Spain. Data for 2018 have been restated.

More information about tax management, including litigations and periods open to inspection can be found in 16 note of the Consolidated Annual Accounts, 2019.

With regards other transactions with public bodies, it should be noted that, unlike the 63,389.18 euros received in Spain in 2018, no public grants¹⁶ have been received this year.

12.2. Partnerships and sponsorship actions

In addition to these two main aspects in relation to "the society", DIA also works with various non-profit entities and associations to develop charitable actions (main ones are summarized in the table below). As in many other areas of the Company, the approach towards philanthropic activities is being reviewed. In this regards, it is important to highlight that the sponsorship program with the Spanish Basketball Federation has been cancelled, as well as other historic projects the Group had been supporting.

¹⁵ <https://www.agencia tributaria.es/AEAT.internet/Inicio/ Segmentos /Empresas y profesionales/Foro Grandes Empresas/Codigo de Buenas Practicas Tributarias/Adhesiones al Codigo de Buenas Practicas Tributarias.shtml>

¹⁶ Public grants are defined as any economic contribution paid by a public body to the company to carry out a specific activity. Social security bonuses received for training or other concepts are not included here.

ARGENTINA	BRAZIL	SPAIN	PORTUGAL
UNICEFF race support Employees support to renovate the School Home "The Ark of Children"	Corporate volunteering Natal Solidario Organizational support of Autism Walk in Sao Paulo	Afternoon snacks together with the Red Cross in Extremadura for children at risk of exclusion 9th Race against Rare Diseases in Madrid	Support of "Futebol de rua da CAIS" social inclusion project Support of the Association - Entrepreneurs For Social Inclusion fellowship programme

Table 27: Main philanthropic activities carried out by DIA Group in 2019.

This type of collaboration can only be carried out by means of a written agreement that clearly states the recipient of the benefit, the purpose of the sponsorship, the type and value of the contribution and reasonable consideration agreed upon.

The DIA Group's dialogue and collaboration with third parties always respects DIA's Ethics Code and the spirit of the Corporate External Relations Policy. Although DIA has its own institutional agenda, it is aware that many of the global challenges faced by the sector and society as a whole require the different players to participate in a coordinated manner. For the sake of transparency, below are the main sector associations with which the DIA Group is involved worldwide:

- Eurocommerce: DIA is present in this European distribution union through its participation in ASEDAS.
- ASEDAS (Asociación Española de Distribuidores de Autoservicio y Supermercados - Spanish Association of Distributors, Self-service Chains, and Supermarkets).
- Ecoembes.
- AECOC: (Asociación Española de Fabricantes y Distribuidores - Spanish Association of Manufacturers and Distributors).
- CEL (Centro Español de Logística - Spanish Logistics Centre).
- PACKNET (Plataforma Tecnológica Española de Envase y Embalaje - Spanish Technological Platform of Containers and Packaging).
- AEA (Agencia Española de Anunciantes - Spanish Advertisers' Agency).
- AGERS (Asociación Española de Gerencia de Riesgos y Seguros - Spanish Association of Risk Management and Insurance).
- IGREA (Iniciativa de Gerentes de Riesgos Españoles Asociados - Initiative of Associated Spanish Risk Managers).
- Asociación Española de Franquiciadores (Spanish Franchisers' Association).
- ISMS FORUM (La Asociación Española para el Fomento de la Seguridad de la Información - Spanish Association for the Advancement of Information Security).
- ISACA (Information Systems Audit and Control Association).
- APED (Associação Portuguesa de Empresas de Distribuição - Portuguese Association of Distribution Companies).

- APF (Associação Portuguesa de Franchising - Portuguese Franchising Association).
- ASU (Asociación de Supermercados Unidos - Association of United Supermarkets).

The DIA Group is adequately registered as a business lobby for its interaction with the European Union, although in 2017 this activity only took place through its unions in Spain and Portugal.

13. GLOBAL REPORTING STANDARD EQUIVALENCE INDEX OF ACT 11/2018

Act 11/2018 requirements	GRI	Material for DIA	Scope	NFIS Chapter
GENERAL INFORMATION				
Business model				
Description of the business model, business environment, organization and structure.	102-2; 102-5	Yes	Global	2. Company presentation; 3. Business model;
Markets in which the company operates	102-6	Yes	Global	2. Company presentation
Objectives and strategies	102-15	Yes	Global	3.1. Recent actions and business strategy
Key factors and trends that may affect the company's future development	102-15	Yes	Global	3.1. Recent actions and business strategy
Description of policies, including due diligence procedures and verification and control procedures, including what measures have been taken	GRI 103: Economic, environmental and social performance factor	Yes	Global	4.2. Corporate policies; 6. Customers; 7. Employees; 8. Franchises; 9. Suppliers; 10. Investors; 11. Environment; 12. Society
The results of these policies and associated KPIs (these KPIs should enable the assessment of progress and comparability between companies and sectors, in accordance with national, European or international benchmark frameworks used for each area)	GRI 103: Economic, environmental and social performance factor	Yes	Global	6. Customers; 7. Employees; 8. Franchises; 9. Suppliers; 10. Investors; 11. Environment; 12. Society
Main risks identified, risk management model and materialization of risks.	102-15	Yes	Global	4.3. Risk Management at DIA Group; 6. Customers; 7. Employees; 8. Franchises; 9. Suppliers; 10. Investors; 11. Environment; 12. Society
ENVIRONMENTAL ISSUES				
General information about environmental performance				
Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	GRI 103: Environmental focus; 102-15	Yes (Eco-efficiency)	Global	11. Environment
Environmental assessment or certification procedures	GRI 103: Environmental focus	Yes (Eco-efficiency)	Global	11.5 Actively working on identifying improvement opportunities
Resources dedicated to environmental risk prevention	GRI 103: Environmental focus	Yes (Eco-efficiency)	Global	11. Environment
Application of the principle of precaution	102-11	Yes (Eco-efficiency)	Global	11.1 Complying with existing regulations
The amount of provisions and guarantees for environmental risks	307-1	Yes (Eco-efficiency)	Global	11.1 Complying with existing regulations
Pollution				

Act 11/2018 requirements	GRI	Material for DIA	Scope	NFIS Chapter
Measures for preventing, reducing or offsetting carbon emissions that seriously affect the environment; Taking into account any kind of atmospheric pollution specific to an activity, including sound and light contamination.	GRI 103: Emissions management approach; 305-1; 305-2; 305-3; 305-5; 305-6	Yes (Eco-efficiency)	Global	11.4 Adopting measures to reduce the emission of greenhouse gases; 5. Corporate Social Responsibility Management at DIA Group
Circular economy and waste prevention				
Waste: Measures for prevention, recycling, reusing, other forms of recovery and waste elimination;	GRI 103: Effluents and waste management approach; 306-2	Yes (Eco-efficiency)	Global	11.3 Managing waste following the waste hierarchy model
Actions to combat food waste	GRI 103: effluents and waste management approach	Yes (Food waste)	Global	11.3 Managing waste following the waste hierarchy model
Sustainable use of resources				
Water consumption and water supply according to local limitations;	not reported	No material		5. Corporate Social Responsibility Management at DIA Group
Consumption of raw materials and measures adopted to improve efficiency of use;	301-1	Yes (Eco-efficiency)	Global	11.2 Promoting the responsible use of resources
Direct and indirect consumption of energy, measures adopted to improve energy efficiency and use of renewable energies.	GRI 103: Energy management approach; 302-1; 302-2; 302-4	Yes (Eco-efficiency)	Global	11.4 Adopting measures to reduce the emission of greenhouse gases
Climate Change				
Significant elements of greenhouse gas emissions generated as a result of Company activity, including the use of goods and services it produces;	305-1; 305-2; 305-3; 305-5;	Yes (Eco-efficiency)	Global	11.4 Adopting measures to reduce the emission of greenhouse gases
The measures adopted to adapt to the consequences of climate change	GRI 103: Emissions and energy management approach	Yes (Eco-efficiency)	Global	11.4 Adopting measures to reduce the emission of greenhouse gases
Medium and long-term voluntary reduction targets for greenhouse gas emissions and the measures implemented for this purpose.	GRI 103: Emissions and energy management approach	Yes (Eco-efficiency)	Global	11.4 Adopting measures to reduce the emission of greenhouse gases
Biodiversity protection				
Measures adopted to preserve or restore biodiversity;	not reported	No material	Global	5. Corporate Social Responsibility Management at DIA Group
Impacts caused by activities or operations in protected areas.	not reported	No material	Global	5. Corporate Social Responsibility Management at DIA Group
SOCIAL AND EMPLOYEES ISSUES				
Employment				

Act 11/2018 requirements	GRI	Material for DIA	Scope	NFIS Chapter
Total number of employees by gender, age, country and professional category;	102-8 ; 405-1	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Total number of employees by type of contract;	102-8	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Average annual number of permanent contracts, temporary, full and part-time contracts by gender, age and professional category;	102-8	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Number of terminations by gender, age and professional category;	401-1	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Average remuneration and evolution by gender, age and professional category or equivalent value;	405-2	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Wage gap, remuneration of equal jobs or company averages;	405-2	Yes (Gender equality)	Global	7.3. Equal opportunities
Average remuneration of board members and executives, including variable remuneration, allowances, indemnities, payment of long-term savings plans and any other benefit, broken down by gender;	GRI 103: Diversity management approach	Yes (Gender equality)	Global	7.1. Employment and Social Dialogue
Implementation of policies safeguarding employees' right to disconnect;	GRI 103: Employment management approach	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Employees with disabilities.	405-1	Yes (Labour practices)	Global	7.3. Equal opportunities
Work organisation				
Organisation of work time.	GRI 103: Employment management approach	Yes (Labour practices)	Global	7.2. Health and Safety in the workplace
Hours of absenteeism.	403-2	Yes (Labour practices)	Global	7.2. Health and Safety in the workplace
Measures adopted to facilitate work - life balance and promote shared responsibility among couples.	GRI 103: Employment management approach	Yes (Gender equality)	Global	7.2. Health and Safety in the workplace
Health and safety				
Health and safety conditions in the workplace;	GRI 103: Health and safety management approach	Yes (Health and safety)	Global	7.2. Health and Safety in the workplace
Workplace accidents, specifying accident rates and seriousness.	403-2	Yes (Health and safety)	Global	7.2. Health and Safety in the workplace
Professional illnesses; by gender.	403-3	Yes (Health and safety)	Global	7.2. Health and Safety in the workplace
Social Relations				

Act 11/2018 requirements	GRI	Material for DIA	Scope	NFIS Chapter
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff;	GRI 103: Employment management approach	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Percentage of employees covered by a collective agreement, by country;	102-41	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Balance of collective agreements, particularly in the area of health and safety in the workplace.	403-1	Yes (Labour practices)	Global	7.1. Employment and Social Dialogue
Training				
Policies implemented in the area of training;	GRI 103: Training and education management approach	Yes (Develop. of human capital)	Global	7. Employees
Total hours of training by professional category.	404-1	Yes (Develop. of human capital)	Global	7. Employee training
Universal accessibility for people with disabilities	GRI 103: Diversity and equal opportunities approach	Yes (Labour practices)	Global	7.3. Equal opportunities
Equality				
Measures adopted to promote equal opportunities for and treatment of men and women;	GRI 103: Diversity and equal opportunities approach	Yes (Gender equality)	Global	7.3. Equal opportunities
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment	GRI 103: Diversity and equal opportunities approach	Yes (Gender equality)	Global	7.3. Equal opportunities
Measures taken to promote the integration and universal accessibility of people with disabilities.	405-1	Yes (Labour practices)	Global	7.3. Equal opportunities
Policy against all types of discrimination and, if applicable, diversity management.	GRI 103: Diversity and equal opportunities approach	Yes (Ethics and compl.)	Global	7.3. Equal opportunities
HUMAN RIGHTS				
Application of due diligence procedures with regard to human rights;	102-16	Yes for internal operations (Ethics and compl.); No material in the supply chain.	Global	4.4. Compliance and Ethics Management; 7.1. Employment and Social Dialogue; 9. Suppliers
Prevention of risks of violation of human rights and, if applicable, measures to mitigate, manage and address possible abuses committed;	102-16	Yes for internal operations (Ethics and compl.); No material in the supply chain.	Global	4.4. Compliance and Ethics Management; 7.1. Employment and Social Dialogue; 9. Suppliers
Cases of human rights violations reported;	102-15; 102-17	Yes for internal operations (Ethics and compl.); No material in the supply chain.	Global	4.4. Compliance and Ethics Management; 7.1. Employment and Social Dialogue; 9. Suppliers

Act 11/2018 requirements	GRI	Material for DIA	Scope	NFIS Chapter
Promotion and compliance with the provisions of the core agreements of the International Labour Organisation relating to respect for freedom of association and the right to collective negotiation;	102-16; 102-41	Yes for internal operations (Ethics and compl.); No material in the supply chain.	Global	4.4. Compliance and Ethics Management; 7.1. Employment and Social Dialogue; 9.Suppliers
Elimination of workplace job discrimination;	406-1	Yes for internal operations (Ethics and compl.); No material in the supply chain.	Global	4.4. Compliance and Ethics Management; 7.1. Employment and Social Dialogue; 9.Suppliers
Elimination of forced labour;	102-16; 102-17; 409-1	Yes for internal operations (Ethics and compl.); No material in the supply chain.	Global	4.4. Compliance and Ethics Management; 7.1. Employment and Social Dialogue; 9.Suppliers
Abolishment of child labour.	102-16; 102-17; 408-1	Yes for internal operations (Ethics and compl.); No material in the supply chain.	Global	4.4. Compliance and Ethics Management; 7.1. Employment and Social Dialogue; 9.Suppliers
CORRUPTION AND BRIBERY				
Measures adopted to prevent corruption and bribery;	GRI 103: Anti-corruption management approach; 102-16; 205-2; 205-3 (incidents of corruption)	Yes (Ethics and compl.)	Global	4.4.Compliance and Ethics Management
Anti-money laundering measures.	102-16; 205-2	No material	Global	4.4.Compliance and Ethics Management
Contributions to foundations and non-profits.	102-12	No material	Global	12.2. Partnerships and sponsorship actions
SOCIETY				
Commitments to sustainable development				
Impact of the company's activity on local jobs and development;	GRI 103: Employment management approach, Procurement practices; 102-8; 204-1	Yes (Labour practices)	Global	9.Suppliers; 12.Society
Impact of the company's activity on local towns and the region;	GRI 103: Employment management approach; Socioeconomic compliance approach;	Yes (Ethics and compl.; Labour practices)	Global	9.Suppliers; 12.Society
Relations with local community players and types of dialogue with these;	102-43	Material (stakeholder listening as mandatory process to define material issues)	Global	5.Corporate Social Responsibility Management at DIA Group; Society
Association activities and sponsorship	102-12; 102-13	No material	Global	12.Society
Outsourcing and suppliers				

Act 11/2018 requirements	GRI	Material for DIA	Scope	NFIS Chapter
Social issues, gender equality and environmental issues in the procurement policy; consideration in the relationships with suppliers and subcontractors of their social and environmental responsibility	GRI 103: Management approach Environmental and social assessment of suppliers; 102-9	No material	Global	Suppliers
Supervision and auditing systems and the results thereof.	308-1; 414-1	No material	Global	8.Suppliers
Consumers				
Measures for health and safety of consumers;	GRI 103: Customer health and safety Management approach	Yes (Quality and food safety)	Global	6.Customers
Claims and complaints systems and resolution.	416-1; 416-2	Yes (Consumer information and protection)	Global	6.Customers
Tax information				
Profits earned by country	GRI 103: Economic performance management approach	Yes (Tax practices)	Global	12.Society
Taxes paid on profits	GRI 103: Economic performance management approach	Yes (Tax practices)	Global	12.Society
Public grants received	201-4	No material	Global	12.Society
ADDITIONAL INFORMATION				
Other information about the organizational profile	102-1 to 102-10	No material	Global	2.Company Presentation; 7.Employees; 9.Suppliers;
Corporate Governance	102-18	Yes (Govern. System)	Global	4.Corporate Governance
Stakeholder participation	102-40 to 102-44	Yes (Transp. and Investors Relations; Franch. relation)	Global	5.Corporate Social Responsibility Management at DIA Group
Other information about the report profile	102-45 to 102-53; 102-56	No material	Global	1. Basis of preparation for the Consolidated Non-Financial Statement; 5.Corporate Social Responsibility Management at DIA Group

14. ANNEX: REGIONAL INFORMATION ON SOME IMPORTANT INDICATORS

		Total employees by contract type at December 31	
		2018	2019
ARGENTINA	Permanent	4,304	3,985
	Temporary	198	54
BRAZIL	Permanent	8,904	7,062
	Temporary	19	26
SPAIN	Permanent	22,599	21,005
	Temporary	4,096	3,744
PORTUGAL	Permanent	2,965	3,005
	Temporary	599	493
TOTAL		43,684	39,374

Table 28: Country distribution of employment contract type. Temporary contracts 2018 have been restated in Argentina and Brazil adding internships. Permanent contracts in Spain are also restated for 2018 to include two employees from Switzerland. Directors have not been included in this breakdown.

		Total employees by type of workday at December 31	
		2018	2019
ARGENTINA	Full-time	3,923	3,603
	Part-time	579	436
BRAZIL	Full-time	8,736	6,845
	Part-time	187	243
SPAIN	Full-time	18,492	17,524
	Part-time	8,203	7,225
PORTUGAL	Full-time	3,318	3,237
	Part-time	246	261
TOTAL		43,684	39,374

Table 29: Country distribution of employment workday type. Full-time contracts in Spain are restated for 2018 to include two employees from Switzerland. Directors have not been included in this breakdown.

		Absenteeism and main health and safety indicators			
		Men		Women	
		2018	2019	2018	2019
Hours of absenteeism	ARGENTINA	157,865.0	117,265.6	171,319.3	151,330.2
	BRAZIL	925,797.4	590,720.3	1,634,249.5	1,423,094.3
	SPAIN	667,367.2	878,946.9	2,696,485.2	2,893,347.6
	PORTUGAL	158,169.8	167,378.1	690,948.7	748,833.6

		Absenteeism and main health and safety indicators			
		Men		Women	
		2018	2019	2018	2019
Number of workplace accidents	ARGENTINA	79.0	72.0	19.0	26.0
	BRAZIL	65.0	73.0	62.0	117.0
	SPAIN	743.0	857.0	1,057.0	1,086.0
	PORTUGAL	137.0	125.0	251.0	213.0
Injury frequency rate	ARGENTINA	12.2	11.9	5.4	7.6
	BRAZIL	7.8	10.1	5.5	11.4
	SPAIN	53.9	62.1	35.7	36.9
	PORTUGAL	56.7	55.1	58.7	53.0
Serious accidents	ARGENTINA	0.0	15.0	0.0	5.0
	BRAZIL	10.0	18.0	12.0	16.0
	SPAIN	0.0	2.0	3.0	0.0
	PORTUGAL	0.0	1.0	2.0	0.0
Professional illnesses	ARGENTINA	2.0	1.0	1.0	1.0
	BRAZIL	0.0	0.0	1.0	1.0
	SPAIN	8.0	1.0	15.0	20.0
	PORTUGAL	0.0	0.0	7.0	0.0
Fatalities	ARGENTINA	0.0	0.0	0.0	0.0
	BRAZIL	0.0	0.0	0.0	0.0
	SPAIN	0.0	0.0	0.0	0.0
	PORTUGAL	0.0	0.0	0.0	0.0

Table 30: Absenteeism and main health and safety indicators, by country. Hours of absenteeism include all possible causes (leave due to illness, accidents and other causes). Injury frequency rate represents the number of injuries per 1,000,000 employee-hours worked.

		Disabled employees at December 31 2018							Disabled employees at December 31 2019						
		Men			Women			Total	Men			Women			Total
		<30	30-50	>50	<30	30-50	>50		<30	30-50	>50	<30	30-50	>50	
ARGENTINA	Executives	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Managers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Employees	0	3	0	1	0	0	4	1	2	0	1	1	0	5
BRAZIL	Executives	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Managers	0	0	0	0	0	0	0	1	0	0	0	0	0	1
	Employees	100	119	6	50	75	7	357	73	104	8	37	65	6	293
SPAIN	Executives	0	1	0	0	0	0	1	0	1	0	0	0	0	1
	Managers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Employees	5	53	16	3	74	33	184	2	52	14	3	62	35	168
PORTUGAL	Executives	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Managers	0	0	1	0	2	0	3	0	0	1	0	2	0	3

		Disabled employees at December 31 2018							Disabled employees at December 31 2019								
		Men			Women				Total	Men			Women				Total
		<30	30-50	>50	<30	30-50	>50	<30		30-50	>50	<30	30-50	>50			
PORTUGAL	Employees	0	5	2	0	11	5	23	0	6	4	0	10	6	26		
TOTAL		105	181	25	54	162	45	572	77	165	27	41	140	47	497		

Table 31: Country distribution of disabled employees in the workforce, by professional category, gender and age, at December 31.

	ARGENTINA		BRAZIL		SPAIN		PORTUGAL	
	2018	2019	2018	2019	2018	2019	2018	2019
Paper and cardboard	918,850.00	811,567.00	3,597,482.00	1,948,714.23	6,201,960.00	5,949,586.95	1,043,954.00	771,552.09
Plastics	867,910.00	783,998.00	99,964.00	70,555.00	657,000.00	556,404.16	33,726.00	119,962.05
Others	286.40	-	-	-	-	-	-	-

Table 32: Materials consumed by major groups (Kg).

		Non-hazardous waste							
		Generated (Kg)		% Recycled		% Reused		% Landfill	
		2018	2019	2018	2019	2018	2019	2018	2019
ARGENTINA	Toner	-	-	-	-	-	-	-	-
	Organic material	-	1,110,000.00	-	0	-	0	-	100
	Scrap metal	-	-	-	-	-	-	-	-
	Plastics	602,100.00	476,183.00	100	100	-	0	-	0
	Wood	-	-	-	-	-	-	-	-
	Paper/Cardboard	2,727,681.00	2,165,040.00	100	100	-	0	-	0
	RAEE	-	-	-	-	-	-	-	-
	Others	1,733,970.00	1,272,880.00	0	0	0	0	100	100
	TOTAL	5,063,751.00	5,024,103.00	65.8	52.6	0	0	34.2	47.4
BRAZIL	Toner	1,038.00	-	100	-	0	-	0	-
	Organic material	-	374,900.00	-	100	-	0	-	0
	Scrap metal	488,703.00	1,365,598.00	100	100	0	0	0	0
	Plastics	827,087.00	889,779.00	100	100	0	0	0	0
	Wood	1,542.00	-	0	-	100	-	0	-
	Paper/Cardboard	4,560,027.00	5,280,888.00	100	100	0	0	0	0
	RAEE	-	-	-	-	-	-	-	-
	Others	12,126,572.00	9,976,556.00	0	0	0	0	100	100
	TOTAL	18,004,969.00	17,887,721.00	32.6	44.2	0	0	67.4	55.8
SPAIN	Toner	20,557.00	1,847.70	-	54	30.3	-	69.7	46
	Organic material	-	2,662,010.00	-	0	-	0	-	100
	Scrap metal	733,010.00	1,322,620.00	100	100	0	0	0	0
	Plastics	3,132,670.00	2,874,630.00	100	100	0	0	0	0
	Wood	2,003,610.00	1,775,310.00	0	0	100	100	0	0
	Paper/Cardboard	49,495,780.00	45,238,260.00	100	100	0	0	0	0
	RAEE	35,787.00	23,473.00	100	100	0	0	0	0
	Others	27,851,820.00	29,784,260.00	0.6	0	0	0	99.4	100
	TOTAL	83,273,234.00	83,682,410.70	64.3	61.2	2.4	0	33.3	38.8

		Non-hazardous waste							
		Generated (Kg)		% Recycled		% Reused		% Landfill	
		2018	2019	2018	2019	2018	2019	2018	2019
PORTUGAL	Toner	-	-	-	-	-	-	-	-
	Organic material	2,057,580.00	3,600,727.00	76.6	88.1	0	0	23.4	11.9
	Scrap metal	67,760.00	254,253.80	0	0	100	0	0	0
	Plastics	482,670.00	491,940.00	100	100	0	79.7	0	0
	Wood	373,122.00	291,523.00	0	38.3	100	41.4	0	20.3
	Paper/Cardboard	7,482,260.00	6,789,065.00	100	100	0	0	0	0
	RAEE	-	-	-	-	-	-	-	-
	Others	6,026,460.00	3,896,095.00	-	55.2	-	0	100	44.8
	TOTAL	16,489,852.00	11,722,876.80	57.9	84.6	2.7	0.8	39.5	14.6
DIA Group	TOTAL	122,831,806.00	121,917,838.50	58.9	61.3	2	0.2	39.1	38.4

Table 33: Non-hazardous waste and its processing destination, by country. Script data is not available.

		Hazardous waste							
		Generated (Kg)		% Recycled		% Reused		% Landfill	
		2018	2019	2018	2019	2018	2019	2018	2019
ARGENTINA	Batteries	-	-	-	-	-	-	-	-
	Fluorescent	50.0	-	0.00	-	0.00	-	100	-
	TOTAL	50.0	-	0.00	-	0.00	-	100	-
BRAZIL	Batteries	-	-	-	-	-	-	-	-
	Fluorescent	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-
SPAIN	Batteries	61,976.0	68,143.9	100	100	0.00	0.00	0.00	0.00
	Fluorescent	131.0	237.0	100	100	0.00	0.00	0.00	0.00
	TOTAL	62,107.0	68,380.94	100	100	0.00	0.00	0.00	0.00
PORTUGAL	Batteries	2,820.0	3,387.5	100	100	0.00	0.00	0.00	0.00
	Fluorescent	-	-	-	-	-	-	-	-
	TOTAL	2,820.0	3,387.5	100	100	0.00	0.00	0.00	0.00
DIA Group	TOTAL	64,977.0	71,768.40	99.92	100	0.00	0.00	0.08	0.00

Table 34: Hazardous waste and its processing destination, by country. Some hazardous waste management is not recorded in Argentina, Brazil and Portugal because it is included in general service contracts.

		Energy consumption and refrigeration gases		CO ₂ emissions (Tn CO ₂ eq)	
		2018	2019	2018	2019
ARGENTINA	Stationary sources (GJ)	0.0	0.0	0.0	0.0
BRAZIL		7,920.10	6,835.40	505.90	436.60
SPAIN		0.0	0.0	0.0	0.0
PORTUGAL		493.70	1,360.20	27.40	76.64
TOTAL		8,413.80	8,195.60	533.30	513.24
ARGENTINA	Logistics (GJ)	173,724.90	155,631.60	12,974.00	11,622.50
BRAZIL		391,857.80	252,478.40	29,264.00	18,855.00
SPAIN		1,182,866.20	1,451,889.40	88,336.00	108,426.60
PORTUGAL		203,499.30	173,780.40	15,197.00	12,977.90
TOTAL		1,951,948.20	2,033,779.80	145,771.00	151,882.00
ARGENTINA	Company cars (GJ)	10,767.20	12,173.5	769.00	869.90
BRAZIL		-	-	-	-
SPAIN		12,774.90	12,358.70	953.00	922.20
PORTUGAL		21,220.90	19,987.20	1,585.00	1,492.60
TOTAL		44,763.00	44,519.40	3,307.00	3,284.70

		Energy consumption and refrigeration gases		CO ₂ emissions (Tn CO ₂ eq)	
		2018	2019	2018	2019
ARGENTINA	Refrigeration gases (Kg)	29,274.70	24,046.50	85,762.00	73,044.40
BRAZIL		21,945.20	14,689.00	41,831.00	28,155.40
SPAIN		85,745.50	35,906.90	147,552.00	51,829.10
PORTUGAL		10,118.10	7,143.80	25,310.00	18,397.10
TOTAL		147,083.50	81,786.20	300,455.00	171,426.00
ARGENTINA	Electricity consumption (GJ)	485,090.90	490,841.40	52,552.00	53,174.50
BRAZIL		421,274.80	448,130.20	5,792.60	6,080.30
SPAIN		2,570,308.00	2,472,267.70	198,834.00	199,841.60
PORTUGAL		399,545.40	389,790.40	33,628.40	32,807.40
TOTAL		3,876,219.10	3,801,029.70	290,807.00	291,903.80
ARGENTINA	Business travelling	-	-	-	-
BRAZIL		-	-	-	2,351.20
SPAIN		-	-	-	7,102.30
PORTUGAL		-	-	-	-
TOTAL		-	-	-	9,453.50

Table 35: Energy consumption and CO₂ emission at DIA Group¹⁷. Electricity consumption and the CO₂ footprint for Brazil and Portugal 2018 have been restated.

¹⁷ Company cars data unavailable for Brazil, since the fuel used depends on the market price for the available options; Detail of refrigerant gases reported: R134A, R404A, R407A, R407C, R407F, R410A, R417A, R141B, R422D, R427A, R448A, R449A, R450A, R452A, R453A, R513A, R507 y R22. In terms of CF-11 equivalents, 1,24 tonnes have been produced by gas R-22; Electricity consumption for the last few months of 2019 includes some estimates in Brazil, Spain and Portugal; Scope 3 emissions have only been reported for Spain and Brazil, as business travel for the other countries represented less than 5% of this figure.