Esselunga Group
Consolidated Financial Statements
as at 31 December 2024

Parent Company

Esselunga S.p.A.

Registered office Milan, Via Vittor Pisani 20
Share Capital €100,000,000 fully paid up
Tax Code and Milan, Monza Brianza, Lodi Register of Companies No. 01255720169
Milan R.E.A. No. 1063068

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Management Report

To the sole shareholder,

Esselunga S.p.A. (hereinafter the "Company" or the "Parent Company") and, together with its subsidiaries the Esselunga Group, (hereinafter also the "Group" or "Esselunga") is mainly engaged in the food sector of Large-Scale Retailing in Italy through a sales network comprising, at 31 December 2024, 192 stores (of which 177 traditional, 12 laEsse and 2 'Le Eccellenze di Esselunga" and one EsselungaLab)) in Lombardy, Liguria, Veneto, Piedmont, Emilia Romagna, Tuscany and Lazio.
In addition, the Group operates 124 bars, 117 of which under the Atlantic banner, 7 *laESSE ones, and* 47 "eb" selective perfumery and beauty service stores.
The Group is also active in the real estate sector, researching, planning and implementing new initiatives that are instrumental to its business activities.

In 2024, the following new openings will take place:

Date	Location	Esselunga Store	Bar Atlantic	EsserBella Perfumery	Esselunga Lab	Le Eccellenze di Esselunga
17-gen	Milan Mind - Viale Decumano		✓		✓	
16-apr	Milan - Viale Monte Rosa		✓			
17-apr	Mantua			✓		
13-mag	Ravenna	✓	✓			
10-lug	Pescia		✓			
21-nov	Monza San Fruttuoso		✓			
04-dic	Cortina d'Ampezzo					✓
05-dic	Treviglio	✓	✓			
	Total	**2**	**6**	**1**	**1**	**1**

On 16 April 2024, the Milan Viale Monte Rosa store was reopened after a major renovation and extension.

In addition to the above openings, the Modena Canaletto store opened on 22 January 2025.

As at 31 December 2024, the following are closed:

- the store in Montecatini for renovation;
- the store, bar and perfumery in Sesto Fiorentino due to a fire in June. As a consequence of the incident, measures have been implemented to secure the damaged structures, and activities have commenced for the removal of installations and the decontamination of equipment and structures. The store's reopening will take place in 2025 once all the above activities are completed.

It should also be noted that the store in Gessate (MI), which was closed due to flooding in May, was reopened on 11 September after undergoing renovation work that involved the resurfacing of the flooring (inside and outside), the replacement of counters and equipment in the wine store, Fruit and Vegetables, Bread and Sweets departments, the replacement of tills and the replacement of part of the electrical and security systems.

This Financial Statement includes the Consolidated Sustainability Report (CSR), prepared in compliance with Legislative Decree 125/2024 implementing European Directive 2022/2464/EU and the European Sustainability Reporting Standards (ESRS).

On 24 June 2024, the Company published its 2023 Sustainability Report.

On 10 July 2024, Esselunga S.p.A updated its Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001.

Major events relating to the 2024 financial year

Florence - Via Mariti incident

On 16 February 2024, at the construction site in Florence, located between Via del Ponte di Mezzo, Via Giovanni dei Marignolli, Via Giovanni da Empoli, and Via Giovan Filippo Mariti, where the subsidiary La Villata S.p.A. had contracted the construction of an Esselunga Superstore, a reinforced concrete beam collapsed onto the floors below, resulting in the deaths of five workers and injuries to three others.

Investigations by the judiciary are still ongoing and the construction site is still under seizure.

Milan Public Prosecutor's Office “Cooperatives” case closed

On 31 July 2024, as part of the investigation into the management of cooperatives involving Esselunga – and other companies in the logistics and large-scale retail sector – the Milan Public Prosecutor's Office ordered that the proceedings initiated against the Company in June 2023 be archived.
The case was closed, among other reasons, thanks to the implementation of a virtuous remedial plan that enabled the Company to streamline subcontracting agreements and the number of non-commercial suppliers. This also led to the stabilisation of 5,718 individuals, including 2,812 new Esselunga employees.
In December 2023, INPS began an audit to determine the employment, social security and contribution records of the workers of the contractors involved in the case, which was closed on 31 July 2024.
On 20 September 2024, the Company received payment notices from INPS for a total amount of €18,426,366 for unpaid contributions, penalties and interest.

Seizure of the Esselunga construction site in Siena

On 4 September 2024, the Judge of the preliminary investigations of the Court of Siena subjected the Esselunga construction site for the construction of a sales point in Siena via Massetana Romana to preventive seizure and with the aim of mandatory confiscation, identifying in the works completed and in progress the crime of illegal subdivision pursuant to art. 44, co, 1, lett, c), D.P.R. 380/2001 and, in particular, the hypothesis of so-called material illegal subdivision.
The construction site is still under seizure and the proceedings are still ongoing.

The Company, also based on opinions from leading legal firms and in-depth technical consultancy, as well as in light of the multiple discussions with the Municipality of Siena, believes it has acted correctly and has well-founded arguments to support the legitimacy of its actions in the proceedings.

Other events

It is hereby acknowledged that in May 2024, Dr. Francesco Moncada resigned from the Board of Directors.

Intermediate indicators

To facilitate an understanding of its financial and operating data, the Group uses common indicators, which are not however envisaged under EU IFRS.

In particular:
the income statement shows:
EBITDA

- The statement of financial position shows:
  Net invested capital
  Net Working Capital
  Net Financial Position

These amounts can be reconciled with the **Consolidated Financial Statements'** balances as of 31 December 2024.

The definitions of the indicators used by the Group, as they are not provided for under the adopted accounting principles, may not be consistent with those used by other companies or groups and may therefore not be comparable.

For clarity, it was considered preferable to indicate all amounts in rounded figures; as a result, in some statements, the totals may differ slightly from the sum of the amounts they comprise.

2024 operating performance and competitive environment

- In 2024 the **change in GDP was +0.5%** (source: ISTAT).

- **The national consumer price index**[1] of 31 December recorded **an increase of 0.8%** on an annual basis (source: ISTAT).
  [1] national consumer price index for blue- and white-collar households, net of tobacco (FOI)

- The Group's revenue increased by 1.3% to €9,447.8 million.

- In 2024, the omnichannel retail market in Italy (hyper, super, discount, free service, drug stores and e-commerce) grew by 1.9% compared to 2023 (Source: Nielsen). **In the areas where the Group is present, the Market grew by 1%** (hereinafter "the Market" including hyper, super, discount, free service and drug stores) (Source: Nielsen).

- **Customers** decreased by -0.5% compared to 2023.

- The **average sales inflation** was -0.2% against **average list price** increases by suppliers of 0.5%.

- **Competitive pricing was maintained**:
  - -0.9% in *the Trading Area* (Source Nielsen);
  - -0.9% in the domestic market (Source Nielsen).

- During 2024, 2 Esselunga stores, one EsselungaLab, 1 *"Le Eccellenze di Esselunga"* store, 6 Atlantic bars and 1 eb perfumery were opened. The Milan Viale Monterosa store reopened and the stores in Gessate (from May to September due to flooding), Sesto Fiorentino (in June and still inactive due to a fire) and Montecatini (from March due to renovation) closed.

- **Investments net of operating leases (IFRS 16) amount to €535.9 million** (€448.5 million in 2023).

- The **average number of employees** is 28,139 (up following the internalisation of about 2,800 people).

- **The Net Financial Position and the adjusted one are shown in the *following* table:**

Net Financial Position *(millions of Euros)*	**31.12.2024**	**31.12.2023**
Net Financial Position	**(2,230.7)**	**(1,967.7)**
- Payable IFRS 16 Leases	478.8	499.4
+ Fìdaty Gold Customer Receivables	57.9	57.8
Net Financial Position adjusted	**(1,694.1)**	**(1,410.5)**

Income statement results

The percentages shown in the table, apart from the one indicated in the line "Total sales", are calculated on the value of Sales.
In light of the extraordinary events relative to the **Milan Prosecutor's Office Investigation** of 2023, to facilitate a more representative reading of the management performance, the quantity called **recurring EBITDA** was introduced, which does not include the charges relating to the aforementioned chapter and other costs related to the affair.
Non-recurring items include the amount paid to INPS for the regularisation of the labour, social security and contribution records of the workers of the companies involved, and costs for litigation with some suppliers and their employees.

Income statement *(millions of Euros)*	**2024**		**2023**	
	Amounts	**%**	**Amounts**	**%**
Total sales	**9,447.8**	**1.3%**	**9,325.8**	**5.5%**
Sales adjustments (1)	(218.3)		(181.7)	
Net revenue	**9,229.4**		**9,144.1**	
Net costs for goods and raw materials	(6,388.4)		(6,313.1)	
Other operating costs, other revenues	(1,000.2)		(1,023.3)	
Personnel costs	(1,231.4)		(1,108.6)	
Recurring EBITDA	**609.4**	**6.4%**	**699.0**	**7.5%**
Non-recurring items	(38.5)		(77.1)	
EBITDA	**570.8**	**6.0%**	**622.0**	**6.7%**
Amortisation and depreciation	(393.2)		(384.0)	
Provisions, write-ups and write-downs of fixed assets	(10.9)		1.2	
Capital gains/losses on non-current assets	(3.2)		1.1	
Operating profit	**163.5**	**1.7%**	**240.3**	**2.6%**
Net financial income (expense)	(70.4)		(64.2)	
Income (expenses) from equity investments	(0.1)		(0.1)	
Profit before taxes	**93.0**		**175.9**	
Income taxes	(37.1)		(57.3)	
Net result	**55.9**	**0.6%**	**118.7**	**1.3%**

(1) It should be noted that, in accordance with IFRS 15, deferred revenue for prize-giving promotions (recognised under "Sales Adjustments") within the Group's loyalty programmes granted to its customers is recorded based on fair value. The aforementioned valuation method led, compared to cost valuation, to a deterioration in results equal to €14.5 million in 2024 (a worsening of €2.7 million in 2023).

The **Sales growth of +1.3%** is in line with the market growth, slowing down significantly compared to 2023, which had benefited from high inflation (for the Esselunga Group 7.2% in 2023 versus -0.2% in 2024).

We would like to point out that during the year, sales were penalised by a number of events The Gessate store was closed for four months due to flooding, the Sesto Fiorentino shop closed in June and still inactive due to a fire, and the Montecatini shop closed since March due to renovation. The impact of these closures resulted in a sales effect of € -40 million. The erosion of consumer purchasing power after a two-year period of high inflation also resulted in volumes contracting by -0.7% in 2024 (it was -3.4% in 2023 and -1% in 2022).

In this context of weak demand, the Group supported the purchasing power of its customers through increased promotional activities and dedicated discount instruments (targeted discount vouchers) totalling €180 million.

The incidence of National Collective Bargaining Agreement costs increased, in particular labour costs for the renewal of the CCNL signed at the beginning of the year and for the increase in the workforce, logistics costs, commissions on meal vouchers and utilities.

The above impacts the **Recurring Gross Operating Margin**, which in 2024 stands at **€609.4 million (6.4%)**, down from €699.0 million (7.5%) in 2023.
EBITDA amounted to €570.8 million in 2024 (6%) and €622 million in 2023 (6.7%).

Operating Profit was **€163.5 million (1.7%)**, contracting from €240.3 million (2.6%) in 2023.
This result would have been **2.1%** of sales (3.4% in 2023) if it had not reflected the effect of non-recurring items.

Net financial income (expenses) amounted to **€ -70.4 million**, up compared to €-64.2 million in 2023.
This increase is mainly attributable to:

- to the increase in interest rates, which is nevertheless contained thanks to the hedging from interest rate swap contracts;
- finance expense arising from the use of short-term credit lines;
- and lower finance income due to a lower stock in 2024 than in 2023.

Income taxes amount to **€-37.1 million** (effective taxation of 39.9%) compared to €-57.3 million in 2023 (32.55%). Please refer to the **Notes to the consolidated financial statements for an analysis of the impact of effective taxation on the Group's income.**

Net Profit amounted to **€55.9 million** (**0.6%**) compared to €118.7 million (1.3%) in 2023.

Statement of financial position and cash flow information

Reclassified statement of financial position *(millions of Euros)*	**31.12.2024**	**31.12.2023**	**Change**
Property, plant and machinery	5,081.2	5,040.5	40.7
of which ROU for IFRS 16 Leases	*441.6*	*465.0*	*(23.4)*
Real estate investments	200.7	106.2	94.5
Intangible assets	185.9	187.9	(2.0)
Goodwill	6.6	6.6	-
Equity investments	3.2	3.2	(0.0)
Other non-current financial assets	2.2	2.2	0.0
Fixed assets	**5,479.8**	**5,346.5**	**133.2**
Other non-current assets and liabilities	**55.5**	**(11.3)**	**66.8**
Net working capital	**(1,229.2)**	**(1,280.5)**	**51.3**
Provision for employee severance indemnity (T.F.R.) and provisions for risks and charges	**(115.2)**	**(119.4)**	**4.2**
Net invested capital	**4,190.8**	**3,935.2**	**255.6**
Equity attributable to owners of the parent	**1,960.1**	**1,967.5**	**(7.5)**
Net Financial Position	**2,230.7**	**1,967.7**	**263.1**
of which payable for IFRS 16 Leases	*478.8*	*499.4*	*(20.6)*
Own funds and financial liabilities	**4,190.8**	**3,935.2**	**255.6**

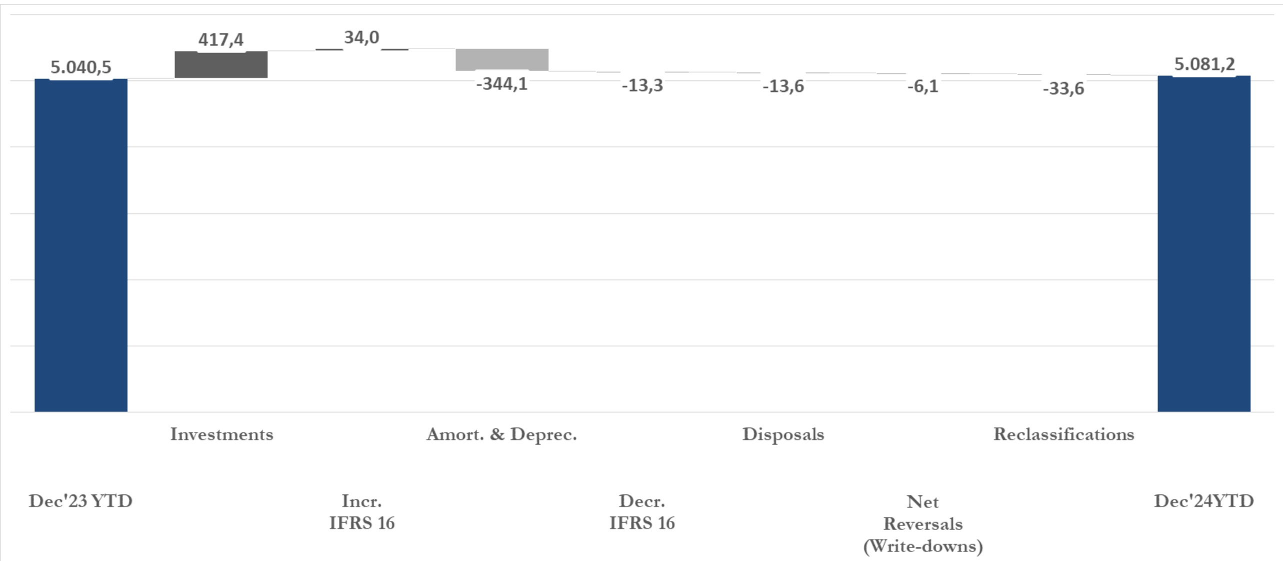
The items "ROU for IFRS 16 Leases" and "debt for IFRS 16 Leases" refer exclusively to operating lease contracts.

Below is a comment on the above items.

Fixed assets

Property, plant and machinery

The net increase of a total of €40.7 million is detailed in the movements below:



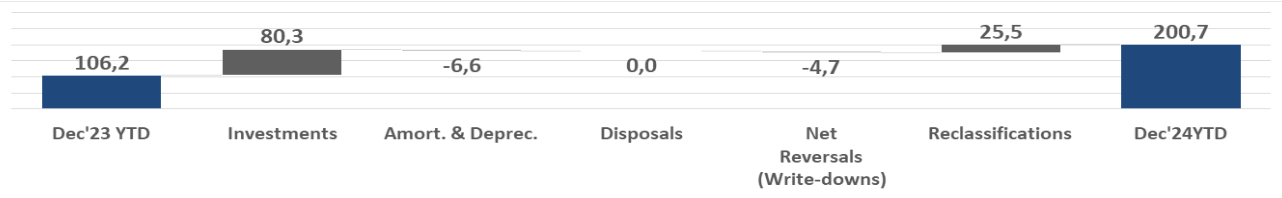
Investments in property, plant and machinery of €417.4 million refer to the following activities:

- €57.7 million for the set up of the new stores opened in 2024;
- modernisation and conservation of existing stores (€92.7 million);
- €187.5 million for the purchase and development of areas dedicated to the opening of new stores;
- purchase, modernisation and preservation of logistics centres and premises (€78.4 million);
- interventions on the *e-commerce* network (€1.2 million).

The net write-backs (write-downs) mainly refer to the write-downs recorded during the period, net of any write-backs due to the disappearance of the conditions that had led to the write-downs in previous financial years.

Investment property

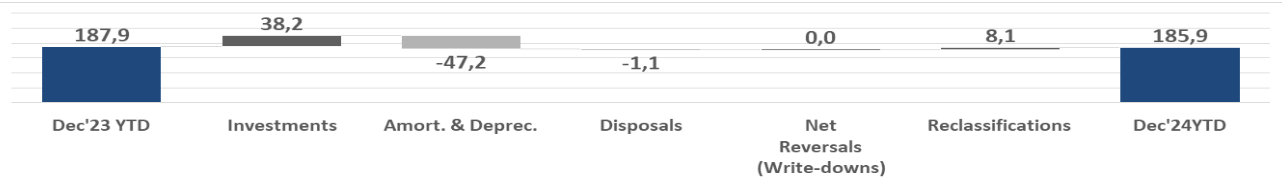
The item investment property refers to land or buildings not intended for use in the Group's ordinary activities. The decrease of €94.5 million is detailed in the movements below:



The net write-backs (write-downs) mainly refer to the write-downs recorded during the period, net of any write-backs due to the disappearance of the conditions that had led to the write-downs in previous financial years.

Intangible assets

The net decrease of €2 million is detailed in the movements below:



The investments mainly refer to software functional to the improvement of the Group's IT infrastructure and other costs.

Other non-current financial assets

They relate to medium- to long-term investments of a financial nature, mainly comprising the participation in a real estate investment fund and other minor investments.

Other non-current assets and liabilities

The main elements of this item appear in the table below:

Other non-current assets and liabilities (millions of Euros)	31.12.2024	31.12.2023	Change
Net deferred tax assets and liabilities	48.2	43.5	4.7
Non-current deferred revenue for prize promotions	-	(62.7)	62.7
Other non-current assets (liabilities)	7.3	7.9	(0.6)
Total	**55.5**	**(11.3)**	**66.8**

The item **net deferred tax assets** includes the effects of deferred taxation calculated on the temporary differences arising primarily from risk provisions, non-deductible write-downs and the different tax-deductibility rules for amortisation and depreciation compared to depreciation/amortisation recognised in the income statement.

The item **deferred revenues for non-current premium events** in 2023 referred to the value of premiums measured at the *fair value* of the Fidaty campaign that were estimated to be redeemed by customers beyond 12 months from the balance sheet date, in 2024 they are shown as current given the closure of the Fidaty campaign expected by June 2025.

Net Working Capital

The main elements of this item appear in the table below:

Net Working Capital *(millions of Euros)*	31.12.2023	31.12.2022	Change
Inventories	549.3	581.2	(31.9)
Trade receivables	245.5	266.9	(21.5)
Current tax receivables	25.2	4.9	20.3
Other current assets	44.1	48.3	(4.2)
Trade payables	(1,561.1)	(1,711.6)	150.4
Deferred revenue for prize-giving promotions	(208.1)	(114.1)	(94.0)
Current tax payables	(1.5)	(35.9)	34.4
Other current liabilities	(322.5)	(320.2)	(2.3)
Total	**(1,229.2)**	**(1,280.5)**	**51.3**

The change in **inventories** is mainly attributable to a reduction in stock quantities. This quantity effect was partially offset by the persistence of inflationary effects on supplier lists.

The change in **trade receivables** and **trade payables** must be read together taking into account the contractually provided financial compensation.

The **current tax receivables (payables)** reflect the recognition of the liability for the taxes of the period, net of the receivable arising from advance payments made.

The **other current assets** mainly include prepaid expenses related to costs for the use of third-party assets, insurance, advertising, repairs, and maintenance, which have already been paid but do not pertain to the reporting period.

Current deferred revenue for prize-giving promotions represents the fair value of rewards that are expected to be earned within twelve months after the balance sheet date. The increase in this item represents the portion reclassified from long-term items as the campaign is scheduled to expire by June 2025.

Other current liabilities are detailed in the following table:

Other current liabilities *(thousands of Euros)*	**31.12.2024**	**31.12.2023**	**Change**
Payables to employees	(110.9)	(102.1)	(8.8)
Payables to social security institutions <12	(82.3)	(71.8)	(10.5)
Deferred revenues for prepaid cards	(76.4)	(77.9)	1.5
Current tax payables	(23.5)	(24.9)	1.4
Receivables (Payables) for indirect taxes	(14.9)	(27.0)	12.1
Other payables	(14.5)	(16.5)	2.0
Total	**(322.5)**	**(320.2)**	**(2.3)**

Payables to staff mainly include the accrual of the 14th month, holidays, leave and related social security charges.

Deferred revenues for prepaid cards include the amount related to the sale of prepaid cards to customers and not yet used as at 31 December 2024.

Current tax payables mainly include IRPEF (€21.9 million).

Payables for indirect taxes refer to the VAT position with the tax authorities.

The **other payables** mainly refer to deferred income relating to revenues from promotional activities, other payables to non-profit organisations of social utility and commissions to be paid to credit institutions for the use of electronic collection forms.

Provision for employee severance indemnities (TFR) and provisions for risks and charges

The provision for severance indemnities (TFR) decreased by €3.6 million mainly due to the settlements during the year.
Provisions for risks and charges:

- increased by €17.1 million, mainly for risks related to costs connected to the **Milan Public Prosecutor's Investigation,** social security contributions and charges related to certain initiatives in the real estate sector;
- decreased by €17.7 million due to uses due to payments to settle past liabilities and releases due to the lapse of certain risks.

Shareholders' Equity

The decrease of €7.5 million is mainly due to the following impacts:

- increase due to the recognition of profit for the period (€55.9 million);
- increase for the recognition of actuarial gains on employee severance indemnities (TFR) net of the related tax effect (€0.7 million);
- decrease due to adjustment of the cash flow hedge reserve (€-14.0 million), which includes changes in the fair value of derivative financial instruments hedging the variability of interest rates on loans payable, net of the related tax effect;
- decrease by €50 million due to the distribution of dividends to the parent company Superit S.r.l.

Net Financial Position

The Net Financial Position as of 31 December 2024 is negative and amounts to €2,230.7 million (€1967.7 million as of 31 December 2023). Below is the inclusive detail also of the *adjusted* Net Financial Position:

Net Financial Position *(millions of Euros)*	**31.12.2024**	**31.12.2023**
Cash and cash equivalents	188.3	268.3
Accrued interest income on current accounts and other	0.3	2.4
Corporate bond expiry 2027	(498.2)	(497.0)
Acquisition facility - loan	(774.2)	(773.2)
La Villata loan	(67.0)	(111.1)
Payables for Drawn Credit Lines	(409.8)	(161.5)
Derivati - Fair Value IRS Acquisition Facility	27.6	45.9
Derivatives - Fair Value IRS La Villata Loan	0.4	1.6
Current and non-current financial payables - leases	(218.8)	(242.9)
Financial payables to parent company (Superit S.r.l.)	(0.5)	(1.0)
Payable IFRS 16 Leases	(478.8)	(499.4)
Net Financial Position	**(2,230.7)**	**(1,967.7)**
exclusion Debt IFRS 16 Leases	478.8	499.4
inclusion of Credits to Fìdaty Oro customers	57.9	57.8
Adjusted Net Financial Position	**(1,694.1)**	**(1,410.5)**

The following table shows the maturities of financial assets and liabilities:

(millions of Euros)	**31.12.2024**				
	Up to 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Fair Value Derivato	15.3	0.0	12.7	0.0	**28.0**
Financial receivables	0.3	0.0	0.0	0.0	**0.3**
Bonds	-1.7	0.0	-496.4	0.0	**-498.2**
Medium-long term bank loans	-457.0	-22.4	-771.5	0.0	**-1,251.0**
Current and non-current financial payables (leases)	-23.3	-27.2	-62.6	-105.7	**-218.8**
Payable IFRS 16 Leases	-46.5	-35.2	-85.7	-311.4	**-478.8**
Loans payable to parent companies	-0.5	0.0	0.0	0.0	**-0.5**
Total	**-513.5**	**-84.9**	**-1,403.6**	**-417.1**	**-2,419.0**

The debt item for IFRS 16 Leases refers exclusively to operating lease contracts.

To ensure better comparability of data, especially those regarding loan activities, the net cash flow for the period is provided below:

The Cash Flow from Investing Activities under the item "Acquisitions/Disposals of Fixed Assets" also includes the Right of Use (ROU *Right of* Use) related to the application of IFRS 16 Leases.

Consolidated cash flow statement *(millions of Euros)*	**2024**	**2023**
Net income (expense) for the period	55.9	118.7
Taxes	37.1	57.3
Net Finance expense	70.5	64.3
Amortisation and depreciation	393.2	384.0
Write-downs	10.9	(1.2)
Capital Gains and Losses	3.2	(1.1)
EBITDA	**570.8**	**622.0**
Provisions	**14.6**	**21.4**
Inventory Variation	31.9	(31.1)
Trade receivables and trade payables	(126.8)	(104.9)
Net change in other receivables/payables and other assets/liabilities	32.4	20.6
Changes in other operating assets and liabilities	**(62.5)**	**(115.4)**
Payment of employee benefits and use of funds	**(11.3)**	**(9.3)**
Payment of taxes	**(91.9)**	**(3.5)**
FLOW OF NFP OPERATING ACTIVITY (A)	**419.7**	**515.1**
Acquisitions/disposals of fixed assets	(545.6)	(471.7)
Investments in financial assets	-	(1.1)
of which for purchase 32.5% La Villata	-	-
FLOW OF NFP INVESTMENT ACTIVITY (B)	**(545.6)**	**(472.8)**
Financial income (expense)	(87.1)	(95.0)
Dividends	(50.0)	-
NFP CASH FLOW FROM FINANCING ACTIVITIES (C)	**(137.1)**	**(95.0)**
CASH FLOW FOR THE PERIOD (A+B+C)	**(263.1)**	**(52.6)**
NET DEBT AT BEGINNING OF PERIOD	**(1,967.7)**	**(1,915.0)**
NET DEBT AT END OF PERIOD	**(2,230.7)**	**(1,967.7)**

Financial ratios

The Return on Investments (ROI) indicator is shown in the table below and compares the Operating Profit with the (average) Net Invested Capital to represent profitability and the economic efficiency of ordinary operations.

ROI *(millions of Euros)*	**2024**	**2023**
Operating profit	163.5	240.3
Invested Capital (average)	4,063.0	3,861.5
ROI	**4.0%**	**6.2%**

The *leverage* ratio compares Net Financial Position to EBITDA to represent the Company's ability to repay its debts.

The *coverage* ratio compares the EBITDA with net finance expense to represent the liquidity surplus after remunerating debt capital.

The leverage and coverage ratios are shown in the table below.

Leverage and Coverage *(millions of Euros)*	**31.12.2024**	**31.12.2023**
Net Financial Position	(2,230.7)	(1,967.7)
EBITDA	570.8	622.0
Leverage	**3.9**	**3.2**
EBITDA	570.8	622.0
Net finance expense	(70.4)	(64.2)
Coverage	**8.1**	**9.7**

Financial risk management

The main risk categories are described below.

Credit risk

Credit risk represents the Company's exposure to potential losses arising from business and financial counterparties failing to meet their obligations.

The Group's maximum exposure to credit risk as at 31 December 2024 is the book value of the financial assets reported in the financial statements, as shown in the table below:

(millions of Euros)	**31.12.2024**	**31.12.2023**	**Change**
Other non-current financial assets	2.2	2.7	(0.5)
Non-current financial assets measured at Fair value	12.7	25.0	(12.3)
Other non-current assets	9.5	9.7	(0.2)
Trade receivables	247.2	269.0	(21.9)
Current tax receivables	25.2	4.9	20.3
Other current assets	44.8	49.1	(4.4)
Current financial assets measured at Fair value	15.3	22.6	(7.2)
Other current financial assets	0.3	2.5	(2.2)
Total gross amount	**357.2**	**385.4**	**(28.3)**
Provision for doubtful receivables	(2.4)	(3.5)	1.1
Total net amount	**354.8**	**382.0**	**(27.2)**

Other non-current financial assets mainly comprise the participation in an investment property fund and other minor investments.

Non-current and current financial assets measured at *Fair Value* include the positive fair value of "*Interest Rate Swap*" derivatives, to hedge the risk of fluctuations in variable rates relating to the loan taken out for the acquisition of 30% of Supermarkets Italiani S.p.A. and the amortising loan taken out by La Villata as part of the purchase of 32.5% of own shares from Unicredit. The fair value of these instruments amounted to €28 million as at 31 December 2024 (€47.6 million as at 31 December 2023).

Non-current assets mainly include VAT receivables from the tax authorities for security deposits given for leases and utilities, tax receivables, related primarily to VAT receivables, which, overall, constitute a low level of credit risk. The Group is implementing the measures necessary to collect the aforementioned receivables.

Concerning trade receivables, there is no appreciable concentration of credit risk.

Current tax receivables refer to IRES receivables from the tax consolidating entity Company Superit S.r.l. and IRAP receivables from the tax authorities.

Other current assets mainly include tax receivables from the tax authorities, which present a low credit risk overall.

Current financial assets mainly include accrued interest on bank current accounts.

The following table provides the breakdown of receivables as at 31 December 2024 by category and by number of days past due:

(millions of Euros)	31.12.2024					
	Not yet due	**Days past due**				
		0 - 30	**31 - 60**	**61 - 90**	**> 90**	**Total**
Other non-current financial assets	2.2	-	-	-	-	2.2
Non-current financial assets measured at Fair value	12.7	-	-	-	-	12.7
Other non-current assets	9.5	-	-	-	-	9.5
Trade receivables	241.6	71.2	4.8	4.9	1.8	324.4
Current tax receivables	25.2	-	-	-	-	25.2
Other current assets	44.1	-	-	-	0.7	44.8
Current financial assets measured at Fair value	15.3	-	-	-	-	15.3
Other current financial assets	0.3	-	-	-	-	0.3
Total gross amount	**351.0**	**71.2**	**4.8**	**4.9**	**2.5**	**434.4**
Trade receivables offset in trade payables						(77.2)
Provision for doubtful receivables	-	-	-	-	(2.4)	(2.4)
Total net amount	**351.0**	**71.2**	**4.8**	**4.9**	**0.1**	**354.8**

Past due receivables as at 31 December 2024 amounted to a total of €83.4 million, while the allowance for doubtful receivables is estimated at €2.4 million.

It should be noted that the overdue receivables, net of those subject to devaluation, at the date of drafting these Financial Statements were almost entirely collected during 2025.

Liquidity risk

Liquidity risk is associated with the ability to meet commitments arising from financial liabilities. Prudent management of liquidity risk arising from normal operations involves maintaining an adequate level of cash and credit lines.

Liquidity risk is managed by the Group by implementing constant monitoring of the financial position through the preparation of appropriate reports on both forecast and actual cash flows.

Please note that:

- In August 2021, Esselunga entered into three non-revocable revolving sustainability-linked credit line agreements with leading banks for €300 million maturing in August 2026. As at 31 December, these credit lines were fully utilised;
- In June 2022, Esselunga entered into three contracts for three non-revocable *revolving* credit lines with leading banks for €300 million maturing in June 2027. As at 31 December, these credit lines were undrawn.

The following table provides a breakdown of liabilities by maturity as at 31 December 2024.

The maturity ranges are determined based on the year between the reporting date and the contractual maturity of the obligations including accrued interest as at 31 December in every period. Interest was calculated based on the contractual terms of the loans:

(millions of Euros)	**31.12.2024**				
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Bonds	9.4	9.4	507.6	-	526.4
Medium-long term bank loans	472.1	36.8	778.7	-	1,287.6
Finance lease payables (current and non-current)	30.8	34.5	78.7	115.6	259.6
Payable IFRS 16 Leases	58.8	46.5	115.8	379.5	600.6
Other non-current liabilities	-	0.1	-	2.2	2.3
Trade payables	1,561.1	-	-	-	1,561.1
Current tax payables	1.5	-	-	-	1.5
Other current liabilities	322.5	-	-	-	322.5
Total	**2,456.2**	**127.2**	**1,480.8**	**497.2**	**4,561.5**

Market risk

In carrying out its activities, the Group is potentially exposed to the following market risks, which are managed centrally by the Parent:

Risk for product quality

As regards product quality, the Quality Management Department follows a rigorous control and qualification programme regarding suppliers and (internal and external) production processes, both in the launching stages of a new product and at later stages when the product is already on the shelf.

Regulatory risk

Regulatory risk consists of bureaucratic delays in obtaining permits to open new stores or expand existing ones. This essentially translates into lack of sales revenue while capital expenditures have already been made.

Risk of price fluctuations

Given the industry in which the Group is engaged, the predominant price risk is related to fluctuations in the purchase price of goods for resale. Managing these risks is an integral part of commercial policies aimed at, inter alia, limiting the impact of purchase price fluctuations on end customers.

Risk of exchange rate fluctuations

Sales revenues and purchase costs for goods and products are mostly transacted in Euros. Additionally, financial assets and liabilities are denominated in euros. The Group is therefore not exposed to significant currency risks.

Risk of interest rate fluctuations

The risk of interest rate fluctuations to which the Group is exposed arises from financial payables and receivables. The Group's fixed-rate debt exposes it to a risk associated with changes in the fair value of the debt driven by market fluctuations of the reference rates. The Group's floating rate debt exposes it to a cash flow risk from interest rate volatility.

The Group's financial debt consists of debenture loans, finance leases and loans.

Financial liabilities at variable interest rates as at 31 December 2024 amounted to 26% of the total, considering that the Group has derivative financial instruments of an interest rate swap nature.

Climate risk

The Group is aware that the production and distribution of goods impact the environment; over time it has developed technical skills in the control and direct management of environmental issues in order to combat climate change, reducing greenhouse gas emissions and minimising the climate risks to which its business is exposed. For more details see **Consolidated Sustainability Reporting**.

Capital risk

The Group's objective in managing capital risk is to maintain an optimal capital structure to reduce the cost of debt.

The Group monitors its capital based on the ratio of its Net Financial Position to net invested capital (gearing ratio). Net Financial Position is calculated as total debt, including current and non-current loans and net borrowings from banks. Net Invested Capital is calculated as the sum of Shareholders' Equity and the Net Financial Position.

The *gearing ratio* as at 31 December 2024 and 31 December 2023 is presented in the table below and compares the Net Financial Position and the Net Invested Capital to represent the financial strength of the Company and their use of third-party funds. The 2024 index shows that own funds finance 46.8% of the net invested capital.

(millions of Euros)	**31.12.2024**	**31.12.2023**
Cash and cash equivalents	188.3	268.3
Financial receivables	0.3	2.5
Current financial assets measured at Fair value	15.3	22.6
Non-current financial assets measured at Fair value	12.7	25.0
Current and non-current financial liabilities	(2,447.3)	(2,286.0)
Net Financial Position	**(2,230.7)**	**(1,967.7)**
Shareholders' Equity	**1,960.1**	**1,967.5**
Net invested capital	**4,190.8**	**3,935.2**
Gearing ratio	**53.2%**	**50.0%**

Business Crisis Code

We inform you that pursuant to Article 2086 of the Italian Civil Code, as amended by Legislative Decree 14/2019, issued in implementation of Enabling Law 155/2017, the Group has an organisational, administrative and accounting structure appropriate to the nature and size of the business, capable of foreseeing and promptly detecting any signs of crisis through the constant monitoring of the economic/asset balances and prospective economic/financial flows to ensure the protection of assets and business continuity.

Performance of the Separate Financial Statements of Esselunga S.p.A.

The financial statements of the parent company Esselunga S.p.A., prepared in accordance with EU IFRS, show a net profit of €5.6 million as at 31 December 2024, compared to a net profit of €129 million in 2023.
Below are the equity and financial data, the economic results and the net financial position of the Company.

Statement of financial position and cash flow information

Reclassified statement of financial position *(millions of Euros)*	**31.12.2024**	**31.12.2023**	**Change**
Property, plant and machinery	5,127.3	5,129.4	(2.1)
of which ROU for IFRS 16 Leases	*1,404.2*	*1,474.2*	*(70.0)*
Real estate investments	108.6	93.0	15.6
Intangible assets	218.2	220.1	(1.9)
Goodwill	-	-	-
Equity investments	1,201.9	1,130.4	71.5
Other non-current financial assets	1.2	1.2	(0.0)
Fixed assets	**6,657.2**	**6,574.2**	**83.0**
Other non-current assets and liabilities	**120.1**	**50.6**	**69.6**
Net working capital	**(1,244.7)**	**(1,257.7)**	**13.1**
Provision for employee severance indemnity (T.F.R.) and provisions for risks and charges	**(114.9)**	**(118.9)**	**4.0**
Net invested capital	**5,417.8**	**5,248.2**	**169.7**

Shareholders' Equity	**2,145.4**	**2,200.8**	**(55.4)**
Net Financial Position	**3,272.4**	**3,047.4**	**225.1**
of which payable for IFRS 16 Leases	*1,603.5*	*1,661.1*	*(57.6)*
Own funds and financial liabilities	**5,417.8**	**5,248.2**	**169.7**

Income statement results

Income statement *(millions of Euros)*	**2024**		**2023**	
	Amounts	**%**	**Amounts**	**%**
Total sales	**9,330.4**	**+1.2%**	**9,220.0**	**+5.4%**
Sales Adjustments	(218.0)		(181.4)	
Net revenue	**9,112.4**		**9,038.6**	
Net costs for goods and raw materials	(6,359.8)		(6,285.6)	
Other operating costs, other revenues	(1,025.9)		(1,087.7)	
Personnel costs	(1,174.6)		(1,057.8)	
EBITDA	**552.2**	**5.9%**	**607.5**	**6.6%**
Amortisation and depreciation	(406.7)		(397.5)	
Allocations, write-ups and write-downs of fixed assets	(3.4)		2.2	
Capital gains/losses on non-current assets	(2.8)		1.1	
Operating profit	**139.3**	**1.5%**	**213.3**	**2.3%**
Net financial income (expense)	(110.2)		(103.0)	
Income (expenses) from equity investments	(7.2)		58.1	
Profit before taxes	**21.9**		**168.4**	
Income taxes	(16.3)		(39.3)	
Net result	**5.6**	**0.1%**	**129.0**	**1.4%**

Net Financial Position

Net Financial Position at end of period *(millions of Euros)*	**31.12.2024**	**31.12.2023**
Cash and cash equivalents	176.5	252.7
Corporate bond expiry 2023	-	-
Corporate bond expiry 2027	(498.2)	(497.0)
Acquisition facility - loan	(774.2)	(773.2)
Payables for Drawn Credit Lines and other financial payables	(409.8)	(161.5)
Derivatives - Fair Value IRS Acquisition Facility	27.6	45.9
Current and non-current financial payables - leases	(207.5)	(228.2)
Other current financial assets and liabilities	16.6	(25.0)
Payable IFRS 16 Leases	(1,603.5)	(1,661.1)
Net Financial Position	**(3,272.4)**	**(3,047.4)**
- Payable IFRS 16 Leases	1,603.5	1,661.1
+ Fìdaty Gold Customer Receivables	57.9	57.8
Adjusted Net Financial Position	**(1,611.1)**	**(1,328.5)**

For the description and comments on the various items contained in the tables above, please refer to what was previously commented on the data relating to the Consolidated Financial Statements and to the subsequent comments contained in the Notes to the Consolidated Financial Statements.

Group profile

In Milan, in 1957, the first Italian supermarket opened in Viale Regina Giovanna, thanks to the initiative of Nelson Rockefeller, an American financier and politician, and some Italian entrepreneurs, including Bernardo Caprotti. This was the beginning of the story of Esselunga, which, with a network as of 31 December 2024 of 177 *supermarkets* and 2 *'Le Eccellenze di Esselunga' superstores, and one EsselungaLab superstore in Northern and Central Italy, is now one of the leading chains in the large-scale retail sector.* With its factories and processing centres in Limito di Pioltello, Biandrate and Parma, Esselunga has over time become a true *food company*, committed to producing food products under its own brand name. The offer for customers is completed by the *e-commerce* sales channel and the presence of lockers and "Click and Go" for collecting groceries.

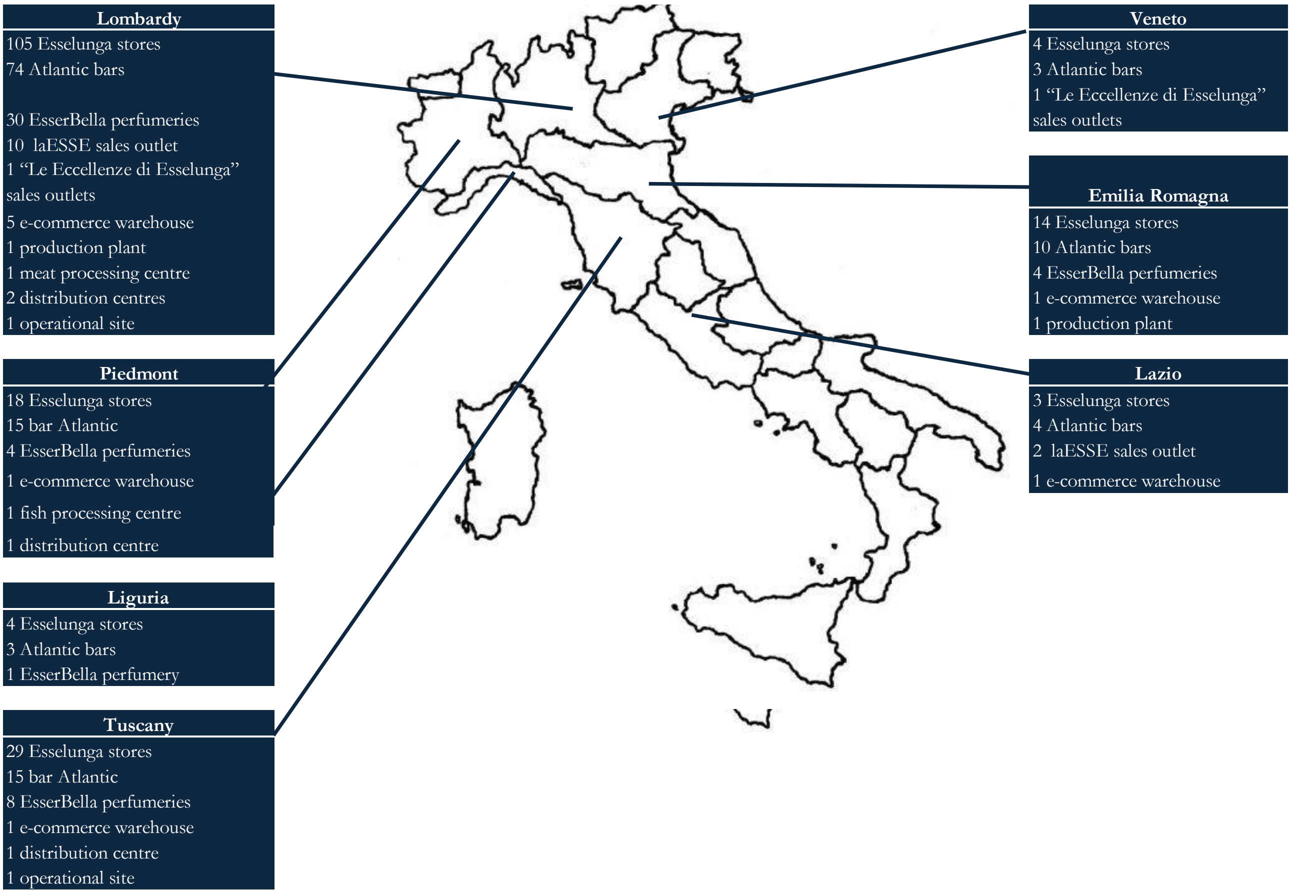
LaESSE is the innovative shopping experience by Esselunga and has 12 stores as of 31 December 2024. The format envisages a supermarket for everyday shopping for quick and easy shopping. In some cases, there is also a bar with a kitchen where it is possible to eat freshly prepared meals, try Elisenda pastry products and use the co-working spaces. The offer is completed, in some stores, by the presence of the locker for collecting the shopping.

The 124 Bar Atlantic locations (7 under the *laESSE* brand) as of 31 December 2024 are now a well-established presence in the restaurant sector and among the leading players in their field in Italy. Atlantic Bars offer a full catering service: breakfasts, lunches and aperitifs, with recipes based on selected ingredients sourced directly from Esselunga supermarkets.

Founded in 2002 under the name Olimpia Beauté, the EsserBella chain has 47 selective perfumery and beauty service stores at some of the Esselunga shopping centres in Lombardy, Piedmont, Emilia-Romagna, Liguria and Tuscany. Face and body care products, the most prestigious make-up brands and trendy fragrances are sold in these exclusive perfumeries, which, with over 11,500 items, can satisfy even the most sophisticated customers. EsserBella has also renewed its format, becoming a real beauty centre. The 13 newly designed perfumeries offer skin, hair, nail, brow and make-up services.

Geographical areas of activity

The geographical breakdown of activities is as follows. Please note that the Group is also engaged in the e-commerce sector through its home delivery service in several different Italian provinces.

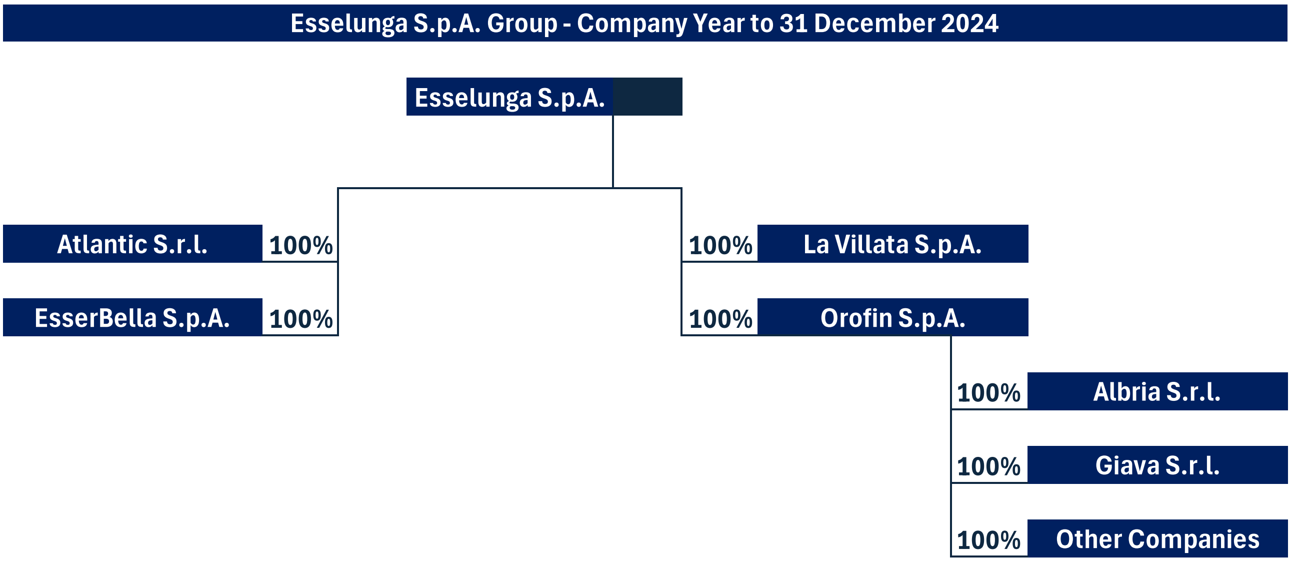


The registered office of Esselunga S.p.A. is in Milan, Via Vittor Pisani 20. The Company has the following secondary and administrative offices, excluding stores:

Administrative offices Limito di Pioltello (Milano), via Giambologna No. 1
Sesto Fiorentino (Florence), Via Tevere No. 3

Logistics centres and factories Limito di Pioltello (Milano), via Giambologna No. 1
Biandrate (Novara), Strada prov. per Recetto No. 580
Sesto Fiorentino (Florence), Via Tevere No. 3
Campi di Bisenzio (FI), Via delle Cicogne 7
Chiari (Brescia), via Sam Quilleri n.1
Parma, Via della Cooperazione 25/A

Line-by-line consolidation area



Business Model

The business model is based on a number of values that guide the Group in providing a shopping experience that meets customers' needs, anticipating their requirements by offering excellent and fresh products, with quality services, at competitive prices, both in the e-commerce channel and in traditional stores.
As the business continues to evolve, the traditional, predominantly food supermarket has been joined by the e-commerce service, bars, perfumeries, parapharmacies, the Elisenda bakery, and new types of stores, such as Eccellenze di Esselunga and laESSE, located at strategic points in the city.

The organisation of the Group features:

- Centralisation of procurement, production and logistical activities, which ensure the freshness and quality of the products for daily delivery;
- centralisation of promotional policies and communication and marketing initiatives;
- sales management with a multi-channel approach, where the physical store and the various e-commerce services are integrated to meet the needs of all customers.

Stores

Over the years, the Supermarket has expanded its range of products and services to include non-food items such as perfumery and beauty products, newspapers and books, toys, stationery, underwear, and flowers. The stores contain production and processing departments, such as the delicatessen, where Esselunga specialists prepare ready-made dishes with selected ingredients.

in addition to the delicatessen present with counter service in 180 stores (171 traditional stores, 7 *la*Esse and 2 "le Eccellenze di Esselunga") and without service in 12 stores (6 traditional stores, 5 *la*Esse and one Esselungalab), the sales network includes 146 bakery departments (143 traditional stores and 3 web-based ones), 44 assisted butchers and 122 fishmongers.
The offer was further expanded with the introduction of Elisenda confectioners in 172 stores (159 traditional stores and 11e laESSE) and in the new "Le Eccellenze di Esselunga" store in Milan Via Spadari, and parapharmacy in 41 stores.

E-commerce

Esselunga's e-commerce service has been in operation since 2001.
The e-commerce range includes thousands of items, including fresh products such as fruit, vegetables, meat, fish, dairy, and delicatessen products. They are packed a few hours before delivery and travel in refrigerated vehicles with different temperatures (frozen and fresh) to ensure that the cold chain is strictly adhered to. *E-commerce* customers can choose from a wide range of dedicated promotions, such as reductions on delivery charges and free gifts linked to the purchase of particular products.
Esselunga's online shopping service covers 50 provinces and 7 regions (Lombardy, Veneto, Emilia-Romagna, Tuscany, Piedmont, Liguria and Lazio).

Treasury shares and shares of parent companies

In relation to the provisions of Article 40 paragraph 2 letter d) of Legislative Decree 127/91, please note that the Parent Company and its subsidiaries:

a) do not hold treasury shares or shares of parent companies, including through trust companies or nominees;
b) did not purchase treasury shares or shares of parent companies in 2024, including through trust companies or nominees.

Derivative financial instruments

Pursuant to Article 2428, paragraph 2, number 6 bis of the Italian Civil Code, it is certified that the Esselunga Group holds derivative financial instruments of an *Interest rate Swap* nature, to hedge the risk of fluctuation of the variable rate relating to the loans subscribed for the acquisition of 30% of Supermarkets Italiani S.p.A. and for the acquisition of 32.5% of La Villata S.p.A.'s treasury shares.

Organisational, Management and Control Model pursuant to Legislative Decree 231/2011

In 2010, the Board of Directors of Esselunga S.p.A. adopted its own Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, updated on

10 July 2024, consisting of a General Section and several Special Sections in which the corporate areas and the predicate offences that in abstract terms could occur are described. The Model includes a set of rules, conducts and controls to provide the Company with an effective organisational and management system capable of identifying and preventing the criminal behaviour covered by the Decree.
These controls are also incorporated into the relevant company procedures.

The Organisation, Management and Control Model has been updated over time in response to the introduction of new predicate offences and changes in the Company's processes and organisation, as approved by resolutions of the Board of Directors.

Monitoring the effectiveness, compliance with and updating of the Model is the responsibility of the Supervisory Body appointed upon first adoption of the Organisational, Management and Control Model. By resolution of 27 April 2022, Esselunga's Board of Directors appointed a new member as Chairman and renewed two other members of the Supervisory Body, which now comprises two external professionals and the Director of Legal and Corporate Affairs, who will remain in office until the date of the shareholders' meeting to approve the financial statements for the year ending 31 December 2024.

EsserBella S.p.A., Atlantic S.r.l., La Villata Immobiliare S.p.A., and Orofin S.p.A. have also defined and updated their Organisation, Management and Control Models in line with regulatory developments. The respective Boards of Directors approved the updates of the Models of Directors.

By resolution of 28 November 2022, the Esselunga Board of Directors updated the Group's Code of Ethics and Conduct, which sets out the general principles and rules of behaviour to which the conduct of everyone who works in the name and on behalf of the Company must conform and which has been implemented by each Group company.

An Ethics Committee composed of the Heads of the *Internal Audit*, Legal and Corporate Affairs and Human Resources and Organisation Departments has been set up to oversee compliance with the Code of Ethics and Conduct and to serve as a reference on the interpretation of the Code.

The Group has updated the process for managing reports which regulates the roles and responsibilities of the main stakeholders involved. The Group, in compliance with Legislative Decree 24/2023 in force from July 2023, uses a whistleblowing channel to collect reports that may concern violations of the provisions of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, areas included in Legislative Decree 24/23, violations of the principles and/or rules of conduct indicated in the Code of Ethics and Conduct and in the Supplier Code of Conduct as well as company procedures and/or internal manuals.
As part of the management of reports, the Group has designated the Whistleblowing Officer as the Head of Internal Audit.

The IT system adopted guarantees all aspects of security and full compliance with international regulations in the field of privacy (processing of sensitive and personal data).

An extract of the General Part of the Company Models, the Group Code of Ethics and Conduct and the Report Management Procedure are published on the Esselunga institutional website, in the Governance section.

Internal control and Risk Factor Management system

Esselunga S.p.A. has an Internal Audit Department whose primary task is to verify, continuously and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an annual audit plan, approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main risks.

The audit activity covers all of the Company's processes, paying particular attention to those most significant because of the degree of risk they pose to the Company's objectives.

The Head of the *Internal Audit* Function is not responsible for any operational area. They do not report hierarchically to any head of the operational regions but to the Board of Directors via the Chairman.

Following the individual audits carried out during 2024, specific reports were prepared and sent to the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors and to the General Manager. The interventions carried out, in the operational and process, compliance and integrated areas (audits carried out combining the previous types), resulted in evaluations and recommendations regarding operations and the overall control system, highlighting areas for improvement.
Annually, the *Internal Audit* Manager informs the Board of Directors of the results of the audit activities carried out and the completion of the Plan, to allow the Board of Directors to assess the adequacy and effective functioning of the Internal Control and Risk Management System.

As a result of the audit activities, no circumstances have emerged that would indicate the **Internal Control and Risk Management System** as inadequate as a whole as of the date of this report, also in light of ongoing initiatives.
The Internal Audit function also carries out supervisory activities on behalf of the Supervisory Bodies appointed by Esselunga and by the other Group companies under Legislative Decree 231/2001.

Internal Control System on Sustainability Reporting

In 2024 Esselunga started, as part of the process of adapting its reporting process to the *Corporate Sustainability Reporting Directive*, the definition and gradual implementation of a system for risk management and internal controls over sustainability reporting (hereinafter also referred to as "SCIIS").
Esselunga's risk management and internal controls model on Sustainability Reporting is developed on the basis of a framework developed by the *Committee of Sponsoring Organisations of the Treadway Commission* (c.d. "CoSO Report") and, in particular, the specific supplementary guide dedicated to sustainability reporting, entitled "Achieving Effective Internal Control of Sustainability Reporting (ICSR)".
SCIIS, as an element of the broader system of internal control and risk factor management, has as its main objective to provide reasonable certainty that sustainability reporting is prepared in accordance with applicable standards, the risk of *misstatement,* i.e., the risk of reporting sustainability information that does not correspond to the company's actual ESG performance, is guarded against.
The implementation of the sustainability reporting control system involves the interdependence of the following steps:

a) the first macro-phase concerns the definition of the scope and implementation of the system of controls that includes *Scoping*, *Data Workflow Analysis* and *Risk & Control Assessment*, aimed at defining the criteria for identifying the relevant indicators, i.e. the indicators for which to request the implementation of the control measures so that the sustainability information reported in accordance with the ESRS ensures compliance with the principles of relevance, faithful representation, comparability, verifiability and comprehensibility. The application of the control model takes place according to a scalable approach that provides for different pervasiveness, depending on the relevance of the individual Group entities and the data/information produced and disclosed, of *Entity Level Control* (ELC), *Process Level Control* (PLC) and *Information Technology General Control* (ITGC);

b) the second macro-phase concerns the verification of the control model and includes *Monitoring*, *Evaluation and Reporting* activities, which are aimed at testing and evaluating the adequacy and effective operation of controls as well as reporting the results.

Contingent liabilities and disputes

Please refer to the comments in chapter Closure of the "cooperatives" case by the Milan Public Prosecutor's Office and to the comments in section Provisions for risks and charges of this Financial Statement.

Significant events after the end of the period

There are no significant events occurring after the closing date that have an impact on these Financial Statements.

Consolidated Sustainability Reporting

Table of Contents

1 General information

1.1 Basis for preparation

1.1.1 BP-1: General criteria for drafting the sustainability statement

This Consolidated Sustainability Report, hereinafter also referred to as the "Report" or "RdS", includes data from Esselunga S.p.A. (hereinafter also referred to as the "Company" or "Parent Company"), which together with its subsidiaries forms the Esselunga Group (hereinafter also referred to as the "Group" or "Esselunga"). The reporting boundary coincides with that of the balance sheet. The main companies in the Group besides Esselunga are: Atlantic, which is active in the provision of food and beverages to the public; Esserbella, which deals in the sale of perfumery products; La Villata is active in the real estate sector, in particular the construction, purchase, development, sale and leasing of properties mainly for commercial use; and finally Orofin, which holds shares in companies operating mainly in the development of real estate projects, which represent the acquisitions made in Italy through intermediaries, in order to guarantee the confidentiality of the real estate project.

The sustainability disclosures in this document refer to 2024 (reporting period from 1 January to 31 December) and the Report is prepared in accordance with Legislative Decree 125/2024, which transposes European Directive 2022/2464/EU into Italian law, and the European Sustainability Reporting Standards (ESRS).

The information contained in the Report refers both to the Group's own operations - including headquarters, stores, production and logistics centres - and to its upstream and downstream value chain, subject to data availability and reliability. In particular, the materiality analysis identified material impacts, risks and opportunities along the entire value chain (see the Materiality Analysis section) and, consistent with the outcomes of this exercise, policies, actions, objectives and metrics are described, the specific scope of which is indicated in the respective chapters. Where the Group avails itself of the option to omit information concerning upcoming developments, matters under negotiation, sensitive information and information corresponding to intellectual property, know-how or innovation results, it shall clearly state this in the text of the Report.

1.1.2 BP-2: Disclosures in relation to specific circumstances

Time horizons

Esselunga considered the following time horizons, in line with the definitions proposed by the ESRS:

- short term: the reporting period, which coincides with a 12-month period;
- medium-term: up to five years after the end of the short-term reference period; and
- long term: beyond five years.

Value chain estimation

With reference to the value chain, Esselunga reports the metric of indirect greenhouse gas emissions Scope 3 (see section E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions). Quantitative information derived from estimates based on indirect sources is indicated in the relevant paragraph.

Sources of estimation and outcome uncertainty

Estimated quantitative disclosures that are subject to high levels of uncertainty, if any, are reported within the Report, under the specific disclosure.

Changes in preparation or presentation of sustainability information

Some quantitative disclosures in this Report have changed from the information provided in the previous fiscal year due to updated regulations and related Reporting Standards.

Reporting errors in prior periods

With this Report, Esselunga applies the new ESRS standards for sustainability reporting, in accordance with the provisions of Decree 125/2024 implementing European Directive 2022/2464/EU. Starting with the next reporting year, the Company will carry out the *restatement* for any corrections relating to previous years.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Esselunga's Consolidated Sustainability Reporting also includes the disclosure requirements of Article 8 of EU Regulation 2020/852, which can be found in the European Taxonomy section, within the chapter **Environmental Information**.

Incorporation by reference

In order to provide integrated reporting that is as concise as possible, some disclosures have been included by cross-referencing to other sections of Esselunga's Consolidated Financial Statements. The list of disclosure requirements incorporated by reference is given in the Table of Contents.

1.2 Governance

1.2.1 GOV-1: The role of the administrative, management and supervisory bodies

Esselunga has a **traditional** governance system, characterised by the presence of:

- **Shareholders' Meeting**, which is responsible for making decisions in accordance with the law and the articles of association;
- **Board of Directors**, entrusted with the management of the company, and which granted operational powers to delegated persons;
- **Board of Statutory Auditors,** called upon to supervise compliance with the law and the articles of association;

- **Auditing Company**, which is entrusted with the auditing of the accounts and the opinion on the financial statements in accordance with the law and the articles of association.

The Board of Directors has also appointed a **Supervisory Body**, as provided for in Legislative Decree 231/01, which annually submits to it the main results of the monitoring of the effectiveness of and compliance with the Organisation, Management and Control Model and any critical issues that have emerged.

The Group's administration, management and control bodies, in accordance with the ESRS Standards, comprise the **Board of Directors**, the **Board of Statutory Auditors** and the **Risk and Sustainability Committee**, whose members have expertise in the sector in which Esselunga operates and in key trends. These bodies are composed of a total of **4 executive** and **7 non-executive members**, the gender distribution is approximately **73% men** and **27% women**, and they do not include employee representatives. Considering the composition of the Board of Directors, the proportion of **independent members** is **25%** and **gender diversity**, calculated as the ratio between the number of women and men, is **60%**.

To foster the progressive integration of sustainability issues within the business logic, the company has identified roles and responsibilities within its governance. Since 2019, Esselunga's Board of Directors has entrusted the delegation of all Corporate Social Responsibility activities to the **Executive Chairman**, and in 2022 set up a **Risk and Sustainability Committee**, also chaired by the Executive Chairman, whose activities include giving an opinion on strategic sustainability issues. The Board of Directors, on the other hand, has the task of approving the Policy, the Plan, the Sustainability Report and, in general, strategic sustainability issues. The Sustainability Report is a separate document from this Report, and is prepared on a voluntary basis in order to present the Group's projects and initiatives to stakeholders in a more immediate and communicative manner.

In 2022, reporting directly to the Executive Chairman, the **Corporate Sustainability Department** was established to coordinate the company's sustainable development. In particular, the Management is responsible for the definition and implementation of the Sustainability Strategy, Policy and Plan with its objectives and their monitoring, as well as the identification of relevant impacts, risks and opportunities for the Company. The Corporate Sustainability Department works synergistically with all corporate functions, stimulating the launch of new social and environmental projects and initiatives in line with the Sustainability Strategy. Ambassadors have been identified within each corporate function, which allow for a monitoring of sustainability issues and an exchange of information with the Corporate Sustainability Department.

The preparation of this document, the Consolidated Sustainability Report, is entrusted to the Administration, Finance and Control Department which, in synergy with the Corporate Sustainability Department, liaises with all company departments to collect the information and data necessary to meet current regulatory requirements. Approval of the document is the responsibility of the Board of Directors.

1.2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

With regard to sustainability issues, the Corporate Sustainability Department informs the management, administration and control bodies. During 2024, the Risk and Sustainability Committee was involved in the double relevance validation process through which Esselunga identified the highest priority sustainability issues for the Group (see Relevance Analysis section). Other instruments with which the Corporate Sustainability Department informs the administrative, management and control bodies include the Sustainability Plan. This is the tool by which the company integrates the management of relevant impacts, risks and opportunities within the business strategy and monitors the company's ESG performance.

1.2.3 GOV-3: Integration of sustainability-related performance in incentive schemes

Esselunga's compensation policies for the highest governing body and executives have the priority objective of fostering the creation of sustainable value over time, maintaining a strong link between pay and performance. The fixed component of remuneration in Esselunga responds to principles of internal and external equity and reflects, through position weighting and job evaluation systems, the real content of roles in the organisation. There is a system of STI (Short Term Incentive) according to roles and remuneration policies based on company results. In general, the remuneration policies defined by the company and intended for members of the company's administrative, management and control bodies are not linked to objectives or impacts related to sustainability. To date, in general, the remuneration policies defined by the company and intended for members of the company's administrative, management and control bodies are not linked to objectives or impacts related to sustainability.

1.2.4 GOV-4: Statement on due diligence

Through the materiality analysis, updated in this reporting year, Esselunga has identified and assessed the Company's actual and potential negative impacts on sustainability issues. Information on this process, including the involvement of stakeholders, can be found in the Relevance Analysis section. In line with the outcome of the impact assessments, the actions implemented to prevent and/or manage these impacts, as well as their monitoring, are reported in this document.

Table1: Core elements of due diligence

Core elements of due diligence	Reference in this document
a. embedding due diligence in governance, strategy and business model	• 1.2.1 GOV-1: The role of the administrative, management and supervisory bodies • 1.2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • 1.2.5 GOV-5: Risk management and internal controls on sustainability reporting
b. Engaging with affected stakeholders in all key steps of the due diligence	• 1.2.2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • 1.3.2 SBM-2: Interests and views of stakeholders • 1.4.1 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities • Engagement processes with different categories of stakeholders, such as own workforce (3.1.4), workers in the chain (3.2.4), affected communities (3.3.4) and consumers and end-users (3.4.4)
c. c) Identifying and assessing adverse impacts	• 1.4.1 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities • 1.4.2 SBM-3: material impacts, risks and opportunities and their interaction with strategy and business model
d. Taking actions to address those adverse impacts	Within the topical ESRS, actions and interventions associated with material impacts, risks and opportunities related to climate change (2.2.5), water (2.4.2), biodiversity and ecosystems (2.5.5), resource use and circular economy (2.6.3), own workforce (3.1.6), workers in the chain (3.2.6), affected communities (3.3.6), consumers and end-users (3.4.6) and animal welfare (4.3) are described
e. Tracking the effectiveness of these efforts and communicating	Within the topical ESRS, targets and metrics associated with material impacts, risks and opportunities related to climate change (2.2.6, 2.2.7, 2.2.8), pollution (2.3.2), water (2.4.3), biodiversity and ecosystems (2.5.6), resource use and circular economy (2.6.4, 2.6.5, 2-6.6), own workforce (3.1.7, 3.1.8, 3.1.9, 3.1.10, 3.1.11, 3.1.12, 3.1.13, 3.1.14, 3.1.15, 3.1.16, 3.1.17, 3.1.18, 3.1.19), workers in the chain (3.2.7), affected communities (3.3.7), consumers and end-users (3.4.7), business conduct (4.2.3, 4.2.4) and animal welfare (4.3)

In addition, during 2023 Esselunga initiated a due diligence process aimed at identifying and managing negative impacts along its supply chain, and in particular associated with the operations of commercial suppliers, as described in S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions.

1.2.5 GOV-5: Risk management and internal controls on sustainability reporting

In 2024 Esselunga embarked on a path to strengthen its sustainability management with regard to the adaptation of its sustainability disclosure to the Corporate Sustainability Reporting Directive (CSRD). In this context, Internal Audit, as mandated by the Board of Directors, launched a project aimed at designing and implementing a risk management and internal control model on Sustainability Reporting. This model was developed on the basis of the framework elaborated by the Committee of Sponsoring Organizations of the Treadway Commission ("CoSO Report") and, in particular, the specific supplementary guide dedicated to sustainability reporting, entitled "Achieving Effective Internal Control of Sustainability Reporting (ICSR)".

The **Internal Control System for Sustainability Reporting** ("**SCIIS**"), as an element of the broader system of internal control and risk factor management, has as its main objective to provide reasonable certainty that sustainability reporting is prepared in accordance with applicable standards, the risk of *misstatement,* i.e., the risk of reporting sustainability information that does not correspond to the Company's actual ESG performance, is guarded against.

The five components of the framework were therefore identified within the project: Scoping, Data Workflow Analysis, Risk & Control Assessment, Monitoring, Evaluation and Reporting. Following identification, the indicators subject to disclosure were clustered on the basis of the scoring model, as well as an analysis of the contribution of the companies within the scope of Sustainability Reporting. The scoring model developed assigns a score on the basis of a number of appropriately identified drivers, including, for example, the complexity of the indicator, the priority of the topic and the link with the ESG strategy.

At the start of the model construction phase for the identification of indicators, a Readiness Model was used based on a number of parameters, such as the availability of the information underlying the indicator, the level of readiness of the process, materiality and reputational impact. This led to the identification of a set of indicators for which to carry out *end-to-end* mapping of the process and formalisation of controls, both in place and to be strengthened. It should be noted that this Readiness Model represented the first "simplified" application of the Scoping component according to the risk-based logic of readiness of the data construction process for reporting purposes relating to 2024. The extended implementation of the Scoping component, as envisaged by the SCIIS framework, will take place in 2025 with respect to the data contained in this Sustainability Report.

The risk analysis at process level was based on the "assertions" already used and established in financial reporting, in line with the guidance provided by the aforementioned CoSO Guide. In the course of analysing the indicators, methodological tools such as flowcharts and narratives were used, through which the stages of data generation and processing, aggregation, calculation and validation of the indicators for use in Sustainability Reporting were recorded. The implementation of the control system also included the detection of the controls in place on the IT systems impacted by the reporting (Information Technology General Control - ITGC).

A Risk Control Matrix ("RCM") with a differentiated structure is prepared for all types of controls. For ELCs, the RCM provides for the identification of the CoSO component, the reference principle as well as, for each principle, its typical controls and attributes. For PLCs, the company has identified among the main risks, but not limited to, those related to incomplete or incorrect extraction, aggregation and transmission of information and/or databases. Within the RCM, the controls that the corporate functions put in place in order to ensure the correct, complete and timely reporting of the relevant data are described. For ITGC, the risks related to the operation of applications are standard and concern all IT systems involved in the reporting process, as well as ESGeo, the system used for Sustainability Reporting.

Upon completion of the mapping activity for this first set of indicators, the functions involved undertook to implement or strengthen existing control points where necessary.

In line with the application of the SCIIS Model, the evaluation of controls during the monitoring phase is carried out according to a scalable approach that provides for a different pervasiveness, depending on the relevance of the data/information produced and disclosed, of Entity Level Control (ELC), Process Level Control (PLC) and Information Technology General Control (ITGC). For the first year of implementation of the Model, monitoring activities are carried out with reference to the set of indicators identified following the application of the Readiness Model and the degree of implementation of any corrective actions identified.

In order to ensure that Esselunga's governing bodies are adequately informed about the Internal Control System on Sustainability Reporting, Internal Audit prepares an annual report on the adequacy of Esselunga's ICSIS, containing information on the controls envisaged, the updating and verification activities carried out during the reporting period and their outcomes. This report is made available to the CFO, and by him to the Board of Directors, at the time of approval of the draft annual accounts.

1.3 Strategy

1.3.1 SBM-1: Strategy, business model and value chain

Esselunga operates in Italy mainly in the **Large-Scale Retailing food sector** through a sales network comprising, at 31 December 2024, 192 stores (of which 177 traditional, 12 are laESSE, 2 are under the "Le Eccellenze di Esselunga" brand and 1 under the "EsselungaLab" banner) located in the regions of Lombardy, Liguria, Veneto, Piedmont, Emilia-Romagna, Tuscany and Lazio. In addition, the Group operates 124 bars, 116 of which under the Atlantic banner, 8 laESSE ones, and 47 "eb" selective perfumery and beauty service stores. The Group is also active in the **real estate sector**, researching, planning and implementing new initiatives that are instrumental to its business activities. The new openings during 2024 are listed in the Management Report. At the end of the year, the Group had a total of **29,391 employees**, all in Italy, and net revenue amounted to EUR **9,229,418,000**.

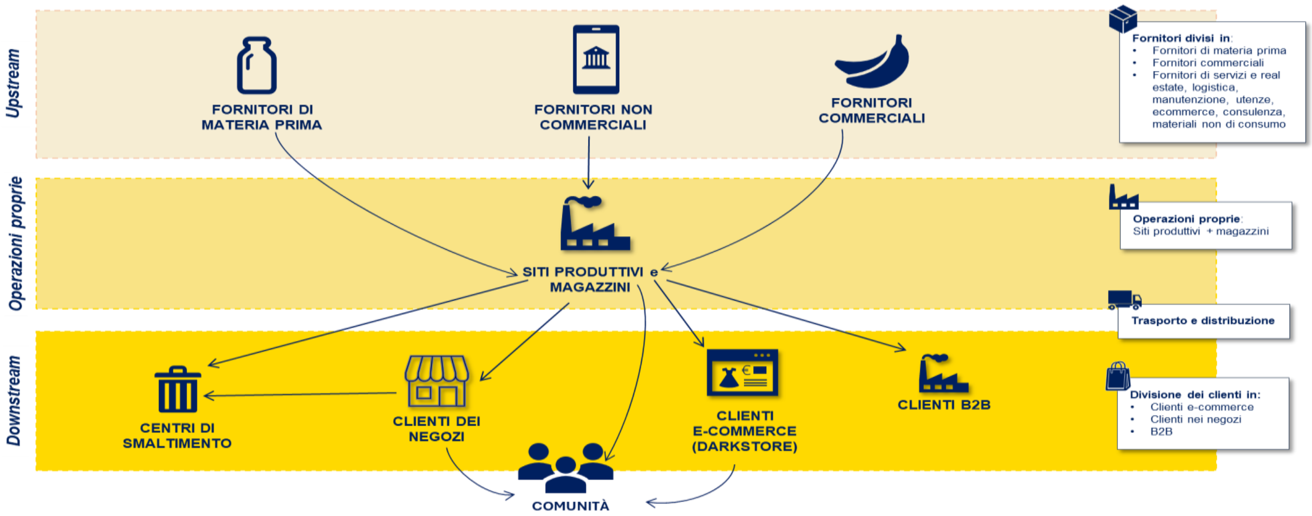
With its factories and processing centres in Limito di Pioltello (MI), Biandrate (NO) and Parma, the Group has become over time a true **Food Company** engaged in the production and processing of meat, fish and delicatessen products respectively. In addition, Esselunga markets a wide range of branded products that, although not manufactured directly by the company, are selected according to strict quality standards. With a view to the continuous evolution of the business, the traditional, predominantly food supermarket, over the last twenty years, has been joined by the **e-commerce service**, **Atlantic Bars**, the **eb® Profumerie**, the **parapharmacy**, the **Elisenda bakery** and new store formats, such as **laESSE urban stores**, perfectly located in strategic city locations for everyday shopping.

The Group's business model is based on a number of fundamental principles that guide the Company in **delivering a shopping experience every day that meets customer needs**, anticipating and responding to their expectations, **through the offer of products of outstanding quality and freshness at competitive prices, combined with top-quality services**, both through the e-commerce channel and in traditional stores. Moreover, Esselunga has always pursued its growth and development strategy in accordance with the principles of social responsibility, offering excellent quality products at affordable prices, valuing people and the community and respecting the environment. The Company has embarked on a path to create value over time in all areas of its organisation, characterised by:

- **selection and evaluation of suppliers** which, combined with the **centralisation of procurement, production and logistics activities**, allows Esselunga to guarantee the freshness and quality of products delivered daily to stores and e-commerce warehouses. The Sales Department and Logistics Department are responsible for organising the related activities, while the Quality Assurance Department carries out planned inspections at all Esselunga plants and also at the production plants of private-label product suppliers
- **innovation in its products and services**, offering customers different solutions to meet their needs and follow market trends
- **development and planning of promotional policies** and communication and marketing initiatives through continuous and rigorous analysis of the market, customer preferences and demand for specific services
- **sales management with a multi-channel approach,** in which the physical shop, e-commerce and the various delivery services are integrated to meet the needs of all customers. The management of product requirements in the stores is optimised through the efficiency of the distribution centres and sales forecasts that adhere to the real needs of the stores. The company offers continuous customer support for after-sales troubleshooting.

The Group's activities and business are part of a broader framework of commercial relations and logistical flows, which involve various players and constitute **Esselunga's value chain.** Upstream of the company's own operations are commercial suppliers of branded and non-branded products, including those of raw materials, and non-commercial suppliers, i.e. suppliers of services and activities related to the real estate development sector. Then, from the production plants and distribution centres, the products are transported and reach the customers via the sales channels, stores and e-commerce. The Group also considers the communities concerned, which inhabit the area where Esselunga's production, distribution and sales activities take place, as players in its value chain.

Figure1: The Esselunga value chain



With a view to continuous improvement and the promotion of environmental, social and economic sustainability, the Group has developed a Sustainability Strategic Plan that defines concrete and measurable objectives, detailed in the thematic chapters of this Report. Considerations arising from the double materiality analysis and stakeholder engagement that are not reflected in the current Plan are set out in the Minimum Disclosures for Transparency section and Esselunga will consider updating them in 2025 as indicated in the Sustainability Plan section.

1.3.2 SBM-2: Interests and views of stakeholders

In pursuing its strategies and managing its operations, Esselunga interacts on a daily basis with different categories of stakeholders in a dialogue that is essential to grow, meet its commitments and adapt to the changing environment. In particular, the company's business involves direct contact with several actors in the value chain, whose expectations it is essential to know. The Group has therefore identified **People**, **Customers**, **Suppliers**, the **Environment**, the **Community**, the **Public Administration**, **Trade Unions** and **Trade Associations** and **Bondholders** as its main stakeholder categories.

Figure2: Esselunga stakeholders

To ensure a continuous and transparent dialogue, promoting the creation of shared value, Esselunga has identified different channels and methods of involvement, as shown in the table below.

Table2: Approach to stakeholder engagement

Stakeholder categories	Listening and engagement approach
Customers	• Structured and widespread customer relationship management (CRM) systems, from individual stores to online platforms and customer service; • 32 Market surveys, involving about 1 million customers, on: general customer satisfaction, development of new branded or industrial products, brand perception, evaluation of different sales channels and customer satisfaction with the services offered by Bar Atlantic and eb® Perfumeries; • Evaluation of discount vouchers by product category via dedicated survey within the voucher mailing; • Evaluation of the events organised to raise awareness of the Enoteca Esselunga and Elisenda offer through feedback via a QR Code printed on the event communication materials • Measuring Esselunga's brand reputation in cooperation with the company *RepTrak*which specialises in Corporate Reputation Management. This tracking monitors how the company is perceived and evaluated and the expectations that different stakeholders have of it; • Involvement of Fidaty customers via online survey;
Suppliers	• Support for Italian products and local suppliers through specific promotional activities; • Organisation of individual meetings between suppliers and internal stakeholders involved, with the aim of creating new private label products and improving existing ones. • Support activities in the development of product packaging, through Life Cycle Assessment studies, to design optimal and environmentally friendly packaging (material and packaging); • Involvement of six representatives of four supplier companies, experts in sustainability issues, through Multistakeholder Forum; • With particular reference to eb® Perfumeries, supplier involvement was pursued through commercial and product-selection policies to support small local suppliers and sustainable brands. In 2024, with the aim of strengthening and extending eb® Profumerie's brand awareness, this policy was pursued in the creation of an entirely Made in Italy private label make-up brush line with dermatologically tested performance.
Financiers	• Involvement of a representative of a credit institution, expert in sustainability issues, through Multistakeholder Forum; • Involvement of a representative of a credit institution, expert in sustainability issues, through a dedicated interview to validate the outcome of the double relevance analysis.
Personnel **Trade unions and trade associations**	• Discussion and dedicated meetings with specific functions in the areas of Human Resources and HSE and Relations with Trade Unions; • Publication and communication campaign, on all company channels, of the Code of Ethics and Conduct; • Ongoing activities of the Joint Welfare Committee aimed at discussing and proposing solutions in the field of welfare; • Continuous presence of the anti-violence listening desk in cooperation with the Dragonfly Foundation. It is a free, completely anonymous service available 24/7 offering psychological support to women who are in difficulty and are victims of violence; • Involvement of employees via online survey and involvement of a representative of a trade association, expert in sustainability issues, via Multistakeholder Forum.
Public Administration	• Periodic dialogue with representatives of the public administration, involving, on the basis of the peculiarities of the requests and the entity, both the top management and its management considering the various specialisations and competences. The presence of specific procedures and control protocols defined by the MOGC pursuant to Legislative Decree 231/01 of the Group Companies allows these interactions to be regulated and monitored.

Stakeholder categories	Listening and engagement approach
Communities	• Support for social initiatives; • Collaborations with non-profit organisations; • Relations and active collaboration with schools and universities in the area; • Evaluation of numerous requests received from local communities, including some 60 partnership projects arriving through external and internal sources • Involvement of 2 representatives of a non-profit association and a social enterprise, experts in the field of sustainability and involvement of 4 representatives of academia and sustainability-related bodies through a Multistakeholder Forum; • Involvement of a representative of a non-profit company and representatives of the academic world, experts in the field of sustainability, through an interview dedicated to the evaluation of the outcome of the dual materiality analysis.

Among the initiatives described is the Multistakeholder Forum, organised at the beginning of 2024, which also contributed to the updating of the Relevance Analysis, particularly for the identification phase of impacts, risks and opportunities. The forum involved 14 sustainability experts representing different categories of stakeholders relevant to the company's activities. The discussion revealed Esselunga's strengths in managing sustainability issues and the areas for improvement on which the company will work in the coming years. In addition to this activity, the main corporate functions were involved during the Relevance Analysis to assess impacts, risks and opportunities, as well as experts in sustainability issues, as described in detail in the Relevance Analysis section. The outcome of the analysis was then shared with top management and the Risk and Sustainability Committee.

Knowing the opinions and interests of stakeholders represents an opportunity for the company to orient its strategy towards the creation of shared value. With this in mind, in the process of defining the new Sustainability Plan planned for 2025, Esselunga will take the interests of its stakeholders into account when identifying its priorities and targets.

1.4 Relevance Analysis

1.4.1 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities

In order to align with the requirements of the new Corporate Sustainability Reporting Directive (CSRD), in this reporting year Esselunga carried out the materiality analysis according to ESRS, i.e. the process of defining significant impacts, risks and opportunities (IRO) for the Group with respect to sustainability issues.

The methodology used by Esselunga, in accordance with CSRD definitions and the guidelines provided by the European Financial Reporting Advisory Group (EFRAG)[1], takes into account two different perspectives: **impact relevance**, which refers to the impacts on people or the environment generated by the Company and its value chain, in the short, medium or long term, considering negative or positive, actual or potential; and **financial relevance**, which refers to risks and opportunities arising from sustainability issues and

[1] *IG1: Guidance for Materiality Assessment Implementation*

which, in the short, medium or long term, may influence the Company's performance and positioning.

The process adopted by Esselunga to identify relevant impacts, risks and opportunities included the following steps:

1. **Context analysis**:

First, the Group carried out an **analysis of its activities and commercial relations**, identifying interactions with the main players involved and examining the flow of products that, starting from upstream production processes and through its production sites and warehouses, are distributed to stores and finally sold to consumers. The result of this exercise is a **mapping of the upstream and downstream value chain** (see section SBM-1: Strategy, business model and value chain), fundamental to the identification of Esselunga's potential impacts, risks and opportunities with respect to sustainability issues.

The Group then carried out an **analysis of the internal and external context**, in order to identify the sustainability issues that are of greatest concern in the sector. In particular, the **documents published** by the Group (Consolidated Non-Financial Statement 2023, Sustainability Report, Climate Change Report and Sustainability Policy), the outcome of the **stakeholder engagement activity** (see SBM-2 section: Interests and opinions of stakeholders), and the objectives defined in the **Sustainability Plan**. With respect to the external context, **industry macro-trends**[2] and **public sustainability documents** of the most representative comparable companies were analysed.

2. **Identification of impacts, risks and opportunities related to sustainability issues**:

Based on the analyses described, Esselunga has identified a preliminary list of potentially relevant impacts, positive or negative, risks and opportunities.

This exercise was carried out from the list of **themes**, **sub-themes** and **sub-sub-themes**, provided by the ESRS Standards[3],to which a level of disaggregation appropriate for Esselunga was applied. In identifying the IROs, Esselunga's business activities were taken into account, as well as the business relationships, identified by value chain mapping, the main supply chains, and the related dependencies. Furthermore, when faced with the identification of an impact, whether positive or negative, the Group questioned whether there were any risks and opportunities associated with it, in order to capture the interrelationships between impact materiality and financial materiality and obtain a list of IROs that was exhaustive and representative of the Group's reality.

For the purposes of the assessment, the reference **time horizon** was identified for each IRO, considering the most significant one, and the **area of the value chain** in which it originates - upstream of the Group's operations, in its own operations, downstream, or in

[2] *SASB (Food Retailers and Distributors, Processed Food Industry), MSCI (Food Retailers, Food Distributors), Encore (Food Retailers, Food Distributors)*
[3] *Appendix B to Annex II of Directive (EU) 2022/2464, ESRS 1, Application Requirement 16.*

a combination of the above - including an indication of the Group companies involved and the relevant sectors to which they belong. Finally, for the impacts identified, the type of effect, actual or potential, was defined.

3. **Assessment and determination of relevant impacts, risks and opportunities**:

Subsequently, the relevant corporate functions, with the support of the Corporate Sustainability Department, were involved in assessing the relevance of impacts, risks and opportunities, through dedicated interviews.

Relevance was assessed through qualitative metrics defined by the Group in line with the ESRS Standards and distributed on a scale of 1 to 4. Each contact person involved in the activity gave their assessment on the basis of their specific knowledge of the topics covered, thus helping to ensure a result representative of the company's reality. In particular, the variables of *magnitude, extent*, *irretrievable nature* - for negative impacts only - and *likelihood* of occurrence - for potential impacts only - were assessed for **impact materiality**. For **financial materiality**, risks and opportunities were assessed by considering *probability* and *magnitude*, declined for the following types of effects: reputational, strategic, financial, regulatory and business-continuity. The materiality threshold was set starting with those impacts, risks and opportunities whose assessment, in terms of the product of probability and magnitude, was higher than 8. In addition, all elements that received a rating of maximum magnitude were considered as relevant, even if the probability was found to be minimal. Since the Group does not have an integrated corporate risk management system, it has prepared a specific analysis of risks related to environmental, social and governance issues, as reported in phase 1. For the risks identified as significant at the end of the assessment, which was carried out according to an "inherent" risk logic, i.e. without considering the safeguards put in place by the Company, no significant current financial effects were found during the reporting year. Furthermore, with regard to some specific risks, such as the occurrence of accidental events involving employees or damage to property due to weather events, Esselunga is insured with specific policies to mitigate the possible financial impact.

In addition to the internal functions, a number of experts in sustainability issues, representative of academia, finance and non-governmental organisations, were involved through *one-to-one* interviews, in order to obtain further validation against the findings of the assessment process carried out by the corporate functions.

From the aggregation of the results obtained, a list of relevant impacts, risks and opportunities for the Group was then identified. Subsequently, this list was shared with top management and the Risk and Sustainability Committee.

The results of the analysis described above identified environmental, social and governance aspects relevant to the Group consistent with Esselunga's strategic industry and business model. In particular, the impacts related to energy consumption and emission generation, air pollution and water management, circular economy and *food waste*, as well as the related reputational and business opportunities arising from the implementation of practices favouring circularity and food waste recovery, emerged as relevant. In relation to the product, the issues of responsible sourcing, in particular in relation to the impacts of the supply chain on ecosystems and biodiversity, and the development of a healthy and affordable, as well as high quality, product offer are priorities. From a social point of view, relevant impacts, risks and opportunities have been identified along the entire value chain, related in particular to the adequacy of working conditions, health and safety, respect for diversity and equal opportunities, and the protection of human rights. Finally, the importance of ethical, transparent and regulatory-compliant management emerges as a crucial element in mitigating legal and reputational risks.

1.4.2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The table below sets out the impacts, risks and opportunities relevant to Esselunga, which will be discussed and explored in more detail in the following chapters, illustrating their effects on the business model and value chain, how they are managed, and the Group's approach to dealing with impacts and risks and exploiting opportunities. Starting from the findings of the double relevance analysis, the Group will implement a series of actions to define a comprehensive strategy based on the impacts, risks and opportunities that have emerged as relevant.

Table3: Relevant impacts, risks and opportunities for Esselunga

IRO Materials for Thematic ESRS		Upstream value chain	Own operations	Downstream value chain	Time Horizon	Effective (E) / Potential (P)
E1 - Climate Change						
Negative Impact	Generation of greenhouse gas emissions from both own operations and activities along the value chain (Scope 1, Scope 2, Scope 3), resulting in climate change impacts.	✔	✔	✔	Short Term	AND
Risk	Physical risk arising from an increase in extreme weather events (e.g. floods, droughts, heat waves, etc.) resulting in disruptions to operations at plants and/or distribution centres.		✔		Short Term	P
E2 - Pollution						
Negative Impact	Pollution due to the release of pollutant emissions along the value chain, hazardous substances into water bodies and pollutants used for soil treatment.	✔			Short Term	AND
Negative Impact	Air pollution due to the release of other pollutant emissions (non-GHG, such as mono-nitrogen oxides, sulphur dioxide, etc.) from upstream production processes, such as those related to agriculture and livestock farming, power generation for own operations and, downstream, distribution and disposal of sold products	✔	✔	✔	Short Term	AND
E3 – Water and marine resources						
Negative Impact	Exploitation of water resources in their operations, with consequences for local water scarcity, ecosystems and communities.		✔		Long Term	AND
Negative Impact	Exploitation of water resources from activities along the value chain, with consequences for local water scarcity, ecosystems and communities.	✔			Short Term	AND
Risk	Increased water stress in plants resulting in decreased productivity		✔		Short Term	P

IRO Materials for Thematic ESRS		Upstream value chain	Own operations	Downstream value chain	Time Horizon	Effective (E) / Potential (P)
E4 – Biodiversity and ecosystems						
Negative Impact	Unaccountable sourcing practices along the supply chain that could lead to the degradation of ecosystems with consequent loss of biodiversity.	✔			Short Term	P
Positive impact	Conservation and preservation of biodiversity through the implementation of biodiversity compensation projects (e.g. restoration of degraded habitats, protection of existing habitats).		✔		Short Term	AND
Risk	Changes in ecosystems and availability of raw materials with consequent negative financial effects and damage to business continuity.	✔			Medium Term	P
Risk	Entry into force of new regulations to promote biodiversity protection (e.g. EUDR) and inability of the supply chain to support the transition to responsible production models, with consequent financial and reputational impacts.	✔	✔		Medium Term	P
E5 – Circular economy						
Negative impact	Resource depletion due to the use of virgin materials for packaging, materials that are not recyclable or generated in a socio-environmentally irresponsible manner	✔	✔		Short Term	AND
Negative impact	Production of food waste and non-food waste with a consequent increase in greenhouse gas emissions, waste of water and natural resources, and waste disposal issues.	✔	✔	✔	Short Term	AND
Opportunities	Implementation of circular economy practices to reduce raw materials and reuse packaging with positive consequences in terms of reputation and cost reduction.	✔	✔		Short Term	P
Opportunities	Recovery of waste, including food waste, generated through partnerships with companies in other supply chains with positive reputational and economic consequences		✔	✔	Short Term	P
S1 - Own workforce						
Negative impact	Worker dissatisfaction due to a lack of respect for the right to social dialogue and freedom of association.		✔		Short Term	AND
Negative impact	Negative impacts on the psychological health of workers in their own workforce due to a stressful environment, including excessively tiring working hours		✔		Short Term	AND
Negative impact	Unequal working conditions, ineffective consultations between workers and managers, and harassment in the workplace can negatively affect the well-being of employees and hinder social equality.		✔		Short Term	P
Negative impact	Personal data breaches and data leaks due to non-compliance with emerging legislation, with negative consequences		✔		Short Term	AND
Positive impact	Dissemination of know-how and strengthening of health and safety culture and awareness, beyond regulatory requirements, through the implementation of KPIs and initiatives to monitor and reward top performance.		✔		Short Term	AND
Positive impact	Promotion of actions to ensure a better work-life balance for workers with positive consequences on their physical and psychological well-being.		✔		Short Term	AND
Positive impact	Dissemination of an inclusive culture with positive impacts on employee behaviour and satisfaction.		✔		Short Term	AND
Positive impact	Offering training programmes to Group employees, with a positive impact on skills development and professional growth		✔		Short Term	AND
Risk	Negative events impacting the health and safety of its employees with financial, legal and reputational consequences.		✔		Short Term	P
Risk	Inadequate management of personnel selection and retention processes, with consequent negative effects on productivity.		✔		Short Term	P

IRO Materials for Thematic ESRS		Upstream value chain	Own operations	Downstream value chain	Time Horizon	Effective (E) / Potential (P)
S2 - Workers in the value chain						
Negative impact	Negative influence on the quality of life of workers along the supply chain due to the pressure that can be exerted by their suppliers, which impacts on their rights and can cause health and safety repercussions.	✓			Short Term	AND
Risk	Inadequacy of procedures, processes and controls to identify and mitigate risks to workers' health and safety in the value chain with negative economic and reputational consequences.	✓			Short Term	P
Risk	Insufficient social dialogue resulting in demotivation and lower productivity of workers along the supply chain, as well as worker strikes with negative effects on business continuity.	✓			Short Term	P
Risk	Incidents of discrimination (on the basis of gender, ethnicity, disability, etc.) along the value chain, with reputational consequences.	✓			Short Term	P
S3 – Affected communities						
Negative impact	Reduction in people's quality of life due to the presence of Esselunga in some areas (e.g. increased traffic).		✓		Short Term	AND
Positive impact	Develop an offer based on the purchase and resale of typical products aimed at supporting the territory and local development.	✓	✓	✓	Short Term	AND
Positive impact	Creation of value for the territory linked to the generation of employment and/or adoption of practices aimed at supporting the community.	✓	✓	✓	Short Term	AND
Opportunities	Increase in Esselunga's brand reputation due to positive community perceptions of Esselunga's activities.	✓	✓	✓	Short Term	P
S4 - Consumers and end-users						
Negative Impact	Loss of customers' personal data due to data breach incidents			✓	Short Term	AND
Negative impact	Incidents related to the food safety of products sold, with negative consequences for consumer health		✓	✓	Short Term	AND
Negative impact	Inadequate store infrastructure with negative consequences for consumers with disabilities			✓	Short Term	AND
Positive impact	Development of an affordable supply of healthy products with positive consequences on the health and well-being of consumers and reduction of social inequalities.	✓	✓		Short Term	AND
Risk	Personal data breaches due to non-compliance with emerging data protection regulations, with negative economic and reputational consequences			✓	Short Term	P
Risk	Reduction of customer confidence due to non-transparent communication, with consequences in economic and reputational terms.	✓	✓	✓	Medium Term	P
Opportunities	Increased brand reputation through a strong commitment to educating consumers about sustainable consumption.		✓	✓	Medium Term	P
G1 - Business conduct						
Negative Impact	Negative impacts on animal welfare due to the purchase of raw materials that do not meet standards or certification for their protection.	✓			Short Term	AND
Negative impact	Inadequate management of supplier relationships, particularly with respect to payment practices, which affects business performance, supplier welfare and growth.		✓		Medium Term	P
Negative impact	Incidents of corruption and corporate misconduct, resulting in economic impacts on markets and businesses		✓		Short Term	P
Positive impact	Improving the know-how of small suppliers through dedicated training initiatives.		✓		Medium Term	P
Risk	Inability of the company to act in line with its codes of conduct, commitment, values, policies and objectives with negative reputational and economic effects.	✓	✓		Short Term	P
Risk	Failure of its suppliers to align with best practices in terms of animal welfare with economic and reputational consequences.	✓	✓		Short Term	P

IRO Materials for Thematic ESRS		Upstream value chain	Own operations	Downstream value chain	Time Horizon	Effective (E) / Potential (P)
Risk	Entry into force of new anti-corruption regulations with consequent financial impacts related to adaptation.	✔	✔		Medium Term	P

A list of the disclosure requirements that Esselunga has fulfilled in preparing this Consolidated Sustainability Report based on the results of the materiality analysis, and an indication of all the disclosure elements arising from other EU legislation, can be found in the Table of Contents section of the Consolidated Sustainability Report.

1.5 Sustainability Policy

Esselunga has formalised its commitments and defined the principles and guidelines underlying the responsible and sustainable management of its business in its **Sustainability Policy**, which guides the integration of sustainability principles into the Company's strategic and operational decisions. The policy has been formally approved by the Board of Directors, and the Supervisory Body (SB), Internal Audit and the Ethics Committee are the bodies charged with overseeing its compliance.

The Sustainability Policy applies to all Group companies, employees, collaborators, suppliers and business partners and consists of an introductory section stating the purpose and scope of the policy, the standards it is based on and the values on which the Company's commitment is based. In particular, Esselunga refers to the main international standards in defining its principles, including:

- The **United Nations International Bill of Human Rights**, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;
- The **Guiding principles on business and human rights**: Implementing the United Nations "Protect Respect and Remedy" Framework;
- **OECD Guidelines** for Multinational Enterprises;
- The **Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation** (ILO) and its applicable conventions;
- The **UN Convention on the Elimination of All Forms of Discrimination against** Women;
- The **United Nations Convention** on the **Rights of the Child**;
- the **10 principles of the Global Compact**;
- The **Sustainable Development Goals** (SDGs) of the United Nations;
- **The Guiding Principles for the Promotion of Gender Equality Women's Empowerment Principles** (WEPs).
- **Guidelines**, including **regulations** and codes of **conduct**, **issued by the European Union**, including the Code of Conduct on Responsible Business and Marketing Practices in the Food Chain.

The Policy reinforces what is already stated in Esselunga's Code of Ethics and constitutes a manifesto committing the Group to promoting the principles of responsible and sustainable development.

Firstly, Esselunga is aware that its production and distribution activities generate impacts on the environment, and is therefore committed to improving its performance in relation to reducing consumption and responsible management of natural resources. In particular, the Policy focuses on **climate change** issues, with a view to energy efficiency and the use of renewable energy sources, **reduction of waste**, both food and non-food, which is a strategic priority linked to the nature of its activities and business, and the identification of sustainable alternatives for product **packaging**. At the same time, Esselunga is aware of the importance of **natural ecosystems** and is committed to raising its supply chain's awareness of the **preservation of biodiversity** by working with its suppliers to reduce environmental impacts and preserve natural balances to ensure the long-term sustainability of natural resources.

In addition, the Group recognises people as the driving force behind the company, identifying among its priorities the well-being of employees, customer satisfaction, responsibility towards suppliers and a positive contribution to the communities in which it operates. For the people of Esselunga, the Group is committed to ensuring **safety at work**, an **inclusive**, **stimulating and attractive working environment** in which to enhance their **skills** and develop their **professional growth**. With respect to customers, the Group is committed to promoting **quality products** and **healthy, balanced lifestyles**, always with a view to continuous improvement of the services and products offered, and to ensuring **transparency** and **listening** in dialogue with consumers. Esselunga also extends its commitments to the **responsible management of its supply chain**, based on **respect for** human rights, protection of people's dignity, **animal welfare** and **compliance with** environmental and social **sustainability requirements**. Particular attention is paid to local **suppliers**, enhancing local excellence with the dual aim of supporting local economies and offering its customers healthy, high-quality products. Commitment to communities is also reflected in the implementation of community-based **initiatives** aimed at enhancing the economic, social and cultural well-being of communities, including **donations of surplus food**.

Lastly, Esselunga considers **legality**, **integrity** and **transparency** in all its relations with stakeholders as fundamental values of its operations. The Group **does not tolerate any form of corruption** and **operates in compliance with all** applicable **laws** and regulations.

The Group is committed to keeping the Sustainability Policy active and regularly updating it, communicating it to all staff and also making it available to interested stakeholders via its website. In particular, following the identification of priority impacts, risks and opportunities through the materiality analysis carried out in this reporting year, the Group has started a process to update the current Sustainability Policy, in order to ensure greater adherence to the requirements defined by the ESRS. This policy will be submitted to the Board of Directors for approval in the course of 2025.

1.6 Sustainability Plan

Esselunga translates the commitments set out in the Sustainability Policy into concrete and specific objectives identified in the **Sustainability Plan**, which is the main tool for disclosing its strategies, communicating its goals and reporting progress on an annual basis to monitor the company's ESG performance.

The objectives outlined in the Sustainability Plan 2020-2025 were defined not only by analysing the specific characteristics of the company and the context in which it operates, but also by drawing inspiration from the commitments defined by the **United Nations 2030 Agenda with the Sustainable Development Goals (SDGs)**. Through its Sustainability Plan, Esselunga is actively contributing to the achievement of **11 of the 17 Goals**, taking a leading role in the collaboration and responsibility necessary to address complex present and future challenges.

Esselunga also joined the **EU Code of Conduct on Responsible Business and Marketing Practices in the Food Chain** in 2021, which is one of the first concrete results of the Farm to Fork strategy. Some of the objectives set out in Esselunga's Sustainability Plan 2020-2025 are related to the objectives set out in the Code.

In 2024, Esselunga continued its path towards achieving the goals outlined in the Sustainability Plan, monitoring progress with the support of management and the Sustainability Ambassadors. In view of the next update of the Plan due in 2025 and with a view to ensuring continuity with established commitments, the Group reports on progress against previously set targets. These are presented and described in the thematic chapters of this Report. For issues that emerged as material as a result of the materiality analysis, and were not investigated in previous years, the Group is committed to setting specific targets during the next review of the Sustainability Plan.

1.7 Minimum information for transparency

Policies, actions and targets relating to impacts, risks and opportunities relevant to the Company are described in the specific thematic chapters, where the strategies and initiatives adopted to manage the Group's environmental, social and governance challenges are outlined. This section sets out the issues for which Esselunga has not yet implemented such safeguards in relation to its operations or value chain at the date of preparation of this Report.

With respect to **pollution**, Esselunga's activities are always carried out in compliance with environmental permits, and constantly monitored to ensure the prevention of negative impacts. In particular, the Parma plant is in line with the BAT *(Best Available Techniques)* of the reference sector. Because of this, to date the Group has not adopted any specific policies, initiatives or targets in relation to air pollutant emissions. Also with regard to the value chain, Esselunga has not defined any targeted controls with respect to this issue, but with the update of the supplier qualification process started in 2024 (see section on Workers in the Value Chain), it has begun a more targeted mapping that includes this issue.

As far as **water resources** are concerned, the Group recognises the importance of efficient water management in its operations and along the value chain, also in view of the negative impacts associated with the exploitation of water resources and the associated risks. Although to date it does not have formalised targets and commitments in this area, Esselunga does monitor water consumption, both for its factories and stores. In particular, recently opened stores are equipped with meters that allow the quantification of consumption, both at a general level and at the level of individual departments. In addition, a retrofit plan is being implemented with the aim of upgrading the consumption metering system in all stores, giving priority to those with higher water demand.

In recent years, Esselunga has attached increasing importance to the issue of **biodiversity**, including by formalising its commitment in its Sustainability Policy (see Sustainability Policy section). In addition, in the territories in which the company's sites are located, the Group carries out a number of initiatives aimed at restoring ecosystems and safeguarding biodiversity (see section E4-3 Actions and Resources Related to Biodiversity and Ecosystems). Although no specific targets have yet been set, the company has committed in the Sustainability Plan 2020-2025 to define a targeted strategy, also with the intention of integrating supply chain initiatives to deepen Esselunga's impacts along the entire value chain.

With respect to waste generation, Esselunga collects and monitors **waste-related** data through a management information platform, which allows the Group to monitor its performance and act in compliance with current disposal regulations.

Considering the social issues that have emerged as relevant, Esselunga has not adopted any objectives in the 2020-2025 Plan regarding personnel **selection and retention processes**, although several initiatives are underway in this area (see section S1-4: Actions on relevant impacts on the own workforce and approaches for the management of relevant risks and the pursuit of relevant opportunities in relation to the own workforce, as well as the effectiveness of such actions), and related to the management of the**accessibility of stores**, for which the Company still guarantees the fundamental safeguards such as the absence of architectural barriers.

With respect to **privacy and cybersecurity** issues, the Group also oversees any negative impacts on employees and customers through compliance with the main national and international regulations on privacy and data management, including the General Data Protection Regulation (GDPR). In view of this, Esselunga did not have any specific objectives regarding the protection of personal data.

Finally, on governance issues, Esselunga is committed to maintaining the highest standards of **business conduct**, including the management of relations with its suppliers, promoting ethical and transparent behaviour in all its operations. The Company operates in compliance with the regulations in force and adopts strict codes of conduct and internal policies, also aimed at preventing episodes of corruption (see section G1-1: Policies on Corporate Culture and Business Conduct), and therefore did not define any specific objectives and initiatives regarding this issue in this reporting year.

2 Environmental information

2.1 European Taxonomy

2.1.1 Purpose and content of EU Regulation 852/2020

The European Union established the European Taxonomy, a unified classification system for environmentally sustainable economic activities, through Regulation 2020/852, which came into force on 12 July 2020. This system aims to provide investors and the market with a common language based on sustainability metrics in order to ensure comparability between players, reduce the risks of *greenwashing*, and increase the quantity and quality of information on the environmental and social impacts of business, thereby facilitating more responsible investment decisions. In addition to Regulation 2020/852, the European Commission has published Delegated Regulation 2139/2021 ("*Climate Delegated Act*"), Delegated Regulation 2486/2023 ("*Environmental Delegated Act*") and Delegated Regulation 2178/2021, which together provide a set of rules for identifying and reporting on environmentally sustainable economic activities.

Eco-sustainable economic activities, identified by the Taxonomy, are defined as those economic activities that:

- contribute substantially to the achievement of one or more of the six environmental and climate objectives (Art. 9 of EU Regulation 2020/852);
- do no significant harm to any of the other environmental objectives, according to the principle of "*Do No Significant Harm*" (hereafter DNSH); and
- are carried out in compliance with minimum safeguards.

The environmental objectives set out in the Taxonomy are:

1. climate change mitigation;
2. climate change adaptation;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

2.1.2 Reporting obligations and general principles for defining KPIs

Article 8 of the EU Regulation 2020/852 sets out the reporting requirements related to the EU Taxonomy and clarifies that these requirements apply to companies that are obliged to publish Sustainability Reporting, as required by Articles 19a or 29a of Directive 2013/34/EU. Companies are required to provide information on how and to what extent their activities are in line with economic activities considered environmentally sustainable.

For non-financial corporations, communication should focus in particular on certain performance indicators (also called KPIs or Key Performance Indicators), including:

- the percentage of turnover derived from products or services related to environmentally sustainable economic activities;
- the percentage of capital expenditure (CapEx) and operating expenditure (OpEx) on goods or processes associated with environmentally sustainable economic activities.

The EU Regulation 2021/2178, adopted in July 2021. complements Article 8 of the EU Regulation 2020/852 by providing further details on KPIs, including the content and method of presentation, the methodology to be followed to measure these indicators, and the qualitative information to be included in the reporting. In 2023, the Regulation was amended by Annex V of Regulation 2023/2486, with particular reference to KPI reporting templates.

For the reporting of KPIs for the year 2024, the Esselunga Group is required to report eligible and aligned business activities for all six climate and environmental targets. In particular, non-financial companies are called upon to determine KPIs by ensuring consistency with financial reporting and using the same currency as in the consolidated financial statements, with the additional requirement to include references to the relevant balance sheet items for turnover and capital expenditure indicators in their Sustainability Reporting.

2.1.3 Identification of activities eligible for the European Taxonomy

In order to identify its business activities and main projects in line with the above-mentioned regulations, the Esselunga Group initiated an analysis process that involved various company functions.

At a preliminary stage, Esselunga made a selection of the Group's assets considered potentially eligible under the European Taxonomy. Subsequently, these activities were discussed in depth with the relevant corporate functions, which were involved through specific interviews. For eligible activities, a data collection process was initiated that highlighted Revenues, Capex and Opex for the reporting year associated with the selected projects and, finally, the consolidated data were entered into the system used by Esselunga to collect information for Consolidated Sustainability Reporting coordinating the various functions in the reporting phase.

In this reporting year, the company identified 22 eligible activities including:

- **High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels** due to investments in cogenerators in Lallio, Biandrate and Parma;
- **Transport by motorbikes, passenger cars and light commercial vehicles**, and **road haulage services** in which all investments in cars and vans in the company fleet were taken into account;
- Investment in **infrastructure for personal mobility,** such as the urbanisation works carried out by Esselunga to make it easier to reach its stores;

- Investment in construction works such as the **construction of new buildings**, **the renovation of existing buildings,** the **demolition of buildings and other structures,** and the **remediation of contaminated sites and areas**;
- Investments related to the **acquisition and ownership of buildings**;
- Installation, maintenance and repair of **devices for energy efficiency and for measuring, regulating and controlling the energy performance of buildings,** through investments in relighting and Building Management Systems (BMS)
- **Installation, maintenance and repair of electric vehicle charging stations**
- **Installation, maintenance and repair of renewable energy technologies,** such as photovoltaic systems**;**
- Investments related to **data processing, hosting and related activities,** involving Esselunga-owned Datacentres, and the **provision of IT (information technology) and/or OT (operational technology) solutions** based on data;
- Promotion of **research, development and innovation** activities **close to the market** through the funding of research by the Politecnico di Milano on the use of hydrogen and biomethane as renewable sources;
- Investment in **professional services related to the energy performance of buildings** such as energy audits of their own buildings, carried out by third-party companies;
- Investments in **product-as-a-service and other circular use-oriented service models** related to fruit, vegetable and fish crates from third-party suppliers that Esselunga buys and leases to its suppliers;
- Investment in the expansion of the Biandrate purification plant for **urban waste water treatment**;
- **Conservation, including restoration, of habitats and ecosystems.**

Of these activities identified by Esselunga, 14 are transition activities and 8 enabling activities

2.1.4 European Taxonomy Alignment Analysis

After the identification of eligible economic activities, specific analyses of the technical criteria set out in the Regulations were conducted for the main projects related to each of the identified activities, in order to assess alignment. Through specific interviews, the relevant functions were involved in verifying the alignment with the Technical Screening Criteria and the principle of "Do Not Significant Harm". Both criteria were assessed by highlighting, where relevant, the requirements met.

Following the analysis process, taking into account the status of the process of documenting the parameters required by the regulations and the available evidence, Esselunga has determined that there is no absolute certainty that these amounts can be considered aligned. Consistent with regulatory development, the Group will continue to refine the process in the coming years.

2.1.5 Minimum Safeguards

Minimum Safeguards or "Social Minimum Safeguards" are described in Article 18.1 of the EU Taxonomy Regulation as procedures implemented by a company to ensure that its business activities are conducted in accordance with internationally recognised principles set out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
As part of the analysis conducted by the Group to verify the alignment of its activities to these provisions, the guidelines identified in both the "Final Report on Minimum Safeguards" published by the Platform on Sustainable Finance in October 2022 and in the European Commission's June 2023 Communication on "Indicators of Negative Sustainability Impacts" were also considered. As a result of these investigations, it was concluded that the Group complies with the minimum safeguards as there are no convictions relating to the violation of human rights, tax evasion, unfair competition or corruption, and the control on these aspects is also pursued through the adoption of instruments such as:

- The Code of Ethics and Conduct;
- the Organisation, Management and Control Model;
- company policies including the Sustainability Policy, the Health, Safety and Environment Policy and the Policy against Harassment, Sexually Inappropriate Behaviour and Bullying;
- The Supplier Code of Conduct;
- grievance mechanisms for handling reports of wrongdoing and irregularities, guaranteeing anonymity *(whistleblowing)*.

In addition, Esselunga carefully observes the provisions of tax legislation; therefore the Group's approach is based on a consolidated practice aimed at ensuring compliance with applicable regulations. To this end, Esselunga has prepared a tax governance system able to guarantee proper oversight through an office within the Administration, Finance and Control Department and through close and continuous collaboration with a third-party firm to ensure accuracy and an impartial review. In January 2025, Esselunga S.p.A. approved the Group's tax strategy document, which was also adopted by the subsidiaries in the Boards of Directors approving the Financial Statements to 31 December 2024.

2.1.6 Information on EU Taxonomy and KPI Calculation Criteria

Turnover, operating and capital expenditure data for eligible activities and activities aligned to the Taxonomy, used for the calculation of Key Performance Indicators (KPIs) and percentages of budget values, are represented according to the models provided in Annex V of Delegated Regulation 2023/2486, amending Delegated Regulation 2021/2178.

2.1.6.1 Turnover Indicators

The turnover KPIs were determined by considering the revenues for the year, accounted for in accordance with *IFRS 15*, in the denominator, as indicated in Note 13.1 "Net Revenues" to the Financial Statements, and the revenues from eligible and/or taxonomy-aligned projects in the numerator.

In this reporting year, Esselunga did not show any changes in the way turnover was calculated and, in line with last year, did not identify any turnover amounts from eligible activities and/or aligned with the EU Taxonomy.

Model – Share of turnover derived from products or services associated with economic activities aligned with the taxonomy – Disclosure for the year 2024

Financial Year 2024	2024			Criteria for substantial contribution						DNSH criteria ("do no harm")									
Economic activities	Code (2)	Turnover (3)	Share of turnover, (2024) (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (9)	Circular economy (8)	Biodiversity (10)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (9)	Circular economy (8)	Biodiversity (10)	Minimum Safeguards	Share of turnover aligned with taxonomy 2023 (18)	Enabling activity category (19)	Transitional activity category (20)
		€/mln	%	Yes/No; N/EL	Yes/No; N/EL	Yes/No; N/EL	Yes/No; N/EL	Yes/No; N/EL	Yes/No; N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with taxonomy)																			
Turnover of environmentally sustainable activities (aligned to taxonomy) (A.1)	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%		
of which enabling	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%	A	
of which transitional	-	0.00	0%	0%													0%		T
A.2. Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
Turnover of activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of activities eligible for the taxonomy (A.1+A.2)	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%		
B. ACTIVITIES INELIGIBLE FOR TAXONOMY																			
Turnover from activities ineligible for taxonomy (B)	-	9,229.42	100%																
Total (A) +(B)	-	9,229.42	100%																

2.1.6.2 Capital Expenditure Indicators (CapEx)

The KPIs of capital expenditure (CapEx) were determined by entering:

- to the denominator, additions recognised during the year, tangible and intangible assets, which are accounted for in accordance with *IAS 16 - Property, Plant and Equipment, IAS 38 - Intangible Assets, IAS 40 - Investment Property, IFRS 16 - Leases*, as set out in sections 12.1 Property, Plant and Equipment, 12.2 Investment Property, and 12.4 Intangible Assets in the Notes to the Consolidated Financial Statements;
- in the numerator the part of the increments (considered in the denominator) referring to assets or processes associated with eligible projects and/or aligned with the Taxonomy.

Compared to 2023, Esselunga, despite showing no change in the way capital expenditure was calculated, noted an increase of approximately EUR 22 million in capex expenditure eligible for taxonomy. These changes are mainly attributable to the increase in expenditure for building acquisitions in 2024 compared to 2023.

Model - Share of capital expenditure (CapEx) arising from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024

Financial Year 2024	**2024**			**Criteria for substantial contribution**						**DNSH criteria ("do no harm")**									
Economic activities	**Code (2)**	**Capex (3)**	**Share of Capex 2024 (4)**	**Climate change mitigation (5)**	**Adaptation to climate change (6)**	**Water (7)**	**Pollution (9)**	**Circular economy (8)**	**Biodiversity (10)**	**Climate change mitigation (5)**	**Adaptation to climate change (6)**	**Water (7)**	**Pollution (9)**	**Circular economy (8)**	**Biodiversity (10)**	**Minimum Safeguards**	**Share of Capex Aligned to Taxonomy 2023 (18)**	Enabling activity category (19)	Transitional activity category (20)
		€/mln	%	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No	Yes/ No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with taxonomy)																			
CapEx of environmentally sustainable activities (aligned to taxonomy) (A.1)	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%		
of which enabling	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%	A	
of which transitional	-	0.00	0%	0%													0%		T
A.2. Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels	CCM 4.30	0.06	0.01%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.16%		
Transport by motorbikes, cars and light commercial vehicles	CCM 6.5	2.30	0.40%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Road haulage services	CCM 6.6	0.80	0.14%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Infrastructure for personal mobility, cycling	CCM 6.13	1.18	0.21%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
Construction of new buildings	CCM 7.1 CE 3.1	16.35	2.87%	EL	N/AM	N/AM	N/AM	EL	N/AM								25.12 %		
Renovation of existing buildings	CCM 7.2 CE 3.2	18.53	3.25%	EL	N/AM	N/AM	N/AM	EL	N/AM								4.93%		
Installation, maintenance and repair of energy efficiency devices	CCM 7.3	4.73	0.83%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.75%		
Installation, maintenance and repair of instruments and devices for the measurement, regulation and control of the energy performance of buildings	CCM 7.5	0.50	0.09%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.26%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1.38	0.24%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.55%		
Purchase and ownership of buildings	CCM 7.7	148.23	26.01 %	EL	N/AM	N/AM	N/AM	N/AM	N/AM								1.38%		
Data processing, hosting and related activities	CCM 8.1	4.91	0.86%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								1.26%		
Demolition of buildings and other structures	CE 3.3	7.02	1.23%	N/EL	N/AM	N/AM	N/AM	EL	N/AM								0.56%		
Product-as-a-service and other service models oriented towards circular use and results	CE 5.5	1.05	0.18%	N/AM	N/AM	N/AM	N/AM	EL	N/AM								0.00%		
Remediation of contaminated sites and areas	PPC 2.4	2.66	0.47%	N/AM	N/AM	N/AM	EL	N/AM	N/AM								0.00%		
Urban waste water treatment	WTR 2.2	0.30	0.05%	N/AM	N/AM	EL	N/AM	N/AM	N/AM								0.00%		
CapEx of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)	-	210.01	36.85 %	34.91 %	0%	0.05 %	0.47 %	1.42 %	0%								35.16 %*		

CapEx of activities eligible for the taxonomy (A.1+A.2)	-	210.01	36.85 %	34.91 %	0%	0.05 %	0.47 %	1.42 %	0%								35.16 %*		
B. ACTIVITIES INELIGIBLE FOR TAXONOMY																			
CapEx of activities ineligible for taxonomy (B)	-	359.77	63.15 %																
Total (A) +(B)	-	569.91	100%																

*the value shown also includes the share of eligible assets in 2023 not present in 2024

Objective	Share of Capex/Total Capex	
	Aligned with Taxonomy by Objective	Eligible for Taxonomy by Objective
CCM	0.00%	34.91%
CCA	0.00%	0.00%
WTR	0.00%	0.05%
CE	0.00%	7.54%
PPC	0.00%	0.47%
BIO	0.00%	0.00%

2.1.6.3 Operational Expenditure Indicators (OpEx)

The KPIs of operational expenditure (OpEx), were calculated by entering:

- in the denominator all non-capitalised direct costs related to research and development, maintenance and repair of assets, and any other direct expenditure related to the day-to-day maintenance of property, plant and equipment necessary to ensure the continuous and effective operation of such assets;
- in the numerator, the share of operating costs included in the denominator referring to assets or processes associated with eligible projects and/or aligned with the Taxonomy.

Compared to 2023, although Esselunga did not show any change in the way operating expenses were calculated, a decrease of about EUR 2.4 million was noted, mainly due to a reduction in expenses related to data processing activities in 2024.

Model - Share of operating expenses (OpEx) arising from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024

Financial Year 2024	2024			Criteria for substantial contribution						DNSH criteria ("do no harm")									
Economic activities	**Code (2)**	**Opex (3)**	**Share of Opex, 2024 (4)**	**Climate change mitigation (5)**	**Adaptation to climate change (6)**	**Water (7)**	**Pollution (9)**	**Circular economy (8)**	**Biodiversity (10)**	**Climate change mitigation (5)**	**Adaptation to climate change (6)**	**Water (7)**	**Pollution (9)**	**Circular economy (8)**	**Biodiversity (10)**	**Minimum Safeguards**	**Share of Opex Aligned to Taxonomy 2023 (18)**	Enabling activity category (19)	Transitional activity category (20)
		€/mln	%	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No; N/EL	Yes/ No	Yes/ No	Yes /No	Yes /No	Yes /No	Yes /No	Yes /No	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with taxonomy)																			
OpEx of environmentally sustainable activities (aligned to taxonomy) (A.1)	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%		
of which enabling	-	0.00	0%	0%	0%	0%	0%	0%	0%								0%	A	
of which transitional	-	0.00	0%	0%													0%		T

A.2. Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
High-efficiency co-generation of heat/cool and electricity from gaseous fossil fuels	CCM 4.30	0.55	0.42%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.31%		
Installation, maintenance and repair of energy efficiency devices	CCM 7.3	0.31	0.23%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.20%		
Installation, maintenance and repair of instruments and devices for the measurement, regulation and control of the energy performance of buildings	CCM 7.5	0.34	0.26%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.21%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.44	0.33%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.23%		
Data processing, hosting and related activities	CCM 8.1	1.23	0.94%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								2.11%		
Professional services related to the energy performance of buildings	CCM 9.3	0.13	0.10%	EL	N/AM	N/AM	N/AM	N/AM	N/AM								0.00%		
OpEx of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)	-	2.99	2.29 %	2.29 %	0%	0%	0%	0%	0%								3.81%		
A. OpEx of activities eligible for taxonomy (A.1+A.2)	-	2.99	2.29 %	2.29 %	0%	0%	0%	0%	0%								3.81%		
B. ACTIVITIES INELIGIBLE FOR TAXONOMY																			
OpEx of activities ineligible for taxonomy (B)	-	127.72	97.71 %																
Total (A) +(B)	-	130.72	100%																

*the value shown also includes the share of eligible assets in 2023 not present in 2024

Objective	Share of total Opex/Opex	
	Aligned with Taxonomy by Objective	Eligible for Taxonomy by Objective
CCM	0.00%	2.29%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

2.1.6.4 Gas and Nuclear Activities

In accordance with Regulation 2021/2178 and in light of the Commission's clarifications, the following is Template 1 of Annex XII to Delegated Regulation 2021/2178 concerning Esselunga's activities.

Model 1 - Nuclear and fossil gas activities

	Activities related to nuclear energy	
1	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	**NO**
2	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as the production of hydrogen, and improvements in their safety, with the aid of the best available technology.	**NO**
3	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or heat process energy, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	**NO**
	Fossil gas activities	
4	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	**NO**

5	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	Yes
6	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling using gaseous fossil fuels.	NO

Esselunga carries out activities related to fossil gas, amounting to €612,935.4, related to activity **4.30 High-efficiency cogeneration of heat/cooling and electricity from gaseous fossil fuels**, and does not carry out activities related to nuclear energy.

Model 2 (Turnover) - Economic activities aligned to the taxonomy (denominator)

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and share of other taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the applicable KPI**	0.00	0.00%	0.00	0.00%	0.00	0.00%
8.	**Total applicable KPIs**	0.00	0.00%	0.00	0.00%	0.00	0.00%

Model 2 (Capital Expenditure) - Economic Activities aligned to taxonomy (denominator)

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and share of other taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the applicable KPI**	0.00	0.00%	0.00	0.00%	0.00	0.00%
8.	**Total applicable KPIs**	0.00	0.00%	0.00	0.00%	0.00	0.00%

Model 2 (Operating expenses) - Economic activities aligned to the taxonomy (denominator)

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and share of other taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the applicable KPI**	0.00	0.00%	0.00	0.00%	0.00	0.00%
8.	**Total applicable KPIs**	0.00	0.00%	0.00	0.00%	0.00	0.00%

Model 3 (Turnover) - Economic activities aligned with taxonomy (numerator)

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and share of other taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the applicable KPI**	0.00	0.00%	0.00	0.00%	0.00	0.00%
8.	**Total applicable KPIs**	0.00	0.00%	0.00	0.00%	0.00	0.00%

Model 3 (Capital Expenditure) - Economic activities aligned with taxonomy (numerator)

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and share of other taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the applicable KPI**	0.00	0.00%	0.00	0.00%	0.00	0.00%
8.	**Total applicable KPIs**	0.00	0.00%	0.00	0.00%	0.00	0.00%

Model 3 (Operating expenses) - Economic activities aligned with taxonomy (numerator)

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%	0.00	0.00%	0.00	0.00%
7.	**Amount and share of other taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the applicable KPI**	0.00	0.00%	0.00	0.00%	0.00	0.00%
8.	**Total applicable KPIs**	0.00	0.00%	0.00	0.00%	0.00	0.00%

Model 4 (Turnover) - Economic activities eligible for the taxonomy but not aligned with the taxonomy

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%	0.00	0.00%	0.00	0.00%

7.	**Amount and share of other economic activities eligible for the taxonomy but not aligned to the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	0.00	0.00%	0.00	0.00%	0.00	0.00%
8.	**Total applicable KPIs**	0.00	0.00%	0.00	0.00%	0.00	0.00%

Model 4 (Capital Expenditure) - Economic activities eligible for taxonomy but not aligned with taxonomy

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.06	0.01%	0.06	0.01%	0.00	0.00%
7.	**Amount and share of other economic activities eligible for the taxonomy but not aligned to the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	198.91	34.90%	198.91	34.90%	0.00	0.00%
8.	**Total applicable KPIs**	198.97	34.91%	198.97	34.91%	0.00	0.00%

Model 4 (Operating expenses) - Economic activities eligible for taxonomy but not aligned with taxonomy

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amounts	%	Amounts	%	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.55	0.42%	0.55	0.42%	0.00	0.00%
7.	**Amount and share of other economic activities eligible for the taxonomy but not aligned to the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	2.44	1.87%	2.44	1.87%	0.00	0.00%
8.	**Total applicable KPIs**	2.99	2.29%	2.99	2.29%	0.00	0.00%

Model 5 (Turnover) - Economic activities ineligible for taxonomy

Row	Economic activities	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%
7.	**Amount and share of other economic activities ineligible for the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	9,229.42	100%
8.	**Total applicable KPIs**	9,229.42	100%

Model 5 (Capital Expenditure) - Economic activities ineligible for taxonomy

Row	Economic activities	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%

7.	**Amount and share of other economic activities ineligible for the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	359.89	63.15%
8.	**Total applicable KPIs**	359.89	63.15%

Model 5 (Operating expenses) - Economic activities ineligible for taxonomy

Row	Economic activities	Amounts	%
5.	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	0.00	0.00%
7.	**Amount and share of other economic activities ineligible for the taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	127.72	97.71%
8.	**Total applicable KPIs**	127.72	97.71%

2.2 Climate change

Strategy

2.2.1 E1-1: Transition plan for climate change mitigation

Esselunga is committed to reducing its emissions, as defined in the Sustainability Plan 2020-2025 and, in particular, the targets described in section E1-4: Targets related to climate change mitigation and adaptation. In line with these targets, efficiency actions are implemented every year and the use of renewable energy in own operations is promoted.

In order to align with best sustainability practices, Esselunga is committed to developing a specific transition plan for change mitigation within a three-year time horizon.

2.2.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Esselunga is striving to understand, manage and communicate the implications that climate change is generating and could generate in the future for the Group, addressing the possible effects in the different areas of the value chain and translating them into development opportunities related, for example, to accessing new markets and creating synergies to foster the development of a more resilient supply chain. Through the materiality analysis, Esselunga identified a significant physical risk from an increase in extreme weather events, with potential disruptions to operations (see Materiality Analysis and ESRS 2 IRO-1: Description of processes to identify and assess relevant climate-related impacts, risks and opportunities).

With the aim of working on the resilience of its establishments and the ability to maintain business operations while mitigating possible physical risks, Esselunga already conducted an Emergency Risk Analysis in 2016, coordinated by the HSE office, analysing the areas of the stores subject to the risks of fire, earthquake and flood, the probability of occurrence of the extreme weather event in the area and the resilience of the infrastructure present.

In addition to the Emergency Risk Analysis mentioned above, Esselunga carried out a high-level analysis of the physical risks related to extreme weather events considering the vulnerability of the Italian territory to climate change. For detailed analysis of climate risks and projections, see ESRS 2 IRO-1: Description of processes to identify and assess relevant climate-related impacts, risks and opportunities.

Impact, risk and opportunity management

2.2.3 ESRS 2 IRO-1: Description of processes to identify and assess relevant climate-related impacts, risks and opportunities.

The Group has identified and assessed potentially significant impacts, risks and opportunities related to climate change within the double materiality process, which took into account the analysis of the Company's business model and supply chain (see Materiality Analysis section).

In particular, with regard to the impacts generated by the Group, the materiality assessment also took into account the quantification of emissions from its own operations and along the value chain. Please refer to section E1-6: Gross GHG emissions of scope 1, 2, 3 and total GHG emissions for the detail of the methodologies adopted to calculate GHG emissions. On the basis of these considerations, the impact associated with the generation of emissions from both own operations (Scope 1 and Scope 2) and activities along the value chain (Scope 3) emerged as significant.

Considering instead the perspective of financial significance, the analysis identified as a priority the physical risk due to an increase in extreme weather events, which may impact the company's own operations and in particular the operational activities of plants and distribution centres. In order to monitor this type of risk, in 2023, Esselunga conducted an **analysis on the potential consequences of physical risks related to** climate change, with the identification and assessment of the main risks it could suffer from the effects of climate change. The analysis took into consideration the climatic risks to which the Italian peninsula, home to all Esselunga sites, is subject. Due to its location in the Mediterranean region, Italy is particularly vulnerable to climate change, which poses a significant threat to the country. This factor, combined with growing economic, social and environmental pressures, is expected to increase Italy's vulnerability in the coming decades, making it one of the most exposed territories in Europe. In Italy, the main climate risks concern:

- **rising temperatures**, resulting in phenomena such as heat waves, fires and rising air and water temperatures, fresh and salt, with consequences for the health and well-being of living beings, and the production of land and sea crops;
- **increasing water scarcity**, correlated with a reduction in water availability and growing demand for irrigation and energy, industrial and domestic purposes;

- the **increase in extreme weather events**, such as floods, which lead to flash floods and landslides both in river basins and along coastlines, with a consequent increase in associated economic costs.

As evidence of the country's exposure to climate change according to climate projections by the National System for Environmental Protection (SNPA), an **average annual** temperature **increase** of 3.5-5.4°C is expected by the end of the century compared to the period 1971 - 2000[4]. Furthermore, according to the International Energy Agency, two equally relevant phenomena were observed in Italy from 1800 to 2011: on the one hand a decrease in the number of light to medium intensity rainfall events[5] and on the other a significant increase in heavy rainfall events with a consequent increase in flood events. The Company, also for this reporting year, considers the analysis described above regarding the physical risks of the Italian territory, conducted in 2023, to be valid, as there are no substantial changes to its business activities and geographical presence considering that all its operations are exclusively located in Italy.

2.2.4 E1-2: Policies related to climate change mitigation and adaptation

Esselunga adopts its **Sustainability Policy** as a framework for addressing the challenges associated with climate change. In particular, the Company promotes the use of **renewable energy** and the reduction of dependence on fossil fuels, thus contributing to the reduction of greenhouse gas emissions. Esselunga is committed to **continually improving the energy efficiency** of its facilities through the modernisation of facilities and the adoption of advanced technologies that optimise energy consumption, while reducing waste and increasing the overall sustainability of the company's operations. The Policy also expresses the Group's commitment to adopt sustainable technologies and favour solutions that minimise the environmental impact of its operations. Esselunga has not yet formalised its climate change mitigation commitments on the value chain. For more information on the Policy, see the Sustainability Policy section.

The companies Esselunga, Esserbella and Bar Atlantic have adopted an Integrated Environmental Management System in accordance with international standards **UNI EN ISO 14001:2015,** and in addition Esselunga S.p.A. has developed and implemented an Energy Management System in line with the requirements of current laws and the **UNI CEI EN ISO 50001:2018** standard. This commitment is also reflected in the **Health, Safety and Environment Policy**, updated in April 2022, which was circulated to all employees and stakeholders, emphasising a consistent and effective approach to reducing environmental impact and energy efficiency.

[4] *Considering the IPCC scenario as RCP 8.5*

[5] *From 1800 to 2011, a decrease of 19% in summer precipitation and 25% in autumn precipitation was observed in northern Italian regions, while in southern regions, there was a decrease of 22% in winter and 12% in spring.*

2.2.5 E1-3: Actions and resources in relation to climate change policies

During FY 2024, as part of the reporting under the taxonomy (EU Regulation 2020/852), Esselunga made some investments that go towards climate change mitigation and are identified by the standard as potentially environmentally sustainable. These range from renewable energy production, construction, mobility and logistics. In fact, Esselunga for each of these aspects, with investments of varying sizes, has purchased buildings, installed photovoltaic panels, carried out energy diagnostics, purchased electric or hybrid vehicles and installed ad hoc charging stations (see European Taxonomy section).

In addition to these initiatives, the Group carried out a number of activities to prevent the negative impact of greenhouse gas emissions from its own operations, as well as the resulting physical risk, the first of which was the improvement of energy efficiency. In order to ensure adequate control of energy use, a reorganisation of activities in line with international standards as per ISO 50001:2018 was initiated, obtaining certification from January 2022, renewed for the year 2024 after surveillance audits by a third party. In this reporting year, Esselunga continued and completed the following efficiency measures:

- **Replacing neon lamps with LED ones**: which already had 136 converted outlets as at 31/12/2023. In 2024, with a significant investment, the Group converted five more of its stores and the Limito site with the aim of reducing energy consumption and contributing to the reduction of Scope 2 emissions, estimated at around 10%.
- **Closing activities of vertical refrigerated counters**: with a total of 13 outlets involved. This initiative reduces cold loss and energy consumption in the refrigeration plant, and is often accompanied by the replacement of neon lights in the counters with LED lights, further reducing electricity consumption. In some cases, the company even replaces the entire refrigeration unit
- **Adoption of high-efficiency motors:** In 2024 Esselunga installed IE5 motors for water pumps and ventilation systems in 6 stores, which help to reduce overall energy consumption;
- **Adoption of full electric solutions:** Esselunga initiated a technical evaluation of end-of-life gas boilers. In three of its stores, this evaluation led to the replacement of gas boilers with electric heat pumps. In addition, the Company is exploring the possibility of installing photovoltaic systems in stores in order to compensate for the increase in grid withdrawal resulting from the adoption of full-electric solutions

In this reporting year, Esselunga invested more than EUR 5 million[6] in these energy efficiency initiatives, which resulted in a reduction in consumption of 3,838 MWh and 2,379 tCO2 emitted. In addition, the company plans to invest more than EUR 6 million over the next few years[7], continuing to pursue the reduction of its ecological footprint and the improvement of energy efficiency at all its sites.

[6] *The Company makes investments with its own capital* ***[MDR-A 69a]****. In addition, interventions are accounted for in the asset book, with the portion spent in the years before 2024 being in the WIP (Work in Progress)* ***[MDR-A 69b]***

[7] *As future financial resources, the 2025 budget request for interventions on the existing store stock is shown* ***[MDR-A 69b]***

Further investments for climate change mitigation in 2024 included the start-up of the construction site for **an agri-voltaic plant**, the continuation of the **revamping plan for** carbon dioxide refrigeration plants, experimentation on two trucks for the **use of bio-diesel** with GHG emissions of about 10% of diesel, and experimentation of **electric truck cooling with biogenic CO2** to save 30% of the battery. In addition, Esselunga also financed two research projects in 2024; the **'Hydrogen innovation report 2024'** and the **"Biomethane Outlook"** of the Politecnico di Milano for decarbonisation technologies.

Metrics and goals

2.2.6 E1-4: Targets related to climate change mitigation and adaptation

Esselunga in the path of mitigating its climate impact in terms of generating greenhouse gas emissions is committed and continues, in line with its Sustainability Policy, to invest in increasing self-produced energy from renewable sources, increasing the efficiency of its plants and purchasing renewable energy certified through guarantees of origin (GO).

In order to monitor its performance, Esselunga has set **two greenhouse gas emission reduction targets**, expressed in terms of the **Group's total scope 1 and scope 2 emissions intensity (CO2/sq.m.)** and for scope 2 alone, based on the two main emission calculation methodologies: the Market Based and the Location Based.

The first methodology allows the company to capitalise on its commitments and investments in increasing the use of electricity from renewable sources, reducing the associated emissions to zero. This is why Esselunga, being able to direct its procurement choices towards such solutions, has decided to set itself a challenging target of **-70% of its indexed emissions, compared to 2018, by 2025**. In 2024, the company managed to reduce its indexed Scope 1 and 2 emissions, calculated according to the market-based methodology, by 56.3% compared to the 2018 baseline of 555 kgCO2eq/m^2[8]. The baseline value was recalculated considering the GWP of the sixth assessment of the Intergovernmental Panel on Climate Change (IPCC). Aware, however, that in order to minimise its impacts, its investments must also be accompanied by energy efficiency projects, it has set itself the challenging goal **of reducing its indexed greenhouse gas emissions by 25% by 2025 compared to 2018**, which is calculated using the Location Based methodology. This methodology does not consider whether the energy purchased comes from renewable or fossil sources, but takes into account the "national energy mix" and, although it only allows the company to show the value of the efficiency activities implemented, it means that it is largely exposed to the national choices with respect to the energy mix that the country has decided to use during the year; such decisions do not fall within the Group's scope of action. Despite this, in 2024 Esselunga achieved a reduction of 16.7% from the 2018

[8] *The baseline value was recalculated considering the GWP of the sixth assessment of the Intergovernmental Panel on Climate Change (IPCC)*

baseline of 411 $kgCO_2eq/m^2$[9]. The baseline value was recalculated considering the GWP of the sixth assessment of the Intergovernmental Panel on Climate Change (IPCC).

Esselunga's decarbonisation levers include improving energy efficiency through investments and best practices, such as analysing the consumption of energy carriers and their deviations, both from a fixed *baseline* and from the previous year; the transition to greater electrification; self-generation of electricity through photovoltaic systems; the use of biofuels; the purchase of renewable energy from the grid and the use of natural refrigerant gases.

During the review of the Group's sustainability targets that will take place during 2025 (see Sustainability Plan section), Esselunga will define new emission reduction targets that will be communicated separately for each area.

2.2.7 E1-5: Energy consumption and mix

In 2024, total energy consumption in the Group's own operations amounted to 961,494 MWh, of which 53.3% was from renewable sources. In line with the commitments defined in the Esselunga Policy, several initiatives aimed at reducing consumption and energy efficiency were implemented during the year, as described in section E1-3: Actions and resources in relation to climate change policies.

For the calculation of consumption of fuels from natural gas, electricity, heat, steam and cooling from fossil sources, whether purchased or acquired, and energy from nuclear sources, Esselunga works with a specialised third-party consultancy company, while for consumption from oil and petroleum products and fuels for renewable sources, the Technical Department aggregates consumption data that are converted into MWh using specific conversion factors provided by DEFRA.

For the calculation of the energy intensity relative to revenues, which was EUR 103 MWh/MM, only consumption by the Group's activities in high-impact sectors was taken into account[10], and the related net revenues[11].

Table4: Energy consumption

MWh	2024
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	20,052
Fuel consumption from natural gas	249,583
Fuel consumption from other fossil sources	0
Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	176,317
Total energy consumption from fossil sources	**445,952**
Share of fossil sources in total energy consumption	46.4%
Consumption from nuclear sources	**2,786**

[9] *The baseline value was recalculated considering the GWP of the sixth assessment of the Intergovernmental Panel on Climate Change (IPCC)*

[10] *F41.1: Development of real estate projects; G47.11: Retail trade in non-specialised stores with food and beverages predominating; G47.75: Retail of perfumery, toiletries and personal care products*

[11] *The share of net revenue derived from activities in high-impact sectors is not directly recognisable in the Consolidated Financial Statements, see section 13.1 for the value of the Group's total net revenue*

Share of consumption from nuclear sources in total energy consumption	0.3%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	351
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources; and	500,133
Consumption of self-generated non-fuel renewable energy	12,272
Total energy consumption from renewable sources	**512,756**
Share of renewable sources in total energy consumption	53.3%
Total energy consumption	**961,494**

Table5: Energy intensity

€MWh/million	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	**103**

Table6: Energy production

MWh	2024
Total energy production	**73,434**
Of which from non-renewable sources	61,162
Of which from renewable sources	12,272

2.2.8 E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

In 2024, Esselunga's total greenhouse gas (GHG) emissions from sources owned or controlled by the Group (Scope 1), from electricity consumption and district heating (Scope 2) and from other indirect activities (Scope 3) were approximately 6 million tonnes of carbon dioxide equivalent (tCO2e). The calculation was performed with reference to the GHG Protocol guidelines.

Table7: Gross GHG emissions

tCO2e	2024
GHG Scope 1 emissions	
Gross Scope 1 GHG emissions	**136,330**
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes	8.4%
GHG Scope 2 emissions	
Gross GHG emissions from Scope 2 (Location-based)	**176,056**
Gross GHG emissions of Scope 2 (Market-based)	**84,569**
GHG Scope 3 emissions	
Total Scope 3 Emissions	**5,765,496**
Category 1 Purchased goods and services	5,026,477
Category 2 Capital goods	141,194
Category 3 Fuels and energy-related activities (not included in Scope 1 or 2)	36,489
Category 4 Transport and upstream distribution	238,443
Category 5 Waste generated in operations	28,579
Category 6 Business Trips	429
Category 7 Employee commuting	31,811
Category 8 Leased Assets	-
Category 9 Downstream Transport	-
Category 10 Processing of products sold	-
Category 11 Use of sold products	-
Category 12 End-of-life treatment of sold products	261,409

Category 13 Downstream leased assets	666
Category 14 Franchising	-
Category 15 Investments	-
Total emissions of GES (*Location-based*)	**6,077,883**
Total GHG emissions (*Market-based*)	**5,986,396**

With regard to **Scope 1** emissions, which refer to direct emissions generated by the company's activities, Esselunga considered the combustion of fuels in its plants, emissions from company vehicles and emissions from the loss of refrigerant gases. The DEFRA emission factors[12] for fuels and the Global Warming Potentials values of the IPCC's "Sixth Assessment"[13] were used for the calculation of this emission category. Total Scope 1 emissions in 2024 amount to 136,330 tCO2e and of these, 7.6 tCO2e are biogenic emissions from direct activities.

For **Scope 2**, Esselunga calculated emissions with both available methodologies, *location-based* and *market-based*. In the first approach, CO2e emissions were calculated based on the average energy mix of a given geographical area, considering the type of energy supplied in the local grid according to the ISPRA source[14]. The total Scope 2 emissions calculated according to this methodology are approximately 176,056 tCO2e and there are no biogenic emissions.

The *market-based* methodology, on the other hand, calculates emissions from energy that the organisation has actually purchased, considering specific contracts such as the purchase of renewable energy through Guarantees of Origin (GO). In this case, the residual mix factor of AIB[15] was applied. In 2024, the company purchased electricity with Guarantees of Origin covering 75% of its energy needs. The total Scope 2 emissions calculated using the described approach is approximately 84,569 tCO2e. It is specified that in the application of both methodologies, emissions from electricity purchase were added to the emissions from district heating calculated using the DEFRA emission factor.

Given the nature of the Company's activities, the most significant emissions are those associated with **Scope 3**, which amount to 5,765,510 tCO2e. Of these, 490,916 tCO2e correspond to biogenic emissions.

To calculate the emissions of the categories defined by the GHG Protocol and included in the scope, Esselunga follows specific methods based on acquired data and assumptions. For the quantification of emissions, DEFRA emission factors were used for most categories, with the exception of the categories Goods and Services Purchased, Waste Treatment and End of Life of Products Sold, where factors derived from LCA databases, such as Ecoinvent, were used, and for capital goods, where the value of annual expenditure was

[12] *Department for Environment, Food & Rural Affairs*
[13] *Intergovernmental Panel on Climate Change*
[14] *Institute for Environmental Protection and Research*
[15] *Association of Issuing Bodies*

used. Below is a summary of the estimation methodologies for each emission category included in the scope.

Category 1 - Purchased goods and services: For the quantification of emissions related to raw materials, packaging materials and auxiliary materials, the volumes purchased in the year expressed in kg or litres are taken into account. The volumes of each purchased material are then multiplied by the respective emission factors available through various databases and public studies. Where the weight figure is not available, the economic value of the goods purchased is used. In 2024, Esselunga expanded the scope of this category in order to achieve a more accurate result by including goods purchased by the company and produced by third parties under third-party brands. This change also affected category 4 (Transport and upstream distribution) and 12 (End-of-life treatment of products sold).

Category 2 - Capital goods: Due to the great variability of the assets included in this category and the impossibility of having data for the physical quantification of acquired assets, an approach based on the annual expenditure on these assets is adopted. The source of the extracted data is the value of additions to property, plant and equipment, reported in the financial statements in the year of reporting. The annual expenditure data is then multiplied by the emission factors provided by the EXIOBASE platform.

Category 3 - Fuel and energy-related activities (not included in Scope 1 and 2): The scope of this category includes the emissions of upstream purchased fuels, the emissions of upstream purchased electricity and grid losses (transmission and distribution), and finally the upstream emissions of purchased heat and cooling and grid losses (district heating and cooling). In each of these categories, depending on the type of fuel, the corresponding emission factor multiplied by the quantity consumed is applied.

Category 4 - Transport and upstream distribution: This category includes the transport of purchased materials, the distribution of finished products, including those purchased via e-commerce, the transport of materials returned to suppliers, and the transport of by-products, all of which are not performed directly by Esselunga. Since no information is available on the means of transport used, a precautionary approach is adopted assuming that transport is carried out entirely by road with a medium-sized lorry (16-32 tonne load, diesel Euro 5), with the exception of raw materials for which transport by ship and air is also considered.

Category 5 - Waste generated in the course of operations: Waste is characterised by type of material and destination. Based on the type of waste and destination, an emission factor from the LCA ECOINVENT database is associated and multiplied by the amount of waste produced. With regard to emissions from waste transport, an average distance of 50km is estimated.

Category 6 - Business Travel: The distances travelled are calculated using different methodologies depending on the mode of transport. Depending on the type of displacement, the corresponding emission factor is also associated.

Category 7 - Employee commuting: The data used for the calculation of the impact of home-work trips is based on information collected through a questionnaire on employee mobility. For each employee, the kilometres travelled to and from work each day are taken into account. For the definition of travel frequency, 220 working days are considered for the whole year. Emissions are estimated using different methodologies depending on the means of transport.

Category 12 - End of life of products sold: The treatment of waste generated at the consumer's home, which includes both packaging and graphic materials used by Esselunga, for which percentages are estimated based on specific scenarios of the different packaging materials (paper and cardboard, plastic film and non-recoverable material)[16], and food waste, for which loss percentages are assumed based on the PEFCR[17] Guidance v.6.3 provided by the European Platform on Life-Cycle Assessment. The waste quantities are estimated on the basis of packaging purchased directly from Esselunga and its copackers. For third-party branded products, an estimate was made using the packaging data of Esselunga products, which were re-proportioned and adjusted to the total of third-party products. The estimates also take into account the transport of waste to disposal and recovery centres, for which an average distance of 50km is considered

Category 13 - Downstream Leased Assets: The estimate for this category is based on the Group's rental income.

The company excluded some categories from the reporting boundary, which were found to be insignificant:

- Category 8 - Leased Assets: According to the operational control approach, these emissions were included in the calculation of Scope 1
- Category 9 - Transport and downstream distribution: No data is available for the calculation of downstream transport carried out by consumers (from the store to their home). Downstream transport performed via e-commerce service (from dedicated stores to consumers' homes) is reported in category 4
- Category 10 - Processing of products sold: Products are sold to the end consumer, they do not require any additional processing after their sale (before the use phase)
- Category 11 - Use of products sold: Food products have multiple modes of consumption (needing to be cooked, reheated or consumed as they are) and these depend mainly on consumer habits, over which Esselunga has no control and could not adopt reduction projects
- Category 14 - Franchising: Not applicable
- Category 15 - Investments: In the reporting period, Esselunga invested mainly in plant and buildings (category 2 capital goods)

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[16] *Provided by CONAI and ISPRA consortium reports*
[17] *Product Environmental Footprint Category Rules*

The Group also reports the intensity of its total GHG emissions in relation to the Group's total net revenue, disclosed in Section 13.1 Net revenue of the Consolidated Financial Statements.

Table8: Intensity of GHG emissions

tCO2e/€ million	2024
Total GHG emissions (*location-based*) compared to net revenue	659
Total GHG emissions (*market-based*) compared to net revenue	649

2.3 Pollution

Impact, risk and opportunity management

2.3.1 ESRS 2 IRO-1: Description of processes to identify and assess relevant pollution-related impacts, risks and opportunities

As part of the materiality process, the Group identified and assessed potentially significant impacts related to pollution taking into consideration the analysis of the Company's business model and value chain (see Materiality Analysis section).

In particular, the Group has identified as relevant the impacts related to the release of pollutants into the air, mainly due to the operation of boilers and cogenerators (e.g. nitrogen oxides and sulphur dioxide) and, along the value chain, in addition to air contamination, also water and soil contamination by pollutants.

Metrics and goals

2.3.2 E2-4: Air, water and soil pollution

Esselunga carefully monitors and manages its polluting emissions by adopting practices that respect the environment and current regulations. Through the materiality analysis, the Group identified the impact of **air pollutant emissions** at its operations as a priority (see Materiality Analysis section). These emissions are due to the release of **NOx** into the atmosphere during the operation of boilers and cogenerators. To calculate these emissions, the company relies on annual measurements by a specialised external laboratory, which provides data on the amount of pollutant emitted by the plant. This value is then multiplied by the **operating hours of the system**, measured continuously. According to this estimate, the Group's NOx emissions in 2024 do not exceed the thresholds set by the Standards and amount to 14 tonnes.

Pollution due to the release of hazardous substances into water bodies and pollutants used for soil treatment was only material for the upstream value chain. In terms of its own operations, the water discharges produced by Esselunga are conveyed into the public sewerage system and then subjected to purification by the water utility, with the exception of the Limito, Biandrate and Parma sites for which the discharges are treated with a purification plant before entering the public sewerage system. Therefore, the Group is not involved in activities that could generate a direct impact.

2.4 Water

Impact, risk and opportunity management

2.4.1 ESRS 2 IRO-1: Description of processes to identify and assess relevant water-related impacts, risks and opportunities

As part of the materiality analysis process, Esselunga identified and assessed the impacts and risks related to water management, taking into consideration its business model and value chain (see Materiality Analysis section).

Risks arising from **increased water stress** in factories and negative impacts related to **water use** in own operations and along the supply chain, particularly in agricultural and livestock activities, were deemed relevant.

2.4.2 E3-2: Water-related actions and resources

Esselunga is aware of the importance of encouraging a reduction in water use and efficient water management. For this reason, continuous consumption monitoring plays a crucial role in the early detection of any water leaks from pipelines, or malfunctioning of systems, allowing rapid action to minimise waste, optimise water use efficiency and thus mitigate the negative impact of water use in one's own operations and the emergence of productivity risks from increased water stress.

To this end, the company has taken several initiatives during 2024, such as the activation of **126 measuring points,** which currently cover **63% of the sites**, some of which are located in areas of extremely high water risk including water stress (shops, LaEsse, dark stores). The aim is to extend monitoring, although the timeframe has not yet been defined.

In addition, **automation of water distribution valves** was implemented **in 11 Group stores** during 2024. The support of a programmable system makes it possible to optimise water use by automatically or manually adjusting the operation of the water system and disabling it during idle hours, thus reducing waste. With the same aim in mind, another significant intervention has been launched in the **Montecatini Terme (FI)** shop, which concerns the **reuse of waste water** that is purified and then used to irrigate green areas. This process is supported by continuous monitoring of water and soil quality to ensure that the water used does not alter soil chemistry and promotes healthy plant growth.

In addition to the initiatives described, in the coming years Esselunga will continue to explore innovative solutions to further improve efficiency in the use of water resources in order to reduce waste as far as possible and contribute to the sustainability of its operations.

Metrics and goals

2.4.3 E3-4: Water consumption

Esselunga is aware that the first step to efficient water management is accurate monitoring and calculation of water management data in all its activities. For this reason, the company has implemented systems to collect and analyse this data.

In 2024, the **total consumption of water,** mainly due to processing and washing that takes place in the Company's production facilities, amounts to **824,198m^3** and that of **stored water**, used exclusively as a water reserve for fire-fighting, amounts to **48,476m^3,** 700m^3 more than in 2023. This change is due to the opening of new stores during 2024.

It is specified that the value of water withdrawn is determined through the sum of well and aqueduct withdrawals. Fifty percent of this data comes from direct measurements via Building Management Systems or supplier invoices. Where these are not present, Esselunga uses sampling for about 40% of the data, and estimates for about 10%. In order to obtain the total amount of water consumed, the water discharged is then subtracted from the total amount of water withdrawn, which for stores is equivalent while for premises it is obtained from the manual readings of the water purifiers' water discharges. The Aqueduct application was used to calculate consumption in areas with a significant water risk, including areas with high water stress, and it was found that there was no water consumption at Esselunga sites in areas with a critical water risk.

With the aim of reducing the environmental impact of its operations, Esselunga has implemented a water recycling system at its Parma plant. In this plant, water is treated and reused in various production processes, thus helping to optimise the use of water resources. In fact, water recycling makes it possible to reduce the consumption of drinking water, reducing withdrawals and minimising waste, and is an important step towards a more sustainable management of natural resources.

Table9: Water consumption

m3	2024
Water consumption	**824,198**
Water consumption in areas of significant water risk, including areas of high water stress	**0**
Recycled and reused water	**33,819**
Stored water	**48,476**
Changes in water storage	**700**
Water intensity (m3/€million)	**89**

2.5 Biodiversity and ecosystems

Strategy

2.5.1 E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

As part of the Sustainability Plan 2020-2025, Esselunga has set itself the goal of defining and launching a strategy focused on biodiversity issues, and intends to pursue this commitment in view of the plan review in 2025. To date, although in the absence of a formalised action plan, the company is already engaged in a number of initiatives related to the preservation and protection of biodiversity, as described in detail in this chapter.

2.5.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Esselunga's own activities are not associated with any significant negative impact related to biodiversity, as shown by theRelevance Analysis. To support this assessment, Esselunga used the **Biodiversity Risk Filter Assessment**, a tool that assigns a risk score on a scale from 1 to 5 (where 1 represents a minimal risk and 5 a high risk) and that allowed for the analysis of biodiversity-related impacts resulting from the company's activities, determined mainly by two interconnected factors: the direct impacts of the company's activities on the natural environment and the various levels of environmental pressure to which nature is subjected, depending on the geographical location of the stores and production sites. The results of this assessment showed that the potential impacts of the company's activities on nature were rated as **low** and **medium-low** risk, respectively, confirming that significant critical issues are not present.

2.5.3 ESRS 2 IRO-1: Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

From the double relevance analysis carried out by Esselunga, both impacts and risks related to biodiversity and ecosystems emerge as priorities (see Relevance Analysis section). In particular, considering the sector in which the Group operates, the impact on ecosystems associated with the sourcing of food products is significant, as Esselunga interacts with highly articulated, heterogeneous and geographically distributed supply chains. In its own operations, on the other hand, no negative impact was identified, either through the Biodiversity Risk Filter Assessment (BRF) or through the updated analysis of the proximity of its sites, including newly opened stores, to protected areas (see section E4-5: Impact metrics related to changes in biodiversity and ecosystems). However, Esselunga is committed to safeguarding biodiversity by promoting initiatives in the areas where it operates directly, which help to generate a positive impact.

The loss of biodiversity and ecosystems can in turn generate a risk for the company, in terms of the Group's performance and positioning, as well as for the community as a whole. The risks identified by Esselunga are related both to rapid regulatory developments and the enactment of laws and regulations aimed at protecting global ecosystems, and to shortages in the availability of raw materials and products, which result in potential negative consequences for the Group and damage to the continuity of operations.

Impact, risk and opportunity management

2.5.4 E4-2: Biodiversity and ecosystem policies

Esselunga, in its **Sustainability Policy**, recognises the importance of protecting biodiversity and natural ecosystems (see Sustainability Policy section). The company is committed to raising the awareness of the supply chain with regard to the preservation of ecosystems, promoting the enhancement of biodiversity as a crucial element for the well-being of the environment and the fight against climate change. In this context, the creation of synergies along the supply chain, favouring product traceability and the adoption of responsible sourcing practices, is crucial.

2.5.5 E4-3: Actions and resources related to biodiversity and ecosystems

In relation to the positive impact Esselunga generates on the conservation and protection of biodiversity, each year the Group develops a series of initiatives in the areas where it operates to promote and protect biodiversity. In 2024, the "**BEE Project**" continued with the installation of no less than 20 beehives, divided into two apiaries at the Pioltello and Biandrate sites, which helped to protect around 1,200,000 bees and produce 80 kg of honey. Bees are also monitored using innovative Artificial Intelligence devices, and the honey produced is subjected to pollen and sensory analysis, which will also be carried out on bee, wax and pollen samples, with the aim of monitoring the presence of heavy metals, pesticides and other pollutants in the environment. In parallel, Esselunga started the installation of an **agri-voltaic system** in Quaregna Cerreto, which combines the creation of a melliferous flower meadow with the installation of photovoltaic panels in order to **create green spaces** and, at the same time, **generate clean energy.** The project, which covers an area of 13,500 m^2, also includes the installation of 20 beehives divided into 2 apiaries.

The management of green areas in the design and construction of Esselunga's facilities is also an essential element that reduces the environmental and landscape impact of the Group's sites, creating value for local communities. In 2024, **20,000 square metres of greenery** were created, **184 trees and 6,845 Elisenda roses were planted,** involving several cities including Milan, Florence, Ravenna, Brescia and Treviglio. Started in 2014, the activity of monitoring the health and stability of trees continues, with the observation of around 1,300 trees in 56 areas, aimed at preserving trees as best as possible by adopting agronomic strategies to treat any defects and diseases. Associated with green management is the monitoring of the "green waste" resulting from maintenance activities in order to identify appropriate and sustainable strategies for disposal, such as composting or wood recovery.

This commitment to green areas has come to cover a **total of 181,000 square metres of sponsor** areas, i.e. public green areas that Esselunga manages in agreement with public authorities through conventions**,** in 32 municipalities and the Milan Metropolitan City, including the creation of 25 square metres of green walls inside the Bar Atlantic in the Milan Innovation District (MIND). In addition, a study was conducted at this site with the National Research Council (CNR) in Bologna on the monitoring of *indoor* air quality, using two control units to measure information such as temperature, humidity and atmospheric particulate matter.

For the seventh consecutive year, the company has chosen to adopt the **Plan for the Use of Phytosanitary Products** (PUPF), aimed at managing plant diseases and weeds through the prudent and rational use of pesticides. This Plan coordinates the role of Esselunga's Technical Management and its professionals with the work of the gardening companies involved in green maintenance.

Also with a view to the continuous **enhancement of green areas**, in 2023 Esselunga entered into a three-year agreement as financial sponsor of the **ForestaMI** initiative, which involved the urban forestation of a site in the Municipality of Milan, confirming its commitment to the care and improvement of the city's green spaces.

Finally, in 2024 Esselunga started a project focused on the **traceability of wood** for street furniture. By checking the FSC and PEFC certifications of purchased wood products, the activity aims to raise awareness among suppliers and promote the sourcing of wood from dedicated and "zero deforestation" tree plantations.

Metrics and goals

2.5.6 E4-5: Impact metrics related to changes in biodiversity and ecosystems

In 2024 Esselunga updated its analysis of the proximity of stores, factories and locations[18] to protected areas listed in the Natura 2000 network[19]. The group considered the area in hectares of each site and its geographical coordinates, cross-referencing this information with the Natura 2000 database. Sites that are less than 1 km from one of the protected areas indicated in the database were considered to be in the vicinity of protected areas. The survey showed that 15 of the farm sites[20], covering a total area of approximately 36.8 hectares, fall into this category. The measurement of this metric is to date not validated by an external body. The company continues to monitor these areas to assess and mitigate any environmental impacts in a timely manner.

[18] *It is specified that all the sites analysed are on Italian national territory and altogether cover an area of approximately 1.5 km2.*
[19] *Natura 2000 is an ecological network of protected areas, established to ensure the survival of Europe's most valuable species and habitats.*
[20] *It is specified that all the protected areas included in the analysis perimeter are on Italian national territory.*

2.6 Resource use and circular economy

Impact, risk and opportunity management

2.6.1 ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

As part of the materiality process, the Group has identified and assessed potentially relevant impacts, risks and opportunities related to the use of natural resources and the circular economy, taking into consideration the business model and the entire value chain of the Company (see Materiality Analysis section).

Esselunga has identified the negative impacts of food and non-food waste production throughout the value chain and the depletion of resources used in the production of product packaging as significant. With respect to the adoption of circular economy practices, Esselunga has identified material opportunities associated with the reduction and reuse of raw materials and the recovery of food waste.

2.6.2 E5-1: Resource use and circular economy policies

Esselunga is aware that the food chain has an impact on the environment and, as communicated in the **Sustainability Policy**, is committed to measuring the impact of its products throughout their life cycle with a view to the circular economy (see the Sustainability Policy section). With respect to the use of resources, Esselunga promotes product innovation and a refinement in the search for packaging solutions with less environmental impact. The Group also favours solutions that favour the recovery and reduction of waste, with a focus on food waste.

2.6.3 E5-2: Actions and resources related to the use of resources and the circular economy

2.6.3.1 Packaging

Esselunga has identified the impact of resource depletion due to the use of virgin materials for packaging, which are not recyclable or generated in a way that is not socially and environmentally responsible, as material, while recognising the presence of opportunities related to the implementation of circular economy practices for the reduction of raw materials and the reuse of packaging. For this, it has implemented tools and initiatives geared towards measuring and reducing impact.

Choosing a new type of packaging for a product is a major challenge as a balance must always be struck between the many business requirements, including: cost, maintaining product quality, food safety, achieving the desired *shelf life*, reducing environmental impact, raw material availability and conversion of packaging machinery.

By marketing large quantities of products on a daily basis, the Group handles and uses packaging of different types and materials and therefore seeks to promote the use of packaging with a lower environmental impact, enhancing the circularity of materials. In order to identify areas for improvement and adopt more sustainable solutions, Esselunga uses **ToolPack software**, an application that allows a detailed and precise assessment of the environmental impact of the materials and processes used in the creation of the packaging of Esselunga branded and manufactured products.

This tool, by means of the **Life Cycle Assessment** (LCA) **methodology**, makes it possible to verify, for each type of packaging, the four indicators identified as relevant: circularity index, carbon footprint, plastic content in the product and water consumption.

In addition, it allows critical packs to be mapped, pilot cards to be created and, via the research and development mode, different packs to be compared, identifying the best solution for the sale of new references or the revision of existing packs. The ToolPack is the company's packaging information collection tool, including all consumables used, which allows it to keep track of what is used in the store departments as well as in the Processing and Production Centres. Since 2023, it has become the main means of packaging development and monitoring of sustainability targets, including the Eco Design guidelines provided by CONAI:

The company's commitment to the use of branded product packaging made from recycled, recyclable or compostable materials is manifested both in the new references placed on the market and in the ongoing revision of articles already on sale. Examples of material and packaging substitutions in 2024, along with the evaluation of more sustainable alternatives, include the development of packaging also made of recycled plastic for Esselunga brand solar products, the launch of a Fresh Soup line with paper packaging and the reduction of the packaging thickness of some products. Overall, in 2024 the Group used more than 955 tonnes of recycled material for the packaging of Esselunga products. In addition, through the **Per chi ama la natura (For those who love nature**) brand line, Esselunga offers non-food products made from plant-based or recycled raw materials, reducing the volume of packaging.

In 2024, the initiative to replace disposable secondary packaging such as cardboard, wooden or disposable plastic crates with washable and reusable plastic crates by organising an internal product transfer circuit also continued. These boxes have been designed to be functional in the various phases of the production process, and also to undergo a conversion process at the end of their life that guarantees the regular disposal and reuse of the plastic in the creation of industrial products. Esselunga pursues its strategy of reusing pallets in logistics through "**CHEP pooling**", '**LPR pooling** ' and from August 2023 "**CPR pooling**". This solution is fully sustainable as, in addition the benefit of reusing the product, the pallets are made of wood from controlled forests and is both FSC and/or PEFC certified.

2.6.3.2 Food waste and scrap

The nature of Esselunga's activities results in the presence of a further negative impact, linked to the production of food waste and non-food waste, which contribute to the increase in greenhouse gas emissions and the exploitation of natural resources. The Group has therefore launched a series of initiatives aimed at reducing this impact and exploiting the opportunities arising from the recovery of waste, including food waste, through partnerships with companies in other supply chains.

Among the circular economy projects is the **Bottle to Bottle** initiative, created in cooperation with CoriPET (Voluntary Consortium for PET Recycling). The project aims to facilitate the collection of PET bottles and their subsequent recycling through the Italian Bottle to Bottle chain by installing new collection points (ecocompactors) for bottles in some Esselunga stores. This virtuous circle allows the production of recycled PET (rPET), to be used for the production of new containers, with a consequent reduction in the use of virgin plastic. In 2024, 301 tonnes of rPet, or 12,971,362 bottles, were collected through the 60 compactors installed in 58 stores.

In 2023, Esselunga also started a project to **dispose of used coffee capsules**. The initiative, realised in collaboration with Amsa and A2A Ambiente, proposes a solution to the disposal of used coffee capsules, of any material, brand or system. Esselunga offers itself as a collection point for coffee capsules, today a component of undifferentiated household waste, with the aim of giving new life to all the materials obtained by separating the different components (residual coffee, plastic or aluminium capsule). An initial separation is done by the consumer directly at home, dividing the non-compostable capsules into different coloured bags according to the material of the wrapping, red for aluminium and yellow for plastic. The capsules are then deposited by customers in special containers at the points of sale, and a full-electric A2A Ambiente truck comes by to collect them, and then separates the materials and disposes of them for a new life. In November 2024, the project was extended to 22 stores, and 28,193 kg of capsules were collected during the year.

Given the nature of Esselunga's business, the Group is keen to develop partnerships that promote the **recovery of surplus and discarded food.** In fact, when food donation for human consumption is not possible, surpluses are directed to companies specialising in the production of animal feed. In order to ensure their circular use as feed ingredients, through a process managed according to the Hazard Analysis and Critical Control Points (HACCP) system that guarantees maximum food safety, Esselunga started in 2017 a collaboration with Dalma Mangimi S.p.A., a leading company in the sector, for the management of the return of bread, bakery products, pasta and other bakery products (excess sales and donations) and, from July 2022, also for the management of returns of confectionery and pasta products that can no longer be sold to the end consumer. The first activity resulted in the recovery in 2024 of about 3,880 tonnes of surplus bread from sale and donation and about 560 tonnes of bread, pasta and other bakery products from the Parma plant; while the second initiative made it possible to recover some 246 tonnes of packaged former food products, which are used in the production of feed for the livestock sector, ensuring not only a reduction in waste, but also a saving of water, soil and energy needed for the cultivation of virgin materials. This approach is in line with the EU Waste Framework Directives and aims to promote the concept of a circular economy. If the products cannot be used for feed production, they are sent to dedicated biogas plants.

Even in production processes, where possible, the Group cooperates to recover production waste. In Meat and Fish Processing Centres, they are given to a third company to be recovered in various industries. Waste recovery, for example, is used in the production of pet food, through processing into protein meals, animal fats and animal feed, in the soap industry, in the production of fuels, such as biodiesel, and organic fertilisers. In 2024, Esselunga's Meat Processing Centre alone recovered a total of about 5 million kg of food waste.

In order to also promote the circularity of waste generated by its customers, Esselunga provides a collection service for used vegetable oil, through 30 containers in a total of 26 stores. This initiative contributed to the recovery of 70,189 kg of oil in 2024.

Metrics and goals

2.6.4 E5-3: Objectives relating to the use of resources and the circular economy

The Company has voluntarily set, the ambitious goal of achieving **85% of the packaging of branded references produced by third parties and of the references produced by Esselunga made from recycled, recyclable or compostable materials**, committing to measure and reduce environmental impacts throughout the entire life cycle of products. The target, modified from the base value of 75% in 2019, was defined considering the technical challenges related to the recycling chain and the need to preserve the shelf life of products to avoid food waste. This commitment involves internally the Commercial Management (responsible for purchasing the packaging used in the Processing Centres, stores, Atlantic Bars and Productions) and externally the copackers that supply Esselunga branded products. The company follows strict scientific methods to ensure that the packaging used is compostable and requires certification by accredited bodies, which in turn refer to the UNI EN 13432 standard.

The objective is pursued by aligning new projects with the target set from the product conception phase, and by developing specific initiatives for references already in the assortment, e.g. by increasing the percentage of recycled packaging of a given product. In the current reporting year, **Esselunga** achieved the target, with 93% of the 25,237 tonnes **of third-party branded and Esselunga-manufactured** packaging made from recycled, recyclable or compostable products.

With regard to the impact of *food waste* production, in the Sustainability Plan Esselunga committed itself to defining a calculation methodology related to food waste - and aligned to the “Food Loss and Waste” protocol - and subsequently to outlining a strategy to reduce this waste. Finally, with respect to the generation of waste, please refer to the section on Minimum Disclosures for Transparency.

2.6.5 E5-4: Incoming resource flows

Esselunga manages significant resource inflows, which in 2024 amount to 2,621,405 tonnes, of which 2,213,577 are biological and 407,828 technical. For this first exercise, the values were estimated from the material delivered broken down by department. It should be noted that, in view of the different units of measurement, kilograms and litres have been equated by assuming that 1 kg equals 1 litre, while all others are estimated using neck weight. The share of packaging was unbundled considering that 6.9% of the product weight[21] is packaging. Esserbella's perfumery was estimated by re-proportioning the percentage of kilograms per euro compared to purchases. In the coming years, the Group will consider refining the methodology to obtain more timely data.

Incoming materials can be divided into the following categories:

- **Foodstuffs**, which include grocery products; fresh and processed meat for direct sale; fruit and vegetables; delicatessen products, bread and pastries; fresh and processed fish for direct sale and fresh fish for processing; fresh meat for boning; dairy products, cold meats and cheeses;
- **Non-food products,** including clothing and bedding, toys, stationery, household items, detergents, household appliances, electronics and related accessories, perfumery, plants and flowers;
- **Materials for in-house production**, which include ingredients for branded products and specific ingredients for the production of in-house coffee and pastry products;
- **Consumables and accessories**, which include non-food materials used in daily operations, including packaging, cleaning products and support materials, promotional materials used for marketing and customer retention campaigns, and printing and graphic materials for corporate communication.
- **Water,** used for processing and washing in Esselunga plants (see section E3-4: Water consumption)

2.6.6 E5-5: Resource outflows

Esselunga handles a variety of waste generated by its activities, mainly comprising cardboard, plastic, iron, wood and multi-material packaging from the items in transit through the sites and the products on sale in the stores. In addition to these, the company also produces organic waste from food waste, sewage sludge, scrap iron and mixed metals, demolition and construction waste, and WEEE (Waste Electrical and Electronic Equipment). Esselunga does not produce radioactive waste.

In order to ensure effective management, the waste produced and not delivered to the municipal collection is weighed and recorded using management software that allows statistical analysis and reporting, which is useful for identifying possible reduction actions.

[21] *ReFED-U.S.-Grocery-Retail-Food-Packaging-to-Product-Ratios.pdf*

Esselunga is the owner of three recovery plants for packaging from stores, which, thanks to the *reverse logistics* system, enable virtuous material management. Waste that is not treated directly is handled by authorised third parties, in accordance with current legislation. The percentage of non-recycled waste is calculated as the ratio of the difference between the total waste generated and the amount of recycled waste (associated with recovery code R3 Recycling/recovery of organics) out of the total waste generated. It is specified that the figure for recycled waste may be underestimated as the calculation of recycled waste does not include waste recovered by other operations, which could include recycling.

Table 10:Waste generated

tonnes	2024
Total waste	**93,169**
Total waste not destined for disposal	**90,287**
Hazardous waste not destined for disposal	98
of which prepared for re-use	0
of which recycled	0
of which recovered through other operations	98
Non-hazardous waste not destined for disposal	90,190
of which prepared for re-use	0
of which recycled	13,308
of which recovered through other operations	76,881
Total waste destined for disposal	**2,881**
Hazardous waste for disposal	17
of which incinerated	0
of which landfilled	0
of which disposed of by other operations	17
Non-hazardous waste destined for disposal	2,864
of which incinerated	0
of which landfilled	0
of which disposed of by other operations	2,864
Total non-recycled waste	79,860
Share of non-recycled waste in total waste (%)	**86%***
Total hazardous waste	**115**

3 Social information

3.1 Own workforce

Strategy

3.1.1 ESRS 2 SBM-2: Interests and opinions of stakeholders

Esselunga is aware that the people with whom it works are the heart of the company, represent its values and culture and are an important channel through which to offer quality services and generate new value. Therefore, the interests and opinions of the workforce play a central role in defining the Group's strategies and actions. In addition to the engagement activities carried out during the year and described later in this chapter (see section S1-2: Processes for involving their own workforce and employee representatives on impacts), the contact persons of some corporate functions are involved in the double relevance process for assessing impacts, risks and opportunities (see section SBM-2: Interests and views of stakeholders).

3.1.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In the double relevance analysis, the Group took into account the entire workforce of Esselunga, including both employees and contract workers. The company's staff is characterised by a variety of roles and skills, reflecting the plurality of services offered and constituting an added value for Esselunga. The Group's workforce is organised through specific Departments, which through collaboration and synergies ensure the continuity and quality of business activities.

The negative impacts identified by the analysis are mainly related to potential events related, for example, to the health and safety of the workforce, incidents of discrimination or possible data leaks. Certain economic and reputational risks directly related to these impacts, such as those arising from possible incidents involving employee safety, were also assessed as relevant. In addition, Esselunga implements targeted initiatives each year that contribute to generating positive impacts on its own workforce, for example with regard to the development and professional growth of employees, raising awareness of health and safety issues, creating an inclusive culture and promoting work-life balance (see section S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions).

In view of the activities carried out by the Group and its national presence alone, the Company believes that the regulatory safeguards in place are sufficient to prevent the specific risks associated with child labour and forced labour on its own workforce. In addition, Esselunga has joined the United Nations Global Compact (UNGC), a global initiative for sustainable development based on ten universal principles relating to respect for human rights, labour, the environment and the fight against corruption, which the company pledges to respect. For potential negative events related to the value chain, see the chapters on Workers in the Value Chain, Affected Communities and Consumers and End-Users.

Impact, risk and opportunity management

3.1.3 S1-1: Policies related to own workforce

Esselunga constantly strives for the well-being of all the people with whom it interacts every day. In particular, it is committed to creating a safe, fair and inclusive working environment for its workforce, as communicated in the Group Policies.

Within the Company's broader framework of social and environmental responsibility, the **Sustainability Policy** expresses Esselunga's commitment to listening to the needs of employees, promoting a healthy and inclusive working environment, and enhancing their growth through training and continuous learning (see the Sustainability Policy section). The **Code of Ethics and Conduct**, in which the principles of integrity and transparency guiding corporate practices are set out, also recognises the value of people, inclusion and equal opportunities, as well as respect for confidentiality and the proper handling of personal data (see section G1-1 Policies on Corporate Culture and Business Conduct).

In addition, during 2024 the Group adopted the **Policy against harassment, sexually inappropriate behaviour and bullying** through which Esselunga is committed to promoting and reinforcing respect for equal opportunities and dignity for all the people who work within it. Esselunga believes it is important that colleagues feel safe and can express their uniqueness by being themselves and developing their skills as part of one big team, in a work environment inspired by respect for equal treatment and equal dignity, regardless of age, ethnicity, skin colour, nationality, citizenship, political opinions, religion, marital status, gender, sexual orientation and gender identity, parental status, pregnancy status, health conditions, disability, or any other individual characteristic. The Policy, in line with the Universal Declaration of Human Rights, is addressed to the people of all Group companies and is brought to the attention of all Esselunga's main stakeholders, including employees, suppliers and customers, through publication on the corporate website, supplier portal, "My Portal" and through newsletters, in order to develop maximum awareness. The document has been approved by the Board of Directors and is reviewed periodically to be updated with respect to any legislative, cultural and social changes. Esselunga promotes the correct application of this policy through training and initiatives, as well as through the presence of appropriate reporting channels, so that discrimination is avoided, mitigated and addressed once detected (see sections S1-3: Processes to remedy negative impacts and channels for own-workers to raise concerns and S1-4 Actions on material impacts on own workforce and approaches for managing material risks and pursuing material opportunities in relation to own workforce and effectiveness of such actions). In addition, to pursue its commitment to creating a workplace that respects gender equality, the Group has embraced the seven **Women's Empowerment Principles** (WEPs), aimed at promoting gender equality within the private sector, in markets and in communities.

Finally, Esselunga has voluntarily adopted and implemented an **Integrated Occupational Health and Safety Management System** in accordance with the UNI EN ISO 45001:2023 standard, which is internationally recognised and sets out the requirements for an Occupational Health and Safety Management System. In the process of defining the Management System, Esselunga has identified specific responsibilities, procedures, processes and resources for implementing the company's policy on employee protection, thus demonstrating its commitment to ensuring a healthy and safe working environment, preventing accidents at work and improving the health and well-being of workers. This commitment of Esselunga is also reflected in the updated **Health, Safety and Environment Policy** published in its latest version on 27 April 2022. The new Policy was disseminated to all employees and stakeholders and published on the company website.

3.1.4 S1-2: Processes for engaging with own workforce and workers' representatives about impacts

For Esselunga, understanding the perspectives of its workforce is crucial to making informed decisions and managing relevant impacts involving employees. Active listening makes it possible to identify needs, concerns and opportunities at an early stage, orienting the company's activities and policies towards a continuous improvement of staff welfare and satisfaction.

Esselunga demonstrates from day one a strong commitment to actively listening to its employees, especially through the administration of the **Onboarding Survey** and **Induction Survey**. These surveys are carried out within the Sales Network, respectively one month after recruitment and between the ninth and twelfth month after joining the company, to collect new recruits' satisfaction with the selection process, relations with managers and colleagues, training and *feedback* received, and work-life balance issues.

Esselunga is also actively engaged in listening to their opinions on sustainability issues. In this regard, the **Sustainability Survey**, launched at the beginning of 2024 via the internal communication portal, aimed to gather people's views on the sustainability issues emphasised in the previous exercise, thus promoting a corporate culture increasingly oriented towards the values of social and environmental responsibility. Furthermore, in order to understand and improve the travel habits of employees, Esselunga administered a **mobility questionnaire** on the company intranet in June 2024, asking about travel patterns and time spent commuting to work. The outcome of this survey is crucial for the calculation of greenhouse gas emissions generated along the Group's value chain, as well as for the development of a deeper understanding of employee habits.

In addition to these surveys, Esselunga collects employees' opinions by involving them in specific questionnaires aimed at gathering their *feedback* not only as professionals but also as potential customers. For example, in the **Juice Test Panel**, with the aim of defining a perspective on the fruit juices of the future, 10 employees were involved in a focus group lasting 2½ hours. Another example is the **Promotions Area Survey**, launched in February 2024, where the 32-strong team was invited to fill out a dedicated survey, offering both customer and professional insight into the functionality of the new promotional area of our commercial website. The Human Resources and Organisation Department evaluates and monitors the effectiveness of these initiatives by collecting *feedback* from participants with a view to continuous improvement. At the time of the launch of the initiatives, as there was no manager within the function, the management assumed the role of engagement process manager. Esselunga will assess over the next few years whether a person responsible for the process described should be identified. Relations with employees are also governed by collective bargaining agreements (see section S1-4 Actions on Relevant Impacts on Own Workforce and Approaches to Managing Relevant Risks and Pursuing Relevant Opportunities in Relation to Own Workforce and the Effectiveness of Such Actions).

In 2024, meetings dedicated to discussions with specific functions in Human Resources and HSE and Relations with Trade Associations also continued.

3.1.5 S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

In order to intercept any violations of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, of the principles and rules of the Code of Ethics and Conduct, and of other internal company procedures, Esselunga provides a web-based platform called "**Comunica Whistleblowing**" which guarantees the acquisition, management and analysis of all reports received. Esselunga has identified in the Internal Audit Manager, the Whistleblowing Manager, who has the task of analysing all the reports received, also through the involvement of the company departments deemed competent for the necessary verification activities. If the report is well-founded, possible improvement actions will be adopted on the Internal Control and Risk Management System (ICRMS) and/or legal actions will be taken to protect the Company, as well as appropriate disciplinary measures. The platform complies with international privacy regulations, ensuring the secure processing of sensitive and personal data, and Esselunga's procedure on how to handle reports includes specific measures to protect the reporter, in compliance with Legislative Decree 24/2023. In the event of breaches of confidentiality duties or retaliatory acts against whistleblowers, disciplinary sanctions are provided for against those responsible, in line with the provisions of the disciplinary system of Legislative Decree 231/2001.

In order to promote transparency and dialogue, the presence of the platform was communicated to all employees, who have a dedicated section on the internal portal “My Portal”, containing a user manual, a training pill, the procedure for handling reports and the direct link to access the channel.

In addition to the platform, reports can also be sent by ordinary mail or collected in person during a meeting requested by the whistleblower to the Whistleblowing Officer by writing to the e-mail address segnalazioni@esselunga.it.

3.1.6 S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In line with the relevant impacts, risks and opportunities inherent in its own workforce, Esselunga promotes targeted initiatives in areas ranging from promoting inclusiveness to protecting the health and safety of employees, from organising training programmes to protecting personal data.

3.1.6.1 Health and safety

Esselunga places great emphasis on the health and safety of its employees. In fact, the Group has implemented an **Integrated Management System for Occupational Health and Safety in** accordance with **UNI EN ISO 45001:2023**, which defines processes, responsibilities and resources aimed at preventing accidents and protecting the health and safety of its workforce (see section S1-1 Policies Concerning the Own Workforce).

Also with a view to mitigating the risks arising from negative events on the health and safety of employees, Esselunga has defined an organisational structure within the various company departments to oversee health and safety issues. The **HSE office**, through the Prevention and Protection Service (RSPP and Area RSPP), supports the Corporate Departments on health and safety issues, including the maintenance of the Management System (SGSL), and is responsible for carrying out risk assessments, monitoring by means of inspections and internal audits, proposing training contents and ensuring, through further periodic activities, the continuous improvement of the existing safeguards. To support the company's prevention and protection activities, such as health surveillance and field inspections, Prevention and Protection Service Officers (**PSPOs**) have also been appointed within other company departments and over one hundred Worker Safety Representatives (**WSRs**) have been elected from among the employees. The organisational structure is completed by the Coordinating Occupational Physician, who is supported by around 30 doctors spread throughout the country who carry out regular health surveillance activities. All those involved in the activity have defined roles, tasks and responsibilities that are known to all, which are disseminated to all workers as well as to those who take on specific tasks required by law.

The Group is constantly committed to ensuring the **identification of hazards and the periodic assessment of risks** associated with the safety of employees and other individuals involved in company activities, as well as risks relating to company assets, including through the drafting of Operating Manuals and Working Methods that take these aspects into account. In particular, the company ensures adequate risk assessment and management through a process comprising the following steps:

- Hazard identification and classification
- Risk assessment of workplaces and activities carried out in them
- Preparation of prevention and protection measures
- Preparation of the Security Levels Improvement Plan
- Preparation of information and training programmes for workers
- Monitoring and verification of the application and effectiveness of the measures taken through audits and field visits

All risks are assessed within the **Risk Assessment Document (DVR)**, which is divided into specific documents per risk area. Every year Esselunga carries out an average of 1,500 evaluations, within the timeframe dictated by current regulatory references or organisational changes impacting on specific risks.

Among the risks specific to the sector in which Esselunga operates, **manual handling of loads** (MHL) is of particular relevance. This risk is constantly monitored through an ongoing discussion of organisational and operational changes and through risk assessment updates carried out with the support of external companies. Esselunga, in order to improve ergonomics and reduce the risk of MMC, launched the "**Esoskeleton Project**", which involved the adoption of aids to make lifting and handling loads less tiring in 13 of its stores. At the date of reporting, the project is in the testing phase and future developments will be defined.

The **monitoring and control** activities on health and safety aspects, carried out by the HSE office, make it possible to assess the effectiveness of the processes and procedures in place and detect any non-conformities and/or observations, which are taken care of and managed through appropriate corrective actions. The HSE office also investigates any accidents and, if necessary, implements targeted actions to mitigate their causes and reduce their likelihood of occurrence. In line with this continuous improvement perspective, regular third-party audits of the Occupational Health and Safety Management System were carried out in 2024.

Reports on health and safety issues, by workers or their representatives, may be made either immediately through a verbal report to their supervisor or in writing, in accordance with the appropriate internal procedures.

In line with the positive impact generated by the dissemination of know-how and strengthening of the health and safety culture and awareness, **awareness-raising activities** on the subject of responsibility continued for all delegated and sub-delegated managers in the year 2024. This activity took place through training sessions held by the RSPP and a lawyer with expertise in occupational health and safety. Other initiatives aimed at protecting the health and safety of workers also include membership of the **WHP** "Workplaces that promote health" **programme** and the **Automatic and Semi-Automatic External Defibrillators (AED)** project, which aims to provide a service for the safety of employees, customers and the entire community through the presence of defibrillators in all Esselunga stores and locations and the training of 1,052 employees, including basic and refresher first aid courses, in the use of the devices.

3.1.6.2 Social dialogue and employee welfare

Esselunga has measures in place to prevent worker dissatisfaction due to a lack of respect for the right to social dialogue and freedom of association, as well as negative impacts on workers' psychological health due to a stressful environment. Since the early seventies, Esselunga has developed an intense collective bargaining process that is the result of a structured relationship with the trade unions that are signatories to the national collective bargaining agreement for the sector. Supplementary collective bargaining, which covers 100% of employees at Esselunga S.p.A., has intervened over time in numerous issues of a regulatory nature (such as reduced weekly working hours, additional study leave, leave for medical check-ups, work organisation and shifts, trade union and information rights, etc.) and in pay levels, which to date are – in relation to fixed and variable components – among the highest in today's supermarket sector. Thanks to the Human Resources and Organisation Department and dedicated functions, Esselunga manages the social dialogue to identify topics of interest and define monitoring methods through targeted comparisons.

One of the most relevant topics is employee welfare, for which the company carries out initiatives every year to improve the well-being and quality of working life. Starting in 2016, a number of important agreements renewing the collective bargaining agreement were signed between Esselunga S.p.A. and the trade unions. These agreements regulated work on Sundays and holidays in a more favourable way than the national collective bargaining agreement and introduced a complex welfare system, including, from 2019, the **Joint Welfare Committee**, which allows employees to convert the annual performance bonus into services, with economic and tax advantages. In 2024, the possibility of transforming variable salary into *welfare* services was extended and the work-life balance initiatives launched in 2023 such as smart working, launched in 2019, and flexible entry and exit times in offices were continued, allowing for a better reconciliation of personal and professional needs, in line with the positive impact identified.

In order to promote a welfare system that also guarantees the psychological health of employees, Esselunga has decided to invest concretely in this issue with the introduction of the **Mindwork** service, a highly qualified and accessible psychological counselling. Thanks to a network of professional psychologists who are registered and continually updated on labour issues, Mindwork offers anonymous, confidential support, available anywhere and from any device. The platform, which guarantees maximum security through encrypted video calls, gives employees access to an initial round of three free interviews and, thanks to the "Preferred Person" initiative, also allows employees to donate their free interviews to a family member, excluding minor children. The collaboration with

Mindwork, started in 2023 and renewed in 2025, underlines the company's commitment to prioritising mental health, creating an environment that promotes prevention and psychological well-being.

Following a trade union agreement involving the Joint Welfare Committee, a Solidarity Holiday Fund was also set up in 2020, which allowed, according to a principle of collective solidarity, in an initial phase, the use of solidarity days by workers who met the requirements in accordance with current legislation. In 2022, following a new trade union agreement on the Solidarity Holiday Fund, the cases of access to the Fund were extended, allowing a larger number of employees to access it.

With regard to possible collective events, such as operational changes relating to Esselunga S.p.A., these are communicated to the employees concerned and the trade union representatives with advance notice:

(i) as a rule 3 to 6 months in cases of even temporary closure of a shop/establishment and in cases of transfer of personnel belonging to an entire shop/establishment,

(ii) of about 15 to 30 days in cases of changes in the timetable of an entire shop/establishment. Additional operating changes are managed for Esselunga S.p.A. and for the other Group companies based on trade union agreements and in compliance with the provisions of current legislation.

In general, the company has developed a social dialogue and collective bargaining structure that ensures that its practices do not cause or contribute to negative impacts on its own workforce. Where there are company initiatives that may have an impact on employees, they are carried out in compliance with the law on the processing of personal data.

3.1.6.3 Diversity and inclusion

Esselunga considers inclusion a core value, allowing every talent to express itself. The Company is committed to protecting the plurality of gender, origin and age, developing inclusive actions and strategies with the aim of guaranteeing equal opportunities for people, and preventing inequalities in working conditions as well as incidents of harassment in the workplace, which can negatively affect the well-being of its employees and hinder social equality.

In 2024, Esselunga strengthened its commitment by adopting a specific policy on harassment management, the **Policy against Harassment, Sexually Inappropriate Behaviour and Bullying** (see section S1-1 Policies on Own Workforce). The correct application of this policy is promoted through a training course activated in 2024 that supports the sharing of key messages and behaviours throughout the Esselunga and Atlantic sales network. The intervention, in collaboration with the company MIDA, involved an alliance work between the HR Manager and the managerial roles of the Sales Network, to define a management process and deliver a training programme that spreads culture, skills and consistent behaviour. The training project started with one-to-one interviews with the main stakeholders in the process, such as the Human Resources and Organisation Department and the Sales Department, following which, in a one-day *co-design*, a reporting management model was built that is crucial for guiding the daily behaviour of all those who manage other people. store Managers, Supervisors and Atlantic Inspectors have been involved in the classroom since October with the aim of disseminating good practices to department managers, helping to create a work environment that is inclusive, fair and safe. The project will end in 2025 with the training of the remaining Directors and Bar Managers.

Also with a view to spreading an inclusive culture within the workplace, generating positive impacts on workers' behaviour and satisfaction, Esselunga has launched several **training programmes**. The training on D&I issues for Middle Management at headquarters, launched in 2023, continued, with the aim of providing the tools to recognise and identify the main **unconscious *biases*** that can affect the exercise of leadership, acquiring behavioural strategies to mitigate their effects. The campaign, in cooperation with the company Mida, involved 223 managers in 2023-2024, and will continue in 2025 and 2026. In addition, the **"Generations in comparison" training campaign** was launched on the subject of Age Management, with the aim of understanding the differences in motivation, communication and approach to work of the multiple generations present in the company, with a view to valorising and including the different points of view and levels of experience. The campaign, in collaboration with the company DevOnD, will continue in 2025-2026. In 2024, to extend training in the field of inclusion to all managers, a training campaign for store managers (department heads and assistants) has also started, focusing on the topic of **Inclusive Communication,** which involves greater attention and sensitivity in the use of words, in order to give feedback in a constructive manner. For these cases, the involvement of external stakeholders was not envisaged.

In addition to training, Esselunga oversees the issue of diversity and inclusion through a series of concrete initiatives involving the entire company population. Thanks to the experience and sensitivity of its HR Managers, the company perceives people's *sentiment* and understands their needs, developing measures and initiatives to concretely address this issue in order to create a positive impact in terms of culture, prevention and protection.

In renewing its ongoing commitment to preventing and combating all forms of violence and discrimination, Esselunga has chosen in this reporting year to support the **Sportello L.E.I.** with **Fondazione Libellula**. (Work, Equity, Inclusion), the first national desk offering counselling and guidance to women on incidents of gender-based violence.

In this regard, specific events were organised in 2024, again in cooperation with **Fondazione Libellula**, open to all employees of both offices and locations, to initiate a discussion on the subject. Several webinars were held during the year, including one a day during the week of 25 November, in order to emphasise that violence against women is not a phenomenon confined to the International Day, but one that requires constant attention and commitment. Thanks to the Foundation, the company has also joined the "Ambassadors for Change" programme, a training programme that has taken place over the course of a year with the aim of training "Ambassadors against violence against women in the organisational context", figures who represent a point of reference for employees who have suffered violence outside the workplace, and who contribute to creating a safe environment by trying to intercept and listen to situations of potential difficulty and promoting values such as fairness, harmony and respect. To monitor the effectiveness of the initiatives organised with the Fondazione Libellula, Esselunga recorded the participation in the webinars held during the year, which were attended by 254 people.

In addition, specific D&I initiatives for Bar Atlantic were developed in 2024, including the activation of extra-curricular traineeships aimed at the **re-employment of women victims of violence** and the creation of a **user-friendly and easy-to-understand operating manual for people with Down syndrome,** which will be finalised in 2025. The implementation of the activities was also possible thanks to the cooperation with specialised associations, such as the Associazione Mestieri Lombardia and the Associazione genitori e persone con sindrome di Down (AGPD).

The company is committed to protecting diversity, promoting inclusion and ensuring equal opportunities for growth, condemning incidents of discrimination and inequality. This is why **specific channels** are made available **for reporting and handling** any discriminatory or unfair behaviour, such as the "Communicate whistleblowing" platform (see section S1-3 Processes for remedying negative impacts and channels for employees to raise concerns).

3.1.6.4 Selection, retention and training

The rapid evolution of the labour market and employment dynamics has contributed to generate increasingly challenging conditions for the Group in terms of resource selection, reinforcing its commitment to improve the attractiveness and effectiveness of its retention processes, also in order to prevent the risks for the Company linked to inadequate management of selection processes.

Esselunga works on several fronts to effectively attract new talent, primarily by promoting Esselunga's image as an *Employer* of Excellence. The main channel through which Esselunga talks about its identity, values and distinctive features is the Group's LinkedIn page, which is the heart of Esselunga's Employer Branding Strategy where interactions help to generate word-of-mouth, and communicate the value of Esselunga in a spontaneous and authentic way.

During the year, an **Internal Job Posting** service is also offered, which through the publication of positions on the company intranet aims at enhancing the potential of Esselunga's people, making the time required to enter the role more efficient. In 2024, the **Referral Programme** pilot project was also activated, allowing all Group personnel to invite their acquaintances to apply for some of the positions published on the intranet, providing for a financial reward in two instalments in favour of the referrer in the event of employment of the person presented.

The company, also thanks to the work of the Talent Acquisition Centre, has implemented several initiatives to facilitate and streamline personnel selection. These include the holding of in-person **recruiting events** to facilitate meetings with candidates and to illustrate the job context; recruitment activities for **out-of-area candidates**, carried out both *online* and in-person and followed by a dedicated *Relocation Policy* in case of recruitment; dedicated selection services through the adoption of the RPO *(Recruiting Process Outsourcing)* tool, which allows the timely and flexible management of large volumes of recruitment in short periods; **orientation and recruiting** at training institutions; **refocusing advertising channels**, to counteract the reduction in the number of applications received by the Career Site. In addition, in order to contribute to the training and orientation of potential candidates for the plants, the **ITS Tech&Food** project, **IFTS Plant Conductors**, was launched, which provides for classroom lectures, company visits and curricular internships to introduce Esselunga as an employer.

In addition to the selection of new talent, it is equally crucial for Esselunga to invest in the **growth and development of the** company's existing **resources**, as a crucial tool for the long-term development and success of the business. As the relevance analysis showed, offering training programmes to employees has a positive impact on Esselunga's skills development and professional growth. Indeed, investing in employee training means not only improving service quality and operational efficiency, but also promoting a corporate culture based on continuous learning and innovation. To this end, in addition to the training programmes aimed at the entire workforce and offered on an ongoing basis, with respect to issues such as health and safety and privacy, the Group has made available to its employees some specific skills development paths to perform certain tasks.

For the staff of the Organisation and Production Office in Parma and Limito, for example, a **training course on lean manufacturing and lean thinking** was provided, which also included some visits to plants aimed at identifying processes and activities to which *lean* principles could be applied. The project will continue in 2025, with a focus on topics such as performance monitoring, problem-solving and activity prioritisation. The course will also be extended, with *ad hoc planning*, to other figures involved in Production, so as to align the skills of all the resources involved in the production processes of Esselunga products.

For the training of junior profiles in the role of technical maintenance engineers, the **Maintenance Academy** was established, with the aim of developing specific skills. Both editions of this programme held in 2024 consisted of 11 days of theoretical classroom training, ending with a final examination that gave access to 6 months of "on-the-job" training. The participants were supported by reference tutors, with whom they had weekly moments of comparison and analysis of the activities carried out, and were followed throughout the course by the Learning Centre, in charge of verifying and monitoring the expectations and results achieved. Also in the area of specialised training, two editions of **Advanced Merchandising** were held for the Meat Department in 2024, lasting 3 days and aimed at Department Heads, with the objective of deepening and developing the highest level of expertise in butchery, cutting and boning of meat.

Finally, employees in the bread and pastry department were offered *e-learning* training pills which, through *gamification* and *role play*, focus the attention of the staff in the fresh departments on **customer relations**. The same training structure will be replicated in the Fish and Meat departments in 2025. Similarly, in May 2024, the activity "**A relationship of beauty**" was launched within Esserbella, aimed at designing a model of service and management of employees/collaborators through the identification of the most effective behaviours and practices. In November, the model was presented and validated by the Esserbella management and from 2025 it will be shared with the entire company population through a dedicated training plan. Training sessions for all store managers will be provided from February 2025.

For Esselunga, it is fundamental that training courses bring concrete value to its employees, and for this reason the company is committed to constantly monitoring the effectiveness of these initiatives through questionnaires, field observations by managers and HR managers, and verification of the contents, in order to ensure that the results obtained contribute to the professional growth of its people.

3.1.6.5 Privacy and cybersecurity

For the prevention of negative impacts related to privacy and cybersecurity management, Esselunga adopts both technical and organisational safeguards, through the presence of a dedicated function within the Information Systems Department.

In order to prevent possible impacts and identify areas for improvement, technical *assessment* activities are carried out periodically, such as Vulnerability Assessment, Penetration Testing and a census of applications that process employees' personal data. The results of the census are then classified in a formalised register where the risk levels of the personal information managed are defined. During the assessment activities, summary reports are produced that are promptly taken care of for the removal of any anomalies and security gaps that may contribute to negative impacts. In 2024, no specific remedial action was required, as no negative events related to the privacy and confidentiality of the personal data of its workforce occurred.

In addition to these evaluations, Esselunga has implemented further targeted actions to reduce the risk of leaks of its employees' personal data, such as the operation of a **Security Operation Centre** (SOC) that allows the analysis and management of security incidents, the introduction of **e-mail filters,** which allow the automated handling of unwanted or potentially malicious messages, and **state-of-the-art antivirus software** for the detection and elimination of malware from user-assigned devices or company servers.

Furthermore, Esselunga does not provide for the transfer of its employees' data, and if suppliers are hired to manage the data, they are obliged to comply with strict technical and organisational requirements set out in shared contracts and framework agreements.

To ensure that preventive data protection remains a constant priority, in 2024 the **training material in the area of cyber security** was updated to include examples from the direct experience of employees, making the training more engaging and directly related to their daily experience. The training was provided to 280 employees in personal management roles and to top management, and will continue in 2025.

Metrics and goals

3.1.7 S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In order to monitor the effectiveness of the actions in place, the Group has defined a number of qualitative and quantitative targets related to impacts, risks and opportunities involving its workforce. As specified in the Sustainability Plan section, the targets set in the 2020-2025 Plan will undergo an updating process during the next reporting year.

3.1.7.1 Health and safety

Firstly, Esselunga intends to **maintain and improve the management systems in place to guarantee the health and safety of its employees** (see Sustainability Policy section). The company is committed to annually renewing the UNI EN ISO 45001:2023 certification, which is publicly available on the official Esselunga website[22]. Furthermore, all Group companies are committed to defining specific and measurable targets for improvement, including through a detailed and in-depth collection of information from detailed inspections and constant updating of the Risk Assessment Documents. The monitoring of trends in occupational injuries and illnesses, as well as observations from third-party audits, carried out in order to monitor or renew certifications, allows areas for improvement to be identified through discussions with company management. Again in 2024, in continuity with previous years, the target was met.

3.1.7.2 Employee welfare

Esselunga, aware of the importance of the well-being of its employees, has set as its goal **the extension of mental, physical and nutritional support services to its entire workforce** in order to promote a culture of well-being within the organisation. This commitment, an integral part of the welfare plan managed by the Human Resources and Organisation Department (see the Sustainability Policy section), also includes an extensive schedule of periodic appointments aimed at supporting and maintaining good habits, promoting an all-round culture of well-being. The company regularly monitors the alignment to the target, which has already been achieved by 2023, using qualitative and quantitative reports provided by the platform providers and, with a view to continuous improvement,

[22] *https://www.esselunga.it/it-it/sostenibilita/csr-e-certificazioni.html*

carries out comparative analyses of the market offer, studies best practices, collects feedback from employees with respect to service satisfaction and observes the utilisation rate, so as to further refine the offer in this area.

3.1.7.3 Diversity and inclusion

Esselunga, in line with its commitment to promoting diversity and inclusion (see Sustainability Policy section), has set two strategic objectives to promote gender balance within its organisation. With the first, the company commits to ensuring that **30% of executive and managerial positions in corporate functions are held by women** by 2025. This target is geared towards reducing inequalities in working conditions by promoting a more equitable and inclusive working environment. The target is monitored annually, on 31 December, taking into account the number of women in middle management and executive positions. In the current reporting year, 20.5% of executive and manager positions in corporate functions are held by women, compared to 18.6% in 2023, when the target was set.

Furthermore, within the 2023 Sustainability Plan, the Company has set the goal of ensuring that by 2025 **30% of Manager and Senior Professional positions in network functions are held by women**, with the intention of promoting equal opportunities for professional development and preventing the risk of discrimination in the workplace. The target population includes the Atlantic, Esselunga and Esserbella networks and the target is measured annually, as a snapshot at the end of the reporting period. The objective was set through meetings with stakeholders, such as HR and *operations* managers, to ensure a balanced approach and attention to the needs of all parties involved. In 2024, 17% of Manager and Senior Professional positions in network functions were held by women, up from 15% in 2023.

Finally, with the aim of fostering an inclusive culture, the Group has committed to **involving more than 90% of executives and managers in cognitive bias training** by 2025. As of 2023, Middle Management at headquarters was involved in two main activities related to diversity and inclusion issues, “Leadership and Cognitive Bias” and “Generations Compared” (see section S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions), with the aim of spreading an increasingly inclusive culture. These training activities, which fit more broadly within corporate policies in favour of inclusion, have so far involved 73.5% of executives and managers, up from 21% in 2023.

3.1.7.4 Selection, retention and training

In line with its commitment to fostering skills development (see Sustainability Policy section), the Group has set a target to 2025 to **deliver over 620,000 hours of training annually, including over 5,000 hours dedicated to talent programmes and over 250,000 dedicated to the School of Trades**. The latter, in particular, is dedicated to training sales network personnel, ensuring high technical skills, which are essential for quality service. The Learning Centre, Esselunga's in-house training school, is the beating heart of these activities, accompanying people through theoretical and practical paths to develop the skills needed to perform their jobs. In 2024, the Company exceeded its target, with a total of 796,435 training hours delivered, compared to 464,000 in 2018, of which 324,433 hours were allocated to the School of Trades, compared to 142,099 in the base year. On the other hand, 4,004 hours were dedicated to talent programmes, up from 2,210 in the year the target was set.

As regards the monitoring of impacts, risks and opportunities related to personnel selection and the confidentiality of employee data, please refer to the section Minimum Transparency Disclosures.

3.1.8 S1-6: Characteristics of the undertaking's employees

As at 31 December 2024, the Esselunga Group had a **workforce of 29,391**[23], up from **25,436** at the end of 2023. This increase is also due to the process of internalising activities previously performed by third parties, as described in the Management Report. **Forty-five per cent** are women and about **89%** are employed under permanent contracts. It should be noted that all Group employees are employed in Italy, and that the metric is expressed in head count and refers to the number of persons employed as of 31 December.

In 2024, **2,621** people left the Company and therefore the **turnover rate**, calculated with respect to the total number of employees at the end of the reporting year, was**8.9%**. In calculating this indicator, Esselunga takes into account all employees who have left their jobs due to leaving incentives, dismissal, resignation from service, age limit and death.

Table11: Breakdown of employees by gender and type of contract

	2024				
No.	**Women**	**Men**	**Other**	**Not disclosed**	**Total**
Total No. of employees	**13,305**	**16,086**	**0**	**0**	**29,391**
Number of permanent employees	12,036	14,236	0	0	26,272
Number of temporary employees	1,269	1,850	0	0	3,119
Number of variable-hour employees	0	0	0	0	0
Number of full-time employees	7,675	14,361	0	0	22,036
Number of part-time employees	5,630	1,725	0	0	7,355

3.1.9 S1-7: Characteristics of non-employee workers in the undertaking's own workforce

In addition to employees, Esselunga also employs **356** contract workers in its workforce, mainly in stores and production departments. This indicator is expressed in head count

[23] *Please refer to the section "cooperatives" proceedings of the Milan Public Prosecutor's Office of the Consolidated Financial Statements*

and represents the average monthly number of non-employees who worked at least one day for one of the Group companies. This calculation method makes it possible to capture fluctuations during the year, which are significant in the Group's operating activities.

3.1.10 S1-8: Collective bargaining coverage and social dialogue

Since the early seventies, Esselunga has developed an intense collective bargaining process that is the result of a structured relationship with the trade unions that are signatories to the national collective bargaining agreement for the sector, as described in section S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions. **Collective bargaining** covers **100%** of the Group's employees. In addition, about **83%** of the Group's employees are covered by employee representatives. To calculate the percentage of employees covered by representatives, all employees working at company sites where there is at least one trade union representative were taken into account.

Table12: Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	**Employees - EEA**	**Employees - Outside EEA**	**Workplace Representation (EEA only)**
100%	Italy	N/A	Italy

3.1.11 S1-9: Diversity metrics

With regard to the diversity of the Group's own workforce, the tables below show the breakdown of employees by age group, and the gender distribution within senior management, in which, for Esselunga, Functional Managers are included.

Table13: Distribution of employees by age group

No.	2024
Total	**29,391**
< 30 years	4,952
% employees < 30 years	16.8%
30 - 50 years	16,837
% of employees aged 30-50	57.3%
> 50 years	7,602
% over 50 years	25.9%

Table14: Gender distribution at senior management level

No.	2024
Total	**15**
Women	1
% of Senior Management	6.6%
Men	14
% of Senior Management	93.4%

Other	0
% of Senior Management	0%
Not reported	0
% of Senior Management	0%

3.1.12 S1-10: Adequate wages

In line with the parameters set out in the relevant National Collective Labour Agreements (C.C.N.L.), all Esselunga Group employees receive an adequate salary.

3.1.13 S1-11: Social protection

Esselunga ensures that all its employees are adequately covered by social protection against loss of income resulting from significant life events. In particular, Group employees are protected in the event of illness, unemployment, occupational injury and acquired disability, parental leave and retirement.

3.1.14 S1-12: Persons with disabilities

Esselunga promotes the inclusiveness and integration of people with disabilities within its workforce. Currently, the Group has **1,560 people** with disabilities over 45%. These constitute **5.3%** of the total employees.

3.1.15 S1-13: Training and skills development metrics

Training and skills upgrading continue to be key actions and fundamental to the Group's success and competitiveness. Esselunga promotes the development of its people by providing **training courses** for its employees, who in 2024 benefited from a total of **796,435 hours of training**, equivalent to an average of around **27 hours** per person.

Table15: Average hours of training by gender

	2024				
No.	**Women**	**Men**	**Other**	**Not disclosed**	**Total**
Average number of training hours per employee	22	31	0	0	**27**

In addition, with regard to performance review, the Human Resources Development Office is in charge of launching and managing the **annual performance management campaign**, supporting employees and their managers in defining individual development plans and analysing career processes. This is a transversal process that involves all employees belonging to specific contractual categories. Following the performance management campaign, talent review meetings were organised to reflect on succession plans, training and development activities, and the identification of high potentials for building accelerated pathways. In this regard, during 2024 this process involved **5,575** people, about 90.3% of the appraisals envisaged by management, in order to make the feedback culture increasingly widespread and present in the company. In particular, the campaign involves employees in the *white-collar* category up to level three (managers, middle managers and white-collar workers), with the exception of employees who do not fall under the criteria for assessment, e.g. due to not having reached the minimum number of working days on an annual basis.

Table16: Employees who participated in performance reviews by gender

	2024				
n. / %	Women	Men	Other	Not disclosed	Total
Number of employees who participated in regular performance and career development reviews	1,041	4,534	0	0	**5,575**
Percentage of employees who participated in regular performance and career development reviews	7.8%	28.2%	0	0	**19%**

Table17: Employees who participated in performance reviews job category

	2024				
n. / %	Managers	Middle managers	Office workers	Non-office workers	Total
Number of employees who participated in regular performance and career development reviews	52	430	5,093	0	**5,575**
Percentage of employees who participated in regular performance and career development reviews	67%	84%	26%	0	**19%**

3.1.16 S1-14: Health and safety metrics

100% of the Group's workforce is covered by the **Occupational Health and Safety Management System** (see section S1-1: Policies related to own workforce). Below are additional figures for this reporting year.

Table18: Health and safety metrics

	2024	
n. / %	Employees	Non-employees
Percentage of employees covered by the health and safety management system	**100%**	**100%**
Number of fatalities as a result of work-related injuries and work-related ill health	**0**	**0**
Number of recordable work-related accidents	**948**	**11**
Rate of recordable work-related accidents	**20.2**	**23.4**
Number of cases of work-related ill health recorded	**0**	**0**
Number of days lost due to work-related injuries, work-related illnesses and deaths as a result of illnesses	**22,286**	**160**

For the calculation of the percentage of workers covered by the Occupational Health and Safety Management System, the total number of employees and non-employee workers reported under metrics S1-

6 were taken as the denominator: Characteristics of the undertaking's employees and S1-7: Characteristics of non-employee workers in the undertaking's own workforce.

Regarding the recordable work accident rate, it was calculated as the ratio of the number of accidents that occurred during the year to the total number of hours worked, multiplied by 1,000,000. The same methodology was applied for both accidents involving employees and non-employees.

It should be noted that two deaths occurred during the year that were not work-related, and with regard to the number of deaths of other workers operating at the company's sites, please refer to the Report on Operations, which sets forth the events that occurred on 16 February 2024 at the site located in Florence, between Via del Ponte di Mezzo, Via Giovanni dei Marignolli, Via Giovanni da Empoli and Via Giovan Filippo Mariti. In addition, in the reporting of recordable cases of work-related diseases, it is specified that reports of occupational diseases recognised and known to the Company that occurred in 2024 are taken into account, and not those for which the verification process is still in progress. Finally, in the calculation of lost days, carried out by taking into account both the first day of absence and any non-working days, such as holidays or weekends, those due to work-related illnesses are not included, as they are not currently recorded by the company.

3.1.17 S1-15: Metrics of work-life balance

The Group promotes work-life balance as part of its commitment to ensure the well-being of its people. All employees are entitled to family leave and, in 2024, **4,616** employees - **32.5%** of the workforce as at 31/12 - took family leave.

Table19: Employees who have taken leave for family reasons, by gender

	2024				
%	**Women**	**Men**	**Other**	**Not disclosed**	**Total**
Percentage of employees who have taken leave for family reasons	22.1%	10.5%	0	0	**32.5%**

3.1.18 S1-16: Remuneration metrics

The Group recognises the importance of promoting gender equality in all areas of the company, including the pay dimension. In 2024, the gender pay gap for Esselunga employees, calculated as the ratio of the difference between the average gross hourly earnings of all female and male employees divided by the average gross hourly earnings of the latter, was 11.9%. The variable remuneration component is not provided for all employees, but only for certain functions and particular activities performed. Therefore, as of today, this component is excluded from the metrics calculation.

3.1.19 S1-17: Incidents, complaints and severe human rights impacts

In 2024, 2 cases of work-related discrimination were identified. The related reports were received through the Group's official channels, following which the appropriate action was taken. The number of established incidents generated by reports acquired, handled and concluded with a “well-founded” outcome during the reporting period was 33. These come from the Comunica Whistleblowing channel as well as from direct reports to HR Managers in the Human Resources and Organisation Department. Reports that are still being investigated and not closed during the reporting period or closed later are excluded. In the case of a report received through the HR Manager, the latter will initiate an in-depth investigation of the report, including through interviews with the persons involved in the report, in order to clarify the facts and determine whether the incident requires disciplinary action. The reports received did not result in any fines, penalties or damages for Esselunga.

3.2 Workers in the value chain

Strategy

3.2.1 ESRS 2 SBM-2: Interests and opinions of stakeholders

The interests and opinions of employees in the value chain are an increasingly important element in guiding the Group's strategy and business model. The growing awareness that Esselunga's operational and strategic decisions can have a real impact on its suppliers led to the decision to involve a number of representative suppliers during the Group's double-relevance process in this reporting year (see SBM-2: Interests and views of stakeholders).

3.2.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The relevance analysis of impacts, risks and opportunities conducted by the Group took into account the entire value chain and highlighted the presence of both generalised negative impacts involving workers in its supply chains, as well as significant risks for the Group associated with this category of stakeholders (see the Relevance Analysis section). In particular, the interrelationships between the two perspectives were taken into account, mainly identifying reputational risks arising from negative impacts involving workers in the value chain.

The dual nature of the Group, engaged in production and at the same time in distribution and sales, is reflected in the complexity of its value chain. The workers of **Esselunga's suppliers**, who are located upstream of the Group's activities, are divided into workers of **commercial** suppliers, i.e. of branded and non-branded products, including those of raw materials and packs, and **non-commercial** suppliers, i.e. suppliers of goods and services not intended for sale/marketing to the end consumer, for example suppliers operating in the fields of logistics, transport, e-commerce and surveillance and other contracted activities related to the construction and management of stores. Some of these workers carry out their activities on the company's premises, e.g. those employed in logistics and security activities.

The Group is aware of the importance of human rights issues in the value chain and will work to implement prevention and monitoring actions, consistent with what will be required by the new Corporate Sustainability Due Diligence Directive (CSDD)[24].

Impact, risk and opportunity management

3.2.3 S2-1: Policies related to value chain workers

Esselunga is aware that managing the supply chain in a strict and responsible manner is a tool that allows both the long-term consolidation of virtuous partnerships and respect for workers' rights and the environment. The commitment to foster the development of a socially responsible supply chain is enshrined in the Group's policies.

First of all, the **Code of Ethics and Conduct** is a reference for all members of corporate bodies, Group employees and anyone else who establishes relations and relationships of any kind, even occasional and/or temporary, with the Group. The Code of Ethics and Conduct sets out the principles of acting with integrity, ethically and responsibly.

Further instruments are the **Organisation, Management and Control Model pursuant to Legislative Decree 231/2001** and the **Sustainability** Policy(see Sustainability Policy section), which defines Esselunga's commitments for each priority area, including responsible supply chain management.

With particular reference to the issue of workers in the value chain, Esselunga has adopted a **Supplier Code of Conduct**, which requires all suppliers of goods and/or services, including subcontractors, contractors, sub-subcontractors and business partners, to guarantee fair and safe working conditions for their employees, acting in an environmentally friendly manner and in compliance with the law, demonstrating integrity, transparency and fairness. The Code is intended to ensure that suppliers:

- ensure fair and safe working conditions for their workers;
- operate in an environmentally friendly way;
- operate in compliance with the law, with integrity, transparency and fairness;
- operate in accordance with applicable laws and regulations.

The Code, which is also available on Esselunga's institutional website in English, was formally approved in March 2022 by the Board of Directors of Esselunga S.p.A. and is the first version of the document. The Group undertakes to review and update it periodically as necessary.

Underlying the commitments defined in this document are the values and principles described in the Organisational, Management and Control Model pursuant to Legislative

[24] *Directive 2024/1760/EU of the European Parliament and of the Council on a company's sustainability duty of care*

Decree No. 231/2001, the Code of Ethics and Conduct, and the Group Policies, as well as the main standards issued by international reference organisations, including:

- The **United Nations International Bill of Human Rights**, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;
- the **United Nations Convention on the Rights of the Child;**
- the **United Nations Convention on the Elimination of All Forms of Discrimination against Women**;
- the **UN Guiding Principles on Business and Human Rights**;
- the "**CEO Guide to Human Rights**" of the World Business Council for Sustainable Development (WBCSD);
- the **Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation** (ILO) and its applicable conventions;
- the **OECD Guidelines for Multinational Enterprises**;
- the **Sustainable Development Goals** (SDGs) of the United Nations;
- the **10 principles of the Global Compact**;
- the **Women's Empowerment Principles** (WEPs) for the promotion of gender equality;
- Guidelines, including regulations and codes of conduct, issued by the European Union, including the **Code of Conduct on Responsible Business and Marketing Practices in the Food Chain**.

In particular, the Code requires respect for the **human rights** of workers in the supply chain and that **respectful and safe working environments** are guaranteed, free of any form of discrimination or prevarication based on social or ethnic origin, religion, gender, sexual orientation, age. It is essential that all workers are offered **equal opportunities and fair treatment**, in full compliance with national and international labour laws. Staff selection, recruitment and management processes must be inclusive and non-discriminatory, ensuring clear contracts that comply with applicable laws, decent wages and compliance with regulations on working hours, benefits and social security contributions.

The Group's approach includes the absolute prohibition of forced, compulsory, child labour or any other form of labour exploitation. The use of "caporalato" (forced labour) is opposed, as is the use of undeclared work or practices that harm the freedom and dignity of workers. Particular attention is paid to **health and safety in the workplace**, with suppliers obliged to prevent and manage risks, train staff on safe behaviour and comply with all relevant regulations. At the same time, the **confidential treatment of personal data** and respect for the **privacy of** workers is required. Finally, the Group actively promotes the development of workers' skills and capabilities in the supply chain, supporting a collaboration model based on ethical principles and the enhancement of human dignity.

To strengthen its commitment to sustainability issues, Esselunga has joined the **United Nations Global Compact** (UNGC), a global initiative for sustainable development based on ten universal principles relating to respect for human rights, labour, the environment and the fight against corruption, which the Company is committed to respecting.

3.2.4 S2-2: Processes for engaging with value chain workers about impacts

Workers in the value chain are involved by Esselunga in two ways:

- through the **multistakeholder forum** which took place, as part of the double relevance analysis process, at the beginning of 2024, and which involved representative representatives of certain supplier categories (see the Relevance Analysis section);
- through **interviews conducted during audit activities on suppliers**, carried out in line with the on-site second-party ESG audit plan defined on the basis of the risk level assigned to suppliers. At the end of the audit activity, an audit report is drawn up describing any critical issues found and indicating best practices and improvement plans. It is specified that this activity, which started at the end of 2024, will continue during 2025.

Both processes are under the responsibility of the Corporate Sustainability Department.

3.2.5 S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns

In order to safeguard the respect of workers' rights along its value chain and prevent any negative impacts, Esselunga recognises the importance of having effective reporting channels. To this end, it has adopted a web-based platform, also accessible by third parties and made known to suppliers through the Supplier Code of Conduct, called "**Comunica Whistleblowing**", through which it is possible to anonymously report any unlawful conduct or conduct that does not comply with the Group's codes (see section S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns). Furthermore, with the introduction of supplier audit programmes, Esselunga is committed to detecting and managing any negative impacts involving workers in the value chain.

3.2.6 S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Esselunga is committed to ensuring a safe and respectful working environment for all those involved in its supply chain, paying particular attention to the protection of human rights and respect for decent working conditions, consistent with the negative impacts and risks identified by the materiality analysis. In order to pursue continual improvement goals of its supply chain Esselunga promotes:

- Fruitful and long-term collaborations with suppliers through procurement policies that prohibit Dutch auctions;

- The short supply chain principle, undertaking to reduce the number of companies and steps from farm to table;
- Growth of the local economy by increasingly sourcing products from within Italy, supporting small businesses, and promoting regional products and production processes;
- The fight against illegal hiring of labour, through the Supplier Code of Conduct, which states that suppliers must not employ personnel who work against their will or who are not free to terminate their employment contract.

In line with these principles and in order to increase the awareness and accountability of its suppliers, the Company requires the acknowledgement and acceptance of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, the Code of Ethics and Conduct and the Suppliers' Code of Conduct, already at the time of qualification or renewal thereof.

During this reporting year, Esselunga also implemented a number of actions to strengthen its safeguards to prevent and mitigate social impacts along the value chain.

Firstly, in order to improve the responsible and sustainable management of its supply chain, in 2023 Esselunga launched a project aimed at integrating the **commercial supplier qualification process** with sustainability criteria according to a risk-based model, which allows the ESG performance of suppliers to be monitored and any areas for improvement to be identified. Following a preliminary analysis, a questionnaire was developed on sustainability aspects (with questions relating, for example, to the management and monitoring of aspects related to human rights and social practices, health and safety at work, the environment and the supply chain) to gather the information necessary to assign a risk level to suppliers. The questionnaire was developed from the Supplier Code of Conduct. To test the effectiveness of the prepared questionnaire and the designed ESG qualification process, Esselunga identified a pilot sample of suppliers of branded products, raw materials and packs to whom the questionnaire was sent in early 2024. On the basis of the answers obtained from the sample of suppliers, risk level assessments and audit planning were drawn up for those found to be medium/high risk.

In 2024, the company conducted its first **12 ESG audits**, during which a number of workers were interviewed to identify any critical situations, including with regard to human rights violations. If reports of violations of the Code of Ethics and Conduct or the Supplier Code of Conduct are submitted, the Ethics Committee has the task of handling them and proposing possible measures to remedy them, including the possible termination of the contract. No instances of non-compliance with the UN Guiding Principles, the ILO Declaration or the OECD Guidelines for Multinational Enterprises were reported in this reporting year. At the end of the audit activities, the areas of improvement that emerged are shared with the supplier's contact persons and possible mitigation actions are defined.

By 2025, the audits resulting from the Pilot Project are scheduled to be completed and the ESG performance assessment questionnaire will be sent to a further group of suppliers of branded products, raw materials and packaging, as well as belonging to the tomato and fruit and vegetable supply chains, totalling about 70 suppliers. In the light of the analysis of the answers to the questionnaire, audit activities will be planned for the riskiest suppliers. From January 2025, in addition, the Commercial Supplier Qualification Portal will be supplemented with the ESG assessment scope, which will be assessed by the Corporate Sustainability Department at the supplier approval stage.

The **qualification process for non-commercial suppliers** during 2024 also underwent an update process, which included an expansion of the size of the analysis, the introduction of a *risk-based* approach for the evaluation of third parties, and an objective evaluation methodology through the calculation of a risk scoring. This supplier assessment includes the completion of an ESG questionnaire.

In addition, with a view to mitigating the risks associated with any negative impacts occurring along the supply chain, the Third Party Analysis and Assessment Office carries out in-depth investigations and surveys on the ethical and reputational situation of the members of the potential supplier's corporate structure (shareholders, directors, proxies and subsidiaries). During 2024, checks were carried out on 1,400 partners and/or potential partners. This process has been revised and optimised in 2024, thanks to the adoption of a new platform that, from 2025, will complement the other survey tools already in use, offering the possibility of conducting more detailed analyses and improving the monitoring of critical suppliers. The platform is based on AI and is able to draw information and press articles from open sources: In fact, a preliminary interlocutory phase is currently underway with the platform provider's systems engineers, in order to achieve the highest degree of accuracy. In the course of 2024, two suppliers, not significant for Esselunga's business continuity, were involved in events that revealed irregularities. The Company has put in place the appropriate checks and investigations, as a result of which it was decided to continue business relations by reducing the exposure to these suppliers, continuing to keep a constant watch on developments.

In addition to strengthening its garrisons, Esselunga supported a number of initiatives related to the social inclusion and gender equality of workers in the value chain, thanks to the contribution and synergies between different corporate functions. For example, in order to create a path to employment in agriculture for different categories of disadvantaged people, the **Primo Passo** project was created in 2018, targeting immigrant women, asylum seekers, unemployed Italians, young people subject to restrictive measures of liberty and people fleeing the Russian-Ukrainian conflict. The project is carried out in cooperation with other organisations, including Terre Solidali, a social enterprise engaged in social and labour reintegration through sustainable agriculture; Cooperativa OP Agritalia, an organisation of fruit and vegetable producers specialising in the cultivation of table grapes, which took care of the direct employment of the Project beneficiaries and the transfer of know-how to them; CTM AGROFAIR, a branch of Altromercato that deals with the construction of ethical and sustainable supply chains from an environmental, social and economic point of view. This organisation plays a fundamental role in the project as it contributes

to its economic sustainability, by commercially conveying fruit and vegetables produced by the network actors, and directly supports the training activities by allocating a share of sales to the project. The activities of the Primo Passo project continued in 2024.
In addition, the **Rose Fairtrade** project, initiated in cooperation with Flora Toscana Soc. Agr. Coop, to market Fairtrade-certified flowers, continued in 2024, selling a total of 446,658 Fairtrade-certified pieces. In the Fairtrade supply chain, gender equality is pursued through fairer wages, transparent contracts, voluntary and paid overtime, maternity and lactation leave, the provision of better working conditions and the involvement of employees in training activities, with ad hoc courses to also increase the percentage of women in managerial positions.
For Esselunga, it is important to make sure that its products come from responsible supply chains, which is why the "**Sustainable Cocoa**" project was launched in 2018 in collaboration with Altromercato, the first fair trade association in Italy, with the aim of providing cocoa producers with economic, social, fair and respectful support, and supporting farmers in their working lives by financing sustainability projects. This initiative sees Esselunga committed to ensuring that by 2025 all branded packaged products that contain cocoa as an ingredient will use **certified sustainable cocoa**, i.e:

- **100% Fairtrade cocoa**, purchased from communities living in countries in the Global South, with a guarantee of social and economic treatment that respects people and with payment of a fair market price, never below production costs;
- **traced via blockchain technology** along the entire supply chain, from field to shelf, to ensure transparency and quality at every stage.

Within this framework, **Esselunga's ethical-social project in Togo** is also being developed, a five-year project that started in 2020 and whose main objective is to support five local cooperatives, making them autonomous and independent in the cultivation of cocoa and increasing the farmers' income through increased production and crop diversification. The total investment dedicated to the initiative in Togo is €1,135,000, to which customers also contributed by donating their strawberry points, through the Fìdaty catalogue, to renew the cocoa cultivation with new plants. This investment is allocated to four areas of intervention:

- Improving yields and teaching good agricultural practices
- Alternative sources of income through the cultivation of crops other than cocoa
- Improvement of post-harvest stages (drying, storage)
- Data digitisation: land parcel mapping and sensor predictive support

Once the ethical-social project in Togo is over, Esselunga will continue to buy cocoa from these communities and will start a new ethical-social project in Madagascar in cooperation with Altromercato'.

Metrics and goals

3.2.7 S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To strengthen its commitment to ensuring a safe working environment that respects human rights, within its own chain Esselunga launched a major project in 2018 in collaboration with Altromercato aimed at achieving the goal of **ensuring that the cocoa used in**

its branded products is 100% fair trade. By the end of 2024, there were already 77 Fairtrade products on the shelves, out of a total of 99 references containing cocoa, with a growing commitment that has seen a progressive increase in references over the years. Since the start of the project in 2018, 78% of branded products use Fairtrade cocoa in 2024, and the company constantly monitors the achievement of this target through internal reporting systems.Affected communities

Strategy

3.2.8 ESRS 2 SBM-2: Interests and opinions of stakeholders

Local communities represent one of the main stakeholder categories for Esselunga. During the year, in addition to supporting social initiatives and collaborations with local entities, the Group involved representatives of non-profit associations, as well as sustainability experts from academia, in the validation of the results of the double relevance (see SBM-2: Interests and views of stakeholders).

3.2.9 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In the materiality analysis, the Group focused on the affected communities directly related to the Company's own operations and highlighted how the activities of Esselunga's business produce significant impacts, both positive and negative, on the communities living near the Company's sites. In particular, negative impacts related to increased traffic and noise pollution emerged***SBM-3 9b]***, and positive impacts generated by the creation of new jobs and support for local economic development (see section S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions). The analysis also revealed an opportunity related to increasing the positive perception of the company's activities by local communities. Territorial enhancement and support initiatives contribute to strengthening the company's reputation and improve ties with communities.

Impact, risk and opportunity management

3.2.10 S3-1: Policies related to affected communities

In its **Sustainability Policy**, Esselunga is committed to strengthening its ties with the communities in which it operates, promoting dialogue and contributing to collective well-being. In particular, the Company is committed to supporting the economic growth of local communities, generating job opportunities in the territories where it operates, promoting the education of new generations and supporting research and scientific dissemination campaigns (see the Sustainability Policy section).

3.2.11 S3-2: Processes for engaging with affected communities about impacts

Esselunga's business model is centred on the ability to intercept and anticipate the needs of the community, making listening and active participation an integral part of the corporate culture. Every year, the company evaluates hundreds of applications and projects with the aim of helping to build a fairer and more sustainable future. Synergy with local realities, united by mutual trust, drives the commitment to create value not only for the company, but also for people and the region.

Donations, free donations and sponsorships to non-profit associations, institutions, schools, public bodies and companies are carefully evaluated and selected through a process directly involving the Head of Department and the Office Manager. Initiatives are then shared and endorsed by the Group, ensuring that each action is aligned with Esselunga's principles and objectives. Esselunga's approach is based on actively listening to the needs of the local area, communities and individual citizens, which are at the heart of its daily activities. Direct collaboration with organisations makes it possible to coordinate and promote projects that effectively meet local needs, with a focus on the education of the younger generations, culture, scientific research and the promotion of a healthy and active lifestyle, including through sport.

3.2.12 S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns

Given the nature of Esselunga's business, the local communities with which the Group interacts coincide in most cases with the Group's consumers and potential customers. The needs of these categories of stakeholders are inevitably interconnected, and for this reason Esselunga also makes the Customer Service available to affected communities as a channel for them to express complaints and/or concerns (see section S4-3 Processes for Remedying Negative Impacts and Channels for Consumers and End-Users to Express Concerns).

3.2.13 S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Esselunga has always supported the communities in the areas it works in, through cash donations (direct contributions), fundraising and education for its customers (indirect contributions), or food donations thanks in part to the charitable work of its suppliers (contribution of goods). In 2024 the main initiatives aimed at generating a positive impact through the creation of value for the territory focused on three macro-objectives:

- **Generating a positive contribution to the local area**, redistributing food surpluses and promoting inclusion and support for the most vulnerable through solidarity projects;
- Promoting **sport**, the **culture** and **education** of the younger generations;
- Supporting **scientific research**.

Also in the selection of raw materials, Esselunga is committed to supporting local development, **promoting the valorisation of typical** local **products**. In fact, the company's offer is enriched with a selection of local products, intended for resale in its sales outlets, with the aim of spreading and supporting regional excellence.

In order to monitor and evaluate the effectiveness of the actions undertaken, especially with regard to the initiatives organised, the Group measures the level of community satisfaction both through direct feedback and by observing the level of involvement and participation in the activities. These assessments are effective tools for guiding the Group's choices and ensuring that actions continue to respond effectively to community needs.

3.2.13.1 Generate a positive contribution: food donations and solidarity projects

For Esselunga, **food donations** are a central element of its commitment to supporting local communities. In fact, one of the Group's strategic objectives is to reduce food waste, including through donations of surplus food to charities and associations that help the needy. As the company is both a retail and manufacturing company, it can contribute significantly to the donation of meals and basic necessities.

The Group is involved on several fronts: donates more than 100,000 kg of fresh bread per year to the **non-profit organisation Pane Quotidiano** and has worked with the **Banco Alimentare Foundation** for more than 20 years to systematically and safely donate surpluses to the most needy. In addition to the individual food donations, with Banco Alimentare the company has engaged in the training of volunteers, who together with the Quality Assurance Department periodically visit the charitable organisations receiving the food to identify any anomalies and to provide an optimal service to the recipients.

Since the end of 2019, the collaboration with Banco Alimentare has also extended to the **Neighbour Hub** project, organisations equipped with cold rooms, refrigerated vans and a quality system, capable of collecting food products and redistributing them directly to people in need or to other facilities. In 2024 Esselunga, together with its suppliers, **donated** more than **2,100 tonnes of food,** more than **4 million meals** and made **voluntary donations to more than 200 associations and non-profit organisations**.

In addition to food donations, Esselunga is committed to **solidarity projects** that meet the needs of the community by supporting non-profit organisations, projects and activities aimed at improving the lives of people and the communities in which it operates. Over the years, various initiatives have been undertaken, including fundraising to support young people and children in need, helping new mothers during maternity leave and supporting humanitarian operations.

The main initiatives in 2024 were:

- support for the third consecutive year to **Fondazione La Comune** for the Fiori all'occhiello project, an entrepreneurial activity in the field of green care, aimed at encouraging the professional growth and socialisation of young people living in the Foundation's facilities;

- the support, starting in 2023, for the **Fondazione Gaslini Insieme**. Esselunga contributed, as a supporting member, to the **Reception project** for the families of hospitalised children. The Gaslini Insieme Foundation was set up to develop and enhance communication activities and aims to raise and allocate funds to the Giannina Gaslini Institute, one of the most important paediatric hospitals in Italy and Europe for the care, research and scientific and health education dedicated to children. The Foundation supports care at Gaslini, contributing to the structural, technological and digital improvement of the hospital, the humanisation of its environments and the welcome for families. The collaboration focuses on the city of Genoa but the Accoglienza project is aimed at families from all over Italy and the world.

3.2.13.2Promoting sport, the culture and education of the younger generations

Esselunga recognises the importance of promoting **sport**, **culture** and **education** as fundamental pillars for the development of the new generations. The Company is actively committed to supporting initiatives that promote access to these opportunities, convinced that the growth and training of young people is essential to building a fairer, more dynamic society that is prepared for the challenges of the future.

Starting from the 2018-2019 school year, the Group, in collaboration with the **Corriere della Sera Foundation**, had launched the Insieme per Capire (Together to Understand) project, a series of meetings to give high schools the opportunity to explore current issues and topics in ministerial programmes through the stories of journalists, experts and exclusive testimonies. The project continues every year and involves more than 250,000 students and teachers throughout Italy.

In addition, it is central for the company to contribute to **enhancing Italy's cultural heritage**, investing in the organisation of cultural and artistic events, and upgrading stores in different urban areas to promote the beauty of the region. In this regard, the Group has launched a number of initiatives over the years, such as supporting the **Accademia del Teatro alla Scala**, starting in 2021, in training young people aged 6 to 30 from all over the world to study and excel in the artistic, technical and managerial fields. Esselunga in particular supports the Summer Camps for children from 7 to 13 years of age and together with the Municipality of Milan has allocated 20 places for children living in the community and/or in poor conditions. In addition, Esselunga supports the **Teatro alla Scala** Season, is a partner of the **Filarmonica del Teatro alla Scala** in Milan through the "Open Rehearsals" project and the "Concert for Milan" in Piazza Duomo, and Elisenda is an official partner and supplier of the theatre. 2024 also saw the renewal of the "Un palco in famiglia" project, which offers Fìdaty customers the opportunity to purchase tickets for all dates of the 2023/24 season in advance and at favourable rates.

The Group is also a sponsor, since 2022, of the Olympic Hall at the **Turin International Book Fair**, dedicated to meetings and presentations of books and authors related to the world of sport. This collaboration was attended by over 220,000 passionate readers. Finally, additional initiatives are, for example, the “poetry menu” with **Bookcity**, an activity continued in 2024 involving 9 Atlantic Bars in the city of Milan, and the sponsorship of the **Nervi Music Ballet Festival**, with the presence of the Cucina Esselunga food truck during all evenings of the Festival.

3.2.13.3Supporting scientific research

Esselunga also supports **scientific** research by supporting research projects and contributing to the development of new solutions and technologies that can have a positive impact on people's health and well-being. Among the initiatives, there is the collaboration with **Telethon**, which has been active for more than two years and takes the form of an awareness and fundraising campaign promoted in the stores and aimed at research into rare genetic diseases. In 2024, more than EUR 680,000 was raised for the Foundation.

The Group also supports the **Lega Italiana per la Lotta contro i Tumori** (LILT) through various initiatives, such as the charity Pigiama Run, which aims to raise funds for children's cancer hospitals, and the skin cancer prevention dispenser project with the dispensing of branded sunscreen protection 50 in two cities.

3.2.13.4Enhancing typical products

Esselunga has always paid particular attention to promoting traditional local products and choosing local suppliers that guarantee greater freshness and better prices. In order to guarantee an offer based on the purchase and resale of typical products, aimed at supporting local development, in 2024, Esselunga continued to support Italy’s food and wine heritage by expanding its collaboration with protection **Consortia** and promoting regional specialities. In particular, the offer of PDO and PGI products was increased at points of sale and on the online channel in order to enhance the link with the territory and promote local products synonymous with quality, safety and production excellence. During 2024, 12 new PDO cheese references were added.

An expression of this commitment is also the **Esselunga Cucina** line, designed to offer customers high-quality ready meals, prepared with fresh, selected ingredients from local areas and prepared according to traditional recipes. In the course of 2024, Esselunga centralised the production of numerous ready meals, further improving quality and consistency in recipes, while ensuring high food safety standards. The company has also enriched its offer with new recipes and with the entry of the Cucina Esselunga line in the fish department, with ready-made fish dishes ranging from traditional Italian dishes to those inspired by international cuisines. This approach has made it possible not only to valorise local products and traditional recipes, but also to offer customers a complete dining experience that respects the gastronomic culture of the region.

Metrics and goals

3.2.14 S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

3.2.14.1 Generate a positive contribution: food donations and solidarity projects

In line with its commitments to local communities, in its Sustainability Plan 2020-2025 the Group has defined a number of targeted targets to monitor its actions. Foremost among these is providing **ongoing support to the local area through donations intended to promote the growth, education and well-being of local communities**, measuring the progress of its actions in terms of donations made for these purposes. The target of donating over EUR 2 million to these initiatives was reached in 2023 and maintained in the present reporting year, reaching over EUR 8 million in donations.

With regard to food surpluses, Esselunga commits to **donate around 4,000,000 meals by 2025, an increase of 70% compared to 2018**. This objective was set through constant listening and dialogue with local communities, to respond to the real needs of the areas where Esselunga is present, with particular reference to vulnerable communities, such as families in difficulty, the elderly and other fragile social realities. Donation initiatives are active in all Esselunga stores and, in the case of disposals, also in distribution centres, reflecting listening to the needs of the local area and an ongoing dialogue with communities. Thanks to the continuous efforts and actions taken, the target set was successfully achieved, with 4,211,882 meals donated by 2024.

3.2.14.2 Promoting sport, the culture and education of the younger generations

A further goal set by Esselunga and geared towards supporting education and instruction is to **distribute over EUR 100 million worth of school supplies through the "Friends of School" initiative.** This programme involved more than 13,000 schools, which collected vouchers with which to obtain computer equipment, teaching materials and other useful resources for improving educational provision. From 2018 to 2024, more than EUR 101 million in school supplies were distributed through this initiative.

3.2.14.3 Supporting scientific research

Esselunga intends to provide **ongoing support to organisations involved in scientific research and solidarity projects** through donations, in particular by donating more than €1 million by 2025. This target was already achieved in 2023, and was maintained in 2024.

To regularly monitor alignment with these sustainability goals, Esselunga uses tools such as periodic reviews, meetings with the managers of the areas involved, interviews and community meetings, using qualitative indicators, such as the involvement of stakeholders and communities in reducing waste, and quantitative indicators, such as the amount of food not consumed or disposed of per unit of production or distribution.

3.2.14.4Enhancing typical products

Finally, with regard to the promotion of typical local products,**Esselunga** is committed to producing more than **80% of Esselunga-branded products in Italy** and to maintaining this percentage in the coming years. In 2024, the target was achieved with 89.7% of the products.

3.3 Consumers and end-users

Strategy

3.3.1 ESRS 2 SBM-2: Interests and opinions of stakeholders

Given the nature of Esselunga's business, it is essential to be able to listen to customers, provide them with assistance and pass on their opinions to the company's stakeholders, in order to establish a constant dialogue capable of intercepting needs and requirements. Therefore, several channels and tools are in place to collect consumer *feedback* on satisfaction with the products offered and the shopping experience (see SBM-2: Interests and views of stakeholders).

3.3.2 ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Within the scope of the materiality analysis, all consumers and end-users of the Group, who purchase products both through stores and through the e-commerce service, were considered. The analysis led to the identification of some impacts, mainly associated with potential negative events related to food safety or personal data leakage, which are also crucial aspects in terms of consumer confidence. A specific impact related to customers with disabilities and the accessibility of store infrastructures was also identified. In addition, Esselunga has prioritised the positive impact on consumers of promoting healthy and affordable products, which it is committed to ensuring through a number of targeted initiatives (see section S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions). The impacts identified are also closely related to certain risks and opportunities for the company. These include potential reputational damage resulting from non-transparent communication and the possible violation of customers' personal data.

Impact, risk and opportunity management

3.3.3 S4-1: Policies related to consumers and end-users

In its **Sustainability Policy** Esselunga is committed to providing a unique experience for its customers, doing its job with passion and dedication and thus maintaining consumer trust and loyalty (see Sustainability Policy section). With a view to promoting healthy lifestyles and an ever-decreasing environmental and social impact, the Group is committed to offering a wide range of innovative products and services that meet the needs of all customers, and to guaranteeing transparency, traceability and safety through clear labelling and communication.

3.3.4 S4-2: Processes for engaging with consumers and end-users about impacts

Customer satisfaction and the constant improvement of products and services have always been key priorities for Esselunga. For this reason, the Group has implemented advanced Customer Relationship Management (CRM) systems, which enable it to listen to and collect customer feedback in a structured and continuous manner. In 2024, **32 market surveys** were conducted involving more than 1 million customers, all of whom had consented in advance, on topics as varied as brand reputation, store and brand customer satisfaction, evaluation of sales channels and satisfaction analysis regarding products and services of brand lines, including Fìdaty, Bar Atlantic and eb® Perfumerie.

Listening to the customer has become an ongoing process, thanks in part to the introduction of **automated surveys** from 2022, which allow feedback on the online shopping experience to be collected quickly, within 24-48 hours of the delivery of the shopping. This immediacy makes it possible to capture fresh and relevant opinions, which are essential to constantly optimise the service.

During 2024, the company further enriched its approach by introducing new ways of engagement, such as the discount voucher survey, carried out through a survey shared in the voucher mailing, and *focus group* sessions dedicated to the evolution of certain product categories and conducted with a selection of customers and employees at the Viale Famagosta offices. These moments of listening made it possible to gather important insights for the evolution of offers, responding to the wishes and needs expressed by customers. In addition, evaluations of the events organised to promote the offers of Enoteca Esselunga and Elisenda involved the active involvement of customers via a QR code, allowing every aspect of the organisation of the events to be optimised.

All these efforts are monitored through a key indicator, the *redemption, which* measures the percentage of respondents compared to the number of invitations per survey. The responsible function, the Analytics & Business Intelligence Department, is committed to ensuring that each initiative not only achieves a high level of participation, but that the surveys, in which customers are randomly selected on the basis of their cognitive needs (e.g. consumer customers in a category) and contacted by email, are formulated in a way that is clear and understandable to all, in order to make the feedback experience as accessible as possible ***S4-2 21].***

Only by listening to customers and constantly monitoring their level of satisfaction can Esselunga direct its strategies towards continuous improvement, creating value for those who choose its products and services every day.

3.3.5 S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

For Esselunga, all customer reports, classified and monitored through the adoption of advanced CRM (Customer Relationship Management) and AI (Artificial Intelligence) technology solutions, are valuable and worthy of attention.

Customer Service collects all consumer requests and needs related to the Group's business, amounting to more than 1,300,000 contacts in 2024, and assesses cases through the involvement, where necessary, of the Departments concerned in order to provide the customer with timely, in-depth feedback that respects the right to confidentiality and data protection. If it is found to have caused or contributed to a negative impact on the consumer, the company takes remedies in two directions: towards the customer to restore the original situation to the disservice, and towards the Company to ensure that the impact does not occur again. For certain types of complaints, e.g. about the quality of non-Esselunga branded products or after-sales guarantees, the consumer, with prior authorisation through the Customer Service, can get in touch with the company that made the negative impact.

The Group provides multiple touchpoints, such as a toll-free number, a dedicated e-mail address[25], a form available on the website and in the app, in-store and chat support, chatbots and a Self Claim function for online shopping, for which it also makes use of external call centres to support inbound telephone activity and First Contact Resolution chat. Touchpoints are communicated in various ways according to the shopping experience: online in the dedicated sections of the website and app, in store via Customer Service, on flyers, promotional media, branded product packaging and shopping bags.

Esselunga periodically asks customers about their degree of satisfaction and the effectiveness of the contact channel used through dedicated *surveys*. In the latest survey, which involved a sample of about 24,000 customers, 87% of the respondents rated contacting Customer Service as very/quite easy, suggesting the enhancement of instant messaging channels.

3.3.6 S4-4: Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Esselunga is committed on a daily basis to improving its offer, responding in a timely manner to market challenges and at the same time ensuring healthy, high quality products that are carefully selected and controlled. This requires the presence of effective safeguards and continuous actions to ensure the highest quality of products and consumer shopping experience.

[25] *servizio-clienti@esslunga.it*

3.3.6.1 Food safety

In a context of increasing demand for transparency and traceability, Esselunga guarantees the safety of its products by paying close attention to all stages of the supply chain. In order to ensure constant control of the production and procurement processes, preventing possible incidents related to the food safety of products, the Quality Assurance Department takes care of all aspects of product quality and health and hygiene safety and, through the collaboration of several functions, ensures that all nutritional information and label indications are a useful guide for a conscious and informed purchase by the customer. To this end, a qualification process for all new suppliers, an audit programme and a plan for analysis, including sensory analysis, of branded products were implemented and extended to include in-store production.

The Quality Assurance Department, in order to ensure the food safety of all private label products, conducts a sampling plan on both products and proprietary production sites to assess the following requirements:

a) legal and product quality standards (chemical, microbiological, product-type and labelling analysis);
b) sanitation of environments (microbiological analysis);
c) production processes (line controls).

For each testing plan, the following have been specifically established:

- determinations/indices: of a specific chemical and biological nature for each product matrix (pH, aw, moisture, residues, pathogens, etc.); of the production process (heat treated or not); for its shelf life and intended use (after cooking/ready *to eat*);
- analytic frequency: for raw materials is determined by the assessment of the probability of a hazard having occurred at European (RASFF) and/or national level (surveillance report or media cases) and correlated with the incidence of the raw material. For finished products made by third-party suppliers, the frequency is defined according to the commercial line and product requirements.

In total, the Quality Assurance Department processed **76,056** tests, resulting in a total of **2,729,193** determinations; Many of these analyses were performed by in-house laboratories (more than 9,522 thousand samples for a total of more than **2,495,440** determinations). In the year 2024, there was an increase of 5.5% compared to previous years in the normal activities of the control bodies. This supervisory activity resulted in a limited number of prescriptions, all of which were managed in compliance with the company's protocols and procedures in force.

In the event of proven negative impacts on consumers, Esselunga has developed a procedure that describes responsibilities, activities and measures to be taken in the event of risks to human health, animal health and the health of the environment from food, and materials or objects intended to come into contact with food (MOCA), in accordance with EC

Regulation 178/2000. The procedure defines "recall" as the measure to remove a product from the market, and "recall" when the product has already been sold and must be withdrawn, following a consumer notification. It applies to all products marketed and manufactured by Esselunga SpA if they do not comply with food safety requirements (including food contact packaging) and applicable regulations.

As evidence of Esselunga's commitment in this area, **FSSC 22000** (Food Safety System Certification) was successfully achieved in 2018 and maintained for all production facilities in 2024. Also in 2018, the production sites, warehouses and e-commerce facilities were awarded **Organic Certification**. In line with the Plan's goal to reach 100% of GFSI-certified suppliers of branded pre-packaged food products[26] by 2025, the Quality Assurance Department has set up a database to monitor production facilities.

3.3.6.2 Healthy and affordable products

Esselunga continues to maintain a strong commitment to promoting a healthy lifestyle, offering branded products that meet the nutritional needs of its customers without sacrificing affordability. To help realise this positive impact, Esselunga expanded the **Esselunga Kitchen line** in 2024 with 11 new soup recipes in the "**Balance and Taste**" category, which were introduced in this reporting year. Projects such as "**Esselunga Equilibrio**", "**Esselunga Naturama**" and "**Esselunga BIO**" will continue, with the creation by 2025 of a new brand line dedicated to 100% plant-based products, to meet the demands of those seeking healthy and balanced products. The Company also consolidated its offer of **gluten-free** references, certifying the line with the Spiga Barrata mark of the Italian Celiac Association, and expanded its "**first price**" line, which offers customers a wide variety of choice without compromising on quality.

2024 also saw the continuation of the project "**With less salt in bread there is more taste... and you gain in health**" promoted by the Lombardy Region, which aims to involve bread producers in using a low salt content. Thanks to this initiative, consumers can enjoy a healthier choice of bread, without compromising on taste. Currently, five types of bread with reduced salt content are offered in 63 stores, with the aim of extending the project to the entire store network and as many recipes as possible.

In addition, Esselunga supported activities such as the donation of fruit to schools to encourage the consumption of fruit instead of snacks, and the "**Stai Sano**" project in collaboration with the University of Milan (UNIMI), aimed at promoting health in the youth population (and not only) and social inclusion by involving associations, sports, cultural, recreational, schools and the third sector network that takes care of fragile situations among minors. The **Residuo Zero** project also continued in 2024. This is a range of products within the Esselunga Naturama brand, created with the aim of offering customers fruit and vegetables with residues of chemically synthesised plant protection

[26] *GFSI is a non-profit association established by the Consumer Good Forum, consisting of the world's leading retailers, manufacturers and food operators*

products less than or equal to 0.01 mg/kg. To date, there are about 15 articles that alternate on the shelves according to seasonality.

In 2024, the Madegus, the Masters of Taste initiative continued, an educational initiative aimed at children with the objective of raising their awareness of the importance of proper nutrition and the link between food choices and environmental impact. The project aims to teach young people the principles of the **Mediterranean Diet** and the **Environmental Pyramid**, helping them to understand the importance of a healthy and sustainable diet that not only promotes individual well-being, but also the health of the planet. Through playful and interactive activities, such as the "Double Pyramid" game, children are guided to discover the benefits of a diet rich in fruit, vegetables, whole grains and pulses, while reducing the consumption of high-impact foods such as red meat and highly processed foods.

3.3.6.3 Transparent communication

For Esselunga, it is essential that products are accompanied by clear and transparent communication. In order to mitigate the risks associated with reduced customer confidence due to non-transparent communication, the Group implements certain safeguards and continuous improvement initiatives.

Within this scope are activities to revise the labelling and packaging of some branded products. Examples of this commitment are the graphic restyling of the Esselunga Equilibrio line, planned by 2025, to make the benefits and nutritional characteristics of the products easier to understand, and also the creative study launched in 2024 to graphically revise the packaging of many products in the Esselunga TOP line, emphasising localism.

3.3.6.4 Accessibility of stores

stores are the main point of contact between the Group and its customers, and Esselunga recognises the importance of ensuring that each person can store independently and without difficulty. To prevent the negative impact on customers resulting from inadequate infrastructure, in addition to the indispensable facilities that guarantee the absence of architectural barriers, the company has adopted innovative solutions to promote the inclusion of people with disabilities. For example, the installation of tactile tiles along the routes of 38 shops makes it easier for visually impaired people to find their way around. At the entrances, there are also tactile maps and buttons for calling for assistance, providing support in case of need.

3.3.6.5 Privacy and cybersecurity

Esselunga adopts rigorous procedures and processes for assessing and managing the negative impacts and risks to the Company of processing personal data and violating the privacy of its customers. In particular, technical and organisational measures are implemented to prevent personal data breaches, including annual internal audits to check compliance with the GDPR and IT security. In the event of a data breach incident, Esselunga conducts a thorough analysis of the event and takes corrective measures to prevent the recurrence of such situations. If necessary, communication to the Data Protection Authority and to the data subjects takes place in a timely manner, assessing the seriousness of the risk to their rights, and external suppliers, appointed as data controllers, are subject to specific checks by the IT Department, which carries out audits to verify their compliance with the provisions.

The Company has also clearly defined its internal governance, roles and responsibilities, ensuring that each person authorised to process personal data operates in compliance with applicable regulations. In addition, all corporate functions involved in data processing are regularly trained and involved in the breach management process, with particular attention to the protection and confidentiality of customer data.

Metrics and goals

3.3.7 S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Esselunga, as part of its commitment to sustainability and social responsibility, has set clear goals to promote the safety of its products, transparency in communication and the spread of healthy lifestyles.

3.3.7.1 Food safety

Esselunga bases its sales policies on an unwavering commitment to guaranteeing the quality and safety of food, which are constantly and carefully monitored. In its Sustainability Plan 2020-2025, Esselunga committed to having **100% of its production plants and warehouses FSSC 22000 certified**, a target also reached in 2024, and **100% of its suppliers of branded pre-packed products Global Food Safety Initiative (GFSI) certified.** In this reporting year, 91% of suppliers and plants have such certification, compared to 74% in the base year 2020.

3.3.7.2 Healthy and affordable products

In line with the relevant positive impacts identified and the Sustainability Policy (see Sustainability Policy section), the Group aims to **implement at least two communication projects per year that aim to promote healthy and healthy lifestyles**. In particular, the Company organises and collaborates with partners on educational initiatives, such as healthy eating workshops and awareness-raising projects, which aim to promote healthier eating habits. The commitment continues to grow, with three initiatives in 2024 and at least two new projects planned for 2025, as part of a broader policy of food awareness and education.

To monitor the target, indicators such as enrolment in nutrition education programmes or the adoption of healthier behaviours, such as participation in sporting events, are used. In addition, direct feedback is collected, mainly offered spontaneously by consumers, which makes it possible to evaluate the effectiveness of initiatives and assess possible areas for improvement.

The Company's commitment to promoting healthy lifestyles is not limited to communication and customer awareness, but also concerns the definition of the product offering itself. In this area, Esselunga has set some quantitative targets, namely:

- **More than 30% increase in the volume of products sold from the Equilibrio and BIO lines**: starting in 2018, the company has set itself the goal of increasing sales of products in the Esselunga Equilibrio and BIO lines by 2025, which represent a healthier and more responsible choice for consumers, with a focus on natural and organic ingredients. In 2024, the increase was 8%;
- **Innovation of more than 1,500 Esselunga brand products to improve and balance nutritional characteristics**: Esselunga works relentlessly on innovating its products to improve their nutritional profile and has already achieved this goal in 2023. In 2024, 2,225 branded products were subject to the innovation process, compared to 142 in 2018; ;
- **Revisiting over 250 recipes to improve and balance the nutritional characteristics of Esselunga brand products**: Although the target has not yet been fully met, in 2024 Esselunga achieved a total of 202 successfully revised recipes from 2018 onwards, gradually approaching the target set by 2025. In particular, in 2024 the Company started a reworking of some recipes in the bread, cake and grocery departments with the aim of reducing the sugar content.
- Esselunga constantly monitors, through internal management systems, the products for which recipes are improved and the sales volume of the Esselunga Bio and Esselunga Equilibrio brands.

3.3.7.3 Transparent communication

With regard to the issue of transparent communication, there is, in line with the Sustainability Policy (see Sustainability Policy section), the objective of **reporting on at least one of the main production processes related to the processing of raw materials at Esselunga every year.** In 2024, illustrative videos of about 3 minutes were made, characterised by a fresh and engaging graphic style, designed to narrate complex production processes in a simple and direct way. The videos were published in a dedicated section of the institutional website, easily accessible to all stakeholders. With this initiative, Esselunga is committed to improving transparency in its operations, making the production process more understandable and transparent for all.

4 Governance information

4.1 Governance information

Impact, risk and opportunity management

4.1.1 G1-1: Corporate culture and business conduct policies

Esselunga is committed to responsible and ethical management of its business. The Company's operations are geared towards ensuring sustainable growth, based on trust and shared value, in full compliance with laws, internal regulations and the highest standards of professional ethics. The consolidation of compliance models and organisational controls, as well as the updating and issuance of procedures and control protocols aligned with industry best practices, are all initiatives aimed at consolidating a single corporate culture inspired by the highest principles of Business Ethics, namely: "acting fairly and in awareness of risks and non-conformities".

The **Code of Ethics and Conduct**, the Group **Sustainability Policy** (see Sustainability Policy section), the **Supplier Code of Conduct** (see S2-1: Policies related to workers in the value chain) and the **Organisation, Management and Control Model pursuant to Legislative Decree 231/2001** adopted by the individual companies are the main pillars of Esselunga's commitment to responsible business conduct. These documents set out the general principles to which the conduct of members of corporate bodies, all personnel, external collaborators and suppliers must conform, in line with the values of integrity, transparency, fairness and loyalty.

The Supervisory Body (SB), Internal Audit and the Ethics Committee are the bodies responsible for monitoring their functioning and compliance. Specifically, the SB supervises the effectiveness and observance of the Model, assesses its adequacy and efficacy and carries out analyses on the continued satisfaction of requirements over time, also ensuring their update. For an effective performance of its functions, the SB possesses a series or powers and prerogatives; for information on these, refer to the General Part of the OMCM. The Internal Audit function, as third-level control, performs regular audits to verify that procedures and rules pursuant to Italian Legislative Decree 231/2001 are being applied. In terms of external suppliers and consultants, including contractors, for the purposes of qualification these groups are assessed on the principles of ethics, honour and transparency; after being awarded contracts and tenders, they must comply with the Code and Model, by including specific contractual clauses (see the Workers in the value chain). In addition, Internal Audit draws up the annual Audit Plan with the aim of carrying out objective and independent assessments of the efficiency and effectiveness of the organisation's risk containment and control processes within the SCIGR. Specifically, the Plan also includes compliance audits pursuant to Legislative Decree 231/01 provided for in the Monitoring Plans of the Supervisory Bodies. The objective is to verify the effectiveness of the control measures defined within the Organisation, Management and Control Model.

The Group's **Code of Ethics and Conduct**, updated by resolution of the Board of Directors on 28 November 2022, sets out the principles and rules of conduct to be observed by all those who work in the name of and on behalf of the Company and those who do business or have relations with the Esselunga Group, in order to pursue certain general objectives concerning:

- the prevention of all forms of **discrimination**, **offensive, inappropriate and intimidating behaviour**;
- the protection of **workplace health and safety**;
- the development of an **inclusive environment** within which professional growth is based on results achieved in a meritocratic perspective;
- the guarantee of **decent working conditions**.

Furthermore, through the adoption and continuous updating of the **Organisation, Management and Control Model**, the Group aims to:

- make employees, top management and all those who work in the name and on behalf of the Group in the areas of activity at risk of offence aware that they may incur, in the event of violation of the provisions herein, in the commission of offences punishable by criminal and administrative sanctions;
- to emphasise that behaviour contrary to the law and to the ethical principles adopted by the Group in its Code of Ethics and Code of Conduct is strongly condemned by the Company;
- enable the Company to monitor activities at risk in order to intervene promptly to prevent or counteract the commission of offences.

In addition to being available on the Company's website[27], the Code of Ethics and the Model are available on the internal portal "My Portal". The Human Resources and Organisation Department has prepared a Plan for communicating the principles of the Code of Ethics and Conduct. This Plan provided for weekly information newsletters to be sent to all employees on each chapter of the Code, in relation to updates to the new version of the Model, drafted in 2022, and to the issue of corruption.

The Group has set up a system for managing reports of wrongdoing, defined within the procedure **"Management of reports of violations",** published on the institutional website[28], which makes it possible to protect the identity of the reporter, as well as that of the reported person and of third parties who might suffer retaliation as a result of the relationship with the reporter, and the related right to confidentiality. The Company has set up a number of channels dedicated to reporting offences, which are also accessible to external stakeholders, such as the dedicated IT platform "Comunica Whistleblowing", ordinary mail and the possibility of requesting a meeting by the Whistleblower through the dedicated mailbox(segnalazioni@esselunga.it). Reports entered into the IT platform are

[27] *Please refer to: https://www.esselunga.it/it-it/corporate-e-legal/governance.html*
[28] *Please refer to: https://www.esselunga.it/it-it/corporate-e-legal/governance/segnalazione-delle-violazioni.html*

analysed by the Whistleblowing Officer, with the sole exception of any reports concerning the Officer himself (see section S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns). In addition to the channels set up, and where necessary, Esselunga carries out specific investigations with respect to any incidents concerning the company's conduct, including active and passive bribery.

These corporate documents reflect Esselunga's commitment to preventing the impacts and addressing the relevant risks that have emerged in relation to the issue of business conduct, such as the occurrence of episodes of corruption, inadequate management of relations with suppliers and failure to align with the Group's ethical principles (see the Relevance Analysis section). In particular, theCompany communicates its commitment to **combating active and passive corruption**, which constitutes a risk for all functions, both in the Code of Ethics and through the MOGC, which, by complying with Legislative Decree 231/01, adheres to the Brussels Conventions of 26 July 1995 and 26 May 1997 on the protection of the European Union's financial interests and on the fight against the bribery of public officials of both the European Union and its Member States, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in economic and international transactions.

In addition, Esselunga addresses animal welfare in its Sustainability Policy, committing to selecting suppliers who operate with respect for animal welfare in their farming and fishing activities (see Animal Welfare).

4.2 Business conduct

Impact, risk and opportunity management

4.2.1 G1-2: Supplier relationship management

The Esselunga Group is committed to meeting payment deadlines through monitoring to ensure punctuality. In particular, the same processes and criteria are applied for SMEs as for other suppliers, in compliance with current regulations (Legislative Decree 198/2021) and market practices.

For specific information on Esselunga's approach to relations with its suppliers and the consideration of social and environmental criteria in the selection phase, see section S2-4: Actions on impacts relevant to workers in the value chain and approaches to managing relevant risks and realising relevant opportunities for workers in the value chain, as well as the effectiveness of such actions, describing the update of the supplier qualification process.

4.2.2 G1-3: Prevention and detection of active and passive corruption

The Group is aware that corruption has significant negative impacts in the economic, social and environmental field, because of which Esselunga does not tolerate any actions linked directly or indirectly to corruption, whether active or passive. The Code of Ethics and Conduct, the Group's Sustainability Policy, the Supplier Code of Conduct and the

Organisation, Management and Control Models pursuant to Italian Legislative Decree 231 adopted by the individual companies, set out the general principles to which the conduct of members of corporate bodies, all personnel, external collaborators and suppliers must conform.

In particular, the purpose of the Models is to prevent the commission of the offences provided for in the Decree in the interest of the Company or, to its advantage, by persons such as directors and statutory auditors, personnel in an apical position operating in the name of and on behalf of the Company, executives and managers, all employees of the company, para-subordinate workers, as well as by third parties interacting with the Company. When the Models are updated, a preparatory risk assessment activity is carried out, which includes an important phase of risk identification, characterising those actions that could potentially expose the underlying functions and processes to corrupt conduct. This risk analysis activity is periodically updated and also involves the detection of specific existing control elements, as well as the definition of possible initiatives to supplement and/or strengthen existing controls.

In the event of alleged violations of the provisions of the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 adopted, or of applicable laws and regulations, the Group has adopted a procedure for "Managing Reports of Violations", which governs the management of potential non-compliance, which flow into the "Comunica Whistleblowing" platform (see section S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns). The *Whistleblowing* Officer prepares, from the IT system, an annual report on the reports received, highlighting their number, processing status and outcome. The reports are shared with the Chairman of Esselunga and the Ethics Committee, as well as with the Supervisory Body, as appropriate.

Where the Whistleblower coincides with the Whistleblowing Manager, or where the Whistleblowing Manager has a potential interest related to the report such as to compromise his impartiality and independence of judgement, the report will be forwarded directly to the Ethics Committee or to the Supervisory Body for competence, which will independently assess the relevance of the report and decide whether to proceed with the investigation phase. If the report is deemed well-founded, it must be brought to the attention of the Chairman of the Esselunga Board of Directors who, after the necessary checks and investigations, will report the incident to the Board of Directors. If, on the other hand, the reported person coincides with a member of the Ethics Committee or of the Supervisory Body, or if a member of the Ethics Committee or of the Supervisory Body is in a position of potential conflict with the contents of the report, the report will be assessed and dealt with by the remaining members of those bodies. Any reports concerning one or more members of the Board of Directors of one of the companies in the Esselunga Group shall be communicated to the Chairman of the Board of Directors of Esselunga, and analysed and handled by him.

The communication and training activities regarding the Group Policies and Codes are diversified according to the recipients to whom they are addressed, and in any case they are based on the principles of completeness, clarity, accessibility and continuity. In particular, it should be noted that all new employees, upon recruitment, are informed of the adoption of the Model and the Code of Ethics and Conduct; and that training is provided to all staff, via e-learning, with course enrolment at the time of recruitment. The use of this content is mandatory and monitored periodically for completion. The training programmes for active and passive corruption include different courses on the Organisation, Management and Control Models prepared by each of the Group Companies - Esselunga, Esserbella and Atlantic - pursuant to Legislative Decree 231/01. The courses, carried out with the cooperation of the Internal Audit function, are divided into modules describing the salient aspects of Decree 231, and the control activities put in place within the various company processes in order to prevent the risk of offences being committed. The target audience of the activity is the staff of offices and stores of each company, therefore all functions at risk are covered by these programmes. As far as the administrative, management and control bodies are concerned, an information set with the main governance and corporate provisions of the company is sent out upon renewal of the corporate bodies. In addition, a classroom training and awareness-raising campaign was carried out in 2024, coordinated by the Internal Audit function and the chairman of the SB. During the training sessions, an overview of the decree was provided and some judgments on certain crime families were commented on.

Metrics and goals

4.2.3 G1-4: Established cases of active or passive corruption

It is reported that there were no convictions associated with the violation of laws against active and passive corruption in this reporting year.

4.2.4 G1-6: Payment practices

The Esselunga Group monitors payment times by means of a special system schedule that guarantees punctuality. Payments are made on a weekly basis and, in particular, for agricultural products and foodstuffs they are made in accordance with Art. 4 para. 1a) of Legislative Decree 198/2021, which lays down provisions governing trade relations and combating unfair trade practices. For other commodities, the contractually agreed payment times are mainly defined as 30 to 60 days depending on the sector.

In 2024, cases of payment in line with standard terms accounted for about **99%** of the total number of documents, and the remaining 1% was due to different cases, not always attributable to the Group. This 99% is calculated on the basis of payments made in the last 7 months of the year. In the course of 2024, no interest on arrears was charged by suppliers, nor were any inspections opened with regard to payments, by the Central Inspectorate for the Protection of Quality and Fraud Repression of Agri-Food Products (ICQRF). There are also no significant pending legal proceedings due to late payments.

4.3 Animal welfare

Impact, risk and opportunity management

Esselunga is committed to ensuring that the animals used in the production of its products are treated with respect and in conditions conducive to their welfare. This commitment is reflected in sourcing choices, supply chain selection and the introduction of specific standards, with the aim of promoting sustainable and responsible practices throughout the food chain.

To prevent negative impacts on animal welfare due to the purchase of raw materials that do not meet standards for their protection, in 2023 Esselunga introduced the **TOP Chicken - Sunday Chicken** line, a 100% Italian chain distinguished by the use of a slow-growing breed, raised without the use of antibiotics and fed a plant-based diet. This approach guarantees not only a high quality product, but also a high level of wellbeing for the animals, who are able to move freely, benefit from natural light and enjoy environmental enrichment that meets the animals' natural needs.

Esselunga has also taken great care in the selection of its fish products. For **tuna** and **swordfish**, the company excluded sourcing from vessels reported for illegal fishing incidents. Transhipments at sea are only allowed if accepted and authorised by **RFMOs (Regional Fisheries Organisations)**, ensuring that the raw material meets sustainability criteria. Furthermore, these products are certified by **Friends of the Sea**, an NGO that assesses and certifies the sustainability of fisheries through targeted inspections.

The focus on fish products took the form of defining two objectives:

- **100% of Esselunga-brand packaged, frozen and long-life fish products for which a Sustainable Fishing certification is available.** In 2024 Esselunga reached 95.7% of the references.
- **100% fresh products from the yellow fin tuna and swordfish lines certified Sustainable Fisheries**. In 2024 Esselunga reached 78.6% of the references.

For both targets, in 2023, the scope of the data included in the reporting was refined to include only those items that meet the term “Sustainable Fisheries”, i.e. those that are actually fished and not farmed through aquaculture.

Esselunga has also adopted the **Centro di Referenza Nazionale per il Benessere Animale (CReNBA) standard** for Naturama beef, which is raised in Italy to high animal welfare standards. As far as Naturama chicken meat is concerned, the company is committed to ensuring that no antibiotics are used on the farm. The adoption of such practices also affected Naturama pork, introduced in 2018, with pigs reared according to strict animal welfare rules and with responsible use of antibiotics. Esselunga has set itself the goal of having **100% Esselunga Naturama-branded products from the beef, pork and fish supply chains that respect animal welfare**. The target, set for 2025, has already been reached.

Further objectives defined within the Plan are to achieve **100% of Esselunga-branded products from the egg, milk and chicken chains**[29] **that respect animal welfare** and **50% of Esselunga-branded products from the cured meat chain that respect animal welfare**. In 2024, Esselunga reached 100% for eggs, 94.6% for milk, 100% for chicken and 36.4% for cured meat, respectively.

In addition to these initiatives, Esselunga actively participates in **institutional technical tables** for the development of new animal welfare assessment and labelling systems, thus contributing to the evolution of norms and standards that foster greater transparency and awareness of animal welfare practices throughout the food chain.

[29] *The supply chain of fish bred in Italy, unlike the supply chain of Esselunga Naturama brand fish certified for animal welfare criteria, exclusively respects the criteria of environmental sustainability. Therefore, in 2024, the following was excluded from the reporting scope of this objective*

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5.1.1 IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Reporting obligations and related information elements stemming from other EU legislative acts	**Regulatory References[30]:** (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU Climate Regulation	**Consolidated Sustainability Reporting section**
ESRS 2 - GENERAL INFORMATION		
BP-1 General criteria for drafting the sustainability statement		1.1.1
BP-2 Disclosures in relation to specific circumstances		1.1.2
GOV-1 The role of the administrative, management and supervisory bodies		1.2.1
GOV-1 Board's gender diversity paragraph 21 (d)	(1), (3)	1.2.1
GOV-1 Percentage of board members who are independent paragraph 21 (e)	(3)	1.2.1
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		1.2.2
GOV–3 Integration of sustainability-related performance in incentive schemes		1.2.3
GOV-4 Statement on due diligence		1.2.4
GOV-4 Statement on due diligence paragraph 30	(1)	1.2.4
GOV-5 Risk management and internal controls on sustainability reporting		1.2.5
SBM-1 Strategy, business model and value chain		1.3.1
SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i)	(1), (2), (3)	Esselunga is not directly active in fossil fuels, controversial weapons, chemical manufacturing and tobacco production
SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii)	(1), (3)	Esselunga is not directly active in fossil fuels, controversial weapons, chemical manufacturing and tobacco production
SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii)	(1), (3)	Esselunga is not directly active in fossil fuels, controversial weapons, chemical manufacturing and tobacco production
SBM-1 Involvement in Activities Related to Tobacco Growing and Production, para. 40(d)(iv)	(3)	Esselunga is not directly active in fossil fuels, controversial weapons, chemical manufacturing and tobacco production
SBM–2 Interests and views of stakeholders		1.3.2
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model		1.4.2
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities		1.4.1
IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement		5.1.1
ESRS E1 - Climate Change		
ESRS 2 GOV-3-E1: Integration of sustainability-related performance in incentive schemes; and		1.2.3
E1-1- Transition plan for climate change mitigation		2.2.1
E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14	(4)	Esselunga has no transition plan
E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	(2), (3)	Esselunga has no transition plan
ESRS 2 SBM-3 - E1 Material impacts, risks and opportunities and their interaction with strategy and business model		2.2.2
ESRS 2 IRO-1 - E1 Description of processes to identify and assess relevant climate-related impacts, risks, and opportunities		2.2.3
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E1-3 – Actions and resources in relation to climate change policies		2.2.5
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		2.2.5
E1-4 – Targets related to climate change mitigation and adaptation		2.2.6
E1-4 GHG emission reduction targets, paragraph 34	(1), (2), (3)	2.2.6
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		2.2.6
E1-5 Energy consumption and mix		2.2.7
E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	(1)	2.2.7
E1-5 Energy consumption and mix paragraph 37	(1)	2.2.7
E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	(1)	2.2.7
E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions		2.2.8
E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	(1), (2), (3)	2.2.8
E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	(1), (2), (3)	2.2.8
E1-7 G [30]*Please refer to Appendix B of ESRS Standard 2 - General Information* its		Esselunga has not initiated any specific greenhouse gas (GHG) absorption or storage projects
E1-7 GHG removals and carbon credits, paragraph 56	(4)	Esselunga has not initiated any specific greenhouse gas (GHG) absorption or storage projects
E1-8 Internal carbon pricing		Esselunga did not determine a carbon pricing system
E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Not accounted for as a transitional provision
E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	(3)	Not accounted for as a transitional provision
E1-9 Breakdown of monetary amounts for acute and chronic physical risk, paragraph 66(a) E1-9 Location of significant assets at significant physical risk, paragraph 66(c)	(2)	Not accounted for as a transitional provision
E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)	(2)	Not accounted for as a transitional provision
E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	(3)	Not accounted for as a transitional provision
ESRS 2 MDR-M - Metrics related to material sustainability issues		2.2.7; 2.2.8
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E2-3 Pollution-related targets		1.7
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		1.7
E2-4 Air, water and soil pollution		2.3.2
E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	(1)	2.3.2
E2-5 Substances of concern and substances of very high concern		Not relevant
E2-6 – Anticipated financial effects from material pollution-related risks and opportunities		Not accounted for as a transitional provision
ESRS 2 MDR-M - Metrics related to material sustainability issues		2.3.2
ESRS E3 - WATER AND MARINE RESOURCES		
ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		2.4.1
E3-1 Policies related to water and marine resources		1.7
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		1.7
E3-1 Water and marine resources paragraph 9	(1)	1.7
E3-1 Dedicated Policy, paragraph 13	(1)	1.7
E3-1 Sustainable oceans and seas, paragraph 14	(1)	Not relevant
E3-2 – Actions and resources related to water and marine resources		2.4.2
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		2.4.2
E3-3 Objectives related to water and marine resources		1.7
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		1.7
E3-4 Water consumption		2.4.3
E3-4 Total water recycled and reused paragraph 28 (c)	(1)	2.4.3
E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	(1)	2.4.3
E3-5 Anticipated financial effects from material water and marine resources-related risks and opportunities		Not accounted for as a transitional provision
ESRS 2 MDR-M - Metrics related to material sustainability issues		2.4.3
ESRS E4 - BIODIVERSITY AND ECOSYSTEMS		
E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model		2.5.1

ESRS 2 SBM-3 - E4 Material impacts, risks and opportunities and their interaction with strategy and business model		2.5.2
ESRS 2 IRO-1 - E4 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities		2.5.3
ESRS 2 IRO-1 - E4, paragraph (16 a) i)	(1)	Not relevant
ESRS 2 IRO 1 - E4 paragraph 16 (b)	(1)	Not relevant
ESRS 2 IRO-1 - E4 paragraph 16 (c)	(1)	Not relevant
E4-2 Biodiversity and ecosystem policies		2.5.4
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		2.5.4
E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	(1)	2.5.4
E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	(1)	2.5.4
E4-2 Policies to address deforestation paragraph 24 (d)	(1)	2.5.4
E4-3 Actions and resources related to biodiversity and ecosystems		2.5.5
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		2.5.5
E4-4 Targets related to biodiversity and ecosystems		1.7
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		1.7
E4-5 Impact metrics related to changes in biodiversity and ecosystems		2.5.6
E4-6 Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities		Not accounted for as a transitional provision
ESRS 2 MDR-M - Metrics related to material sustainability issues		2.5.6
ESRS E5 - USE OF RESOURCES AND CIRCULAR ECONOMY		
ESRS 2 IRO-1 - E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		2.6.1
E5-1 Resource use and circular economy policies		2.6.2
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		2.6.2
E5-2 Actions and resources related to the use of resources and the circular economy		2.6.3
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		2.6.3
E5-3 Objectives relating to the use of resources and the circular economy		2.6.4
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		2.6.4
E5-4 Incoming resource flows		2.6.5
E5-5 Resource outflows		2.6.6
E5-5 Non-recycled waste, paragraph 37 (d)	(1)	2.6.6
E5-5 Hazardous waste and radioactive waste, paragraph 39	(1)	2.6.6
E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities		Not accounted for as a transitional provision
ESRS 2 MDR-M - Metrics related to material sustainability issues		2.6.5; 2.6.6
ESRS S1 - OWN WORKFORCE		
ESRS 2 SBM-2 - S1 Interests and views of stakeholders		3.1.1
ESRS 2 SBM-3 - S1 Material impacts, risks and opportunities and their interaction with strategy and business model		3.1.2
ESRS 2 SBM-3 - S1 Risk of incidents of forced labour paragraph 14 (f)	(1)	3.1.2
ESRS 2 SBM-3 - S1 Risk of child labour, paragraph 14, letter g)	(1)	3.1.2
S1-1 Policies related to own workforce		3.1.3
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		3.1.3
S1-1 Human rights policy commitments, paragraph 20	(1)	3.1.2
S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	(3)	3.1.3
S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	(1)	3.1.2
S1-1 Workplace accident prevention policy or management system, paragraph 23	(1)	3.1.3
S1-2 Processes for engaging with own workforce and workers' representatives about impacts		3.1.4
S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns		3.1.5
S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	(1)	3.1.5
S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		3.1.6
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		3.1.6
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		3.1.7
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		3.1.7
S1-6 Characteristics of the undertaking's employees		3.1.8
S1-7 Characteristics of non-employee workers in the undertaking's own workforce		3.1.9
S1-8 Collective bargaining coverage and social dialogue		3.1.10
S1-9 Diversity metrics		3.1.11
S1-10 Adequate wages		3.1.12
S1-11 Social protection		3.1.13
S1-12 Persons with disabilities		3.1.14
S1-13 Training and skills development metrics		3.1.15
S1-14 Health and safety metrics		3.1.16
S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	(1), (3)	3.1.16
S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	(1)	3.1.16
S1-15 Work-life balance metrics		3.1.17
S1-16 Remuneration metrics (pay gap and total remuneration)		3.1.18
S1-16 Unadjusted gender pay gap, paragraph 97 (a)	(1), (3)	3.1.18
S1-16 Excessive CEO pay ratio paragraph 97 (b)	(1)	Not relevant
S1-17 Incidents, complaints and severe human rights impacts		3.1.19
S1-17 Incidents of discrimination, paragraph 103 (a)	(1)	3.1.19
S1-17 Failure to respect the United Nations and OECD guiding principles on business and human rights, paragraph 104, letter a)	(1), (3)	3.1.19
ESRS 2 MDR-M - Metrics related to material sustainability issues		3.1.8; 3.1.9; 3.1.10; 3.1.11; 3.1.12; 3.1.13; 3.1.14; 3.1.15; 3.1.16; 3.1.17; 3.1.18; 3.1.19
ESRS S2 - WORKERS IN THE VALUE CHAIN		
ESRS 2 SBM-2 - S2 Interests and views of stakeholders		3.2.1
ESRS 2 SBM-3 - S2 Material impacts, risks and opportunities and their interaction with strategy and business model		3.2.2

ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	(1)	3.2.2
S2 - 1 Policies related to value chain workers		3.2.3
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		3.2.3
S2-1 Human rights policy commitments, paragraph 17	(1)	3.2.3
S2-1 Policies related to value chain workers, paragraph 18	(1)	3.2.3
S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	(1), (3)	3.2.3
S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	(3)	3.2.3
S2-2 – Processes for engaging with value chain workers about impacts		3.2.4
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns		3.2.5
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions		3.2.6
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		3.2.6
S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	(1)	3.2.6
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		3.2.7
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		3.2.7
ESRS S3 - AFFECTED COMMUNITIES		
ESRS 2 SBM-2 - S3 Interests and views of stakeholders		3.3.1
ESRS 2 SBM-3 - S3 Material impacts, risks and opportunities and their interaction with strategy and business model		3.3.2
S3-1 – Policies related to affected communities		3.3.3
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		3.3.3
S3-1 Human rights policy commitments, paragraph 16	(1)	Not relevant
S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	(1), (3)	Not relevant
S3-2 – Processes for engaging with affected communities about impacts		3.3.4
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns		3.3.5
S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions		3.3.6
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		3.3.6
S3-4 Human rights issues and incidents, paragraph 36	(1)	Not relevant
S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		3.3.7
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		3.3.7
ESRS S4 - CONSUMERS AND END USERS		
ESRS 2 SBM-2 - S4 Interests and views of stakeholders		3.4.1
ESRS 2 SBM-3 - S4 Material impacts, risks and opportunities and their interaction with strategy and business model		3.4.2
S4-1 – Policies related to consumers and end-users		3.4.3
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		3.4.3
S4-1 Policies related to consumers and end-users paragraph 16	(1)	Not relevant
S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	(1), (3)	Not relevant
S4-2 – Processes for engaging with consumers and end-users about impacts		3.4.4
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		3.4.5
S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions		3.4.6
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		3.4.6
S4-4 Human rights issues and incidents, paragraph 35	(1)	Not relevant
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		3.4.7
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		3.4.7
ESRS G1 - BUSINESS CONDUCT		
ESRS 2 GOV-1 - G1 The role of the administrative, management and supervisory bodies		1.2.1
ESRS 2 IRO-1 - G1 Description of the processes to identify and assess material impacts, risks and opportunities		1.4.1
G1-1 Corporate culture and business conduct policies		4.1.1
ESRS 2 MDR-P - Policies adopted to manage relevant sustainability issues		4.1.1
G1-1 United Nations Convention against Corruption, paragraph 10 (b)	(1)	4.1.1
G1-1 Protection of whistleblowers, paragraph 10 (d)	(1)	Not relevant
G1-2 – Supplier relationship management		4.2.1
G1-3 Prevention and detection of active and passive corruption		4.2.2
G1-4 Cases of active or passive corruption		4.2.3
G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	(1), (3)	4.2.3
G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	(1)	4.2.3
G1-5 Political influence and lobbying activities		Not relevant
G1-6 – Payment practices		4.2.4
ESRS 2 MDR-M - Metrics related to material sustainability issues		4.2.3; 4.2.4
ESRS 2 MDR-A - Actions and resources related to relevant sustainability issues		1.7; 4.1.1; 4.3
ESRS 2 MDR-T - Tracking effectiveness of policies and actions through targets		1.7; 4.3

Auditor's Letter on Consolidated Sustainability Reporting

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Independent auditor's limited assurance report on the consolidated sustainability report

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the sole shareholder of Esselunga SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Esselunga Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Esselunga Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also the "ESRS");
- the information set out in paragraph "2.1 European Taxonomy" of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

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

PricewaterhouseCoopers SpA

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

Other matters - Comparative information

The consolidated sustainability report for the year ended 31 December 2024 contains, in the specific section "2.1 European Taxonomy", the comparative information referred to in article 8 of the Taxonomy Regulation in relation to the year ended 31 December 2023, which was not subjected to any assurance procedures.

Responsibilities of the directors and the board of statutory auditors of Esselunga SpA for the consolidated sustainability report

The directors of Esselunga SpA are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the "1.4.1 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities" note of the consolidated sustainability report.

The directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph "2.1 European Taxonomy".

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

For the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated

Sustainability Report, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

The disclosure about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information on Scope 3 emissions related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.
The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Esselunga SpA responsible for the preparation of the information presented in the consolidated sustainability report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;
- We reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;
- We obtained management's representation letter.

Milan, 16 April 2025

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Outlook

The Group, despite the uncertainties linked to the international and macroeconomic context, will continue its competitive pricing strategy and carry forward its development plan.

Milan, 31 March 2025

The Chairman
of the Board of Directors
(Ms Marina Sylvia Caprotti)

Marina Caprotti

Consolidated statement of financial position

Consolidated Statement of Financial Position *(thousands of Euros)*	**Notes**	**31.12.2024**	**31.12.2023**
Property, plant and machinery	12.1	5,081,225	5,040,485
Real estate investments	12.2	200,671	106,211
Goodwill	12.3	6,586	6,586
Intangible assets	12.4	185,887	187,866
Equity investments	12.5	3,151	3,160
Other non-current financial assets	12.6	2,242	2,217
Non-current financial assets measured at Fair value	12.14	12,669	24,966
Deferred tax assets	12.7	48,195	43,503
Other non-current assets	12.8	9,530	9,687
Non-current assets		**5,550,156**	**5,424,681**
Inventories	12.9	549,250	581,187
Trade receivables	12.1	245,468	266,921
Current tax receivables	12.11	25,225	4,923
Other current assets	12.12	44,096	48,251
Cash and cash equivalents	12.14	188,310	268,336
Current financial assets measured at Fair value	12.14	15,310	22,550
Other current financial assets	12.14	269	2,453
Current assets		**1,067,928**	**1,194,621**
Assets held for sale		**0**	**0**
ASSETS		**6,618,084**	**6,619,302**
Share capital		100,000	100,000
Other reserves		1,804,175	1,748,858
Operating profit		55,900	118,677
Total shareholders' Equity	12.13	**1,960,075**	**1,967,535**
Non-current financial liabilities	12.14	1,918,511	2,003,233
Employee severance indemnities (TFR) and other staff-related provisions	12.15	67,633	71,221
Provisions for risks and charges	12.16	47,583	48,203
Non-current deferred revenue for prize promotions	12.17	0	62,708
Other non-current liabilities	12.18	2,254	1,831
Non-current liabilities		**2,035,981**	**2,187,196**
Current financial liabilities	12.14	528,771	282,743
Trade payables	12.19	1,561,137	1,711,571
Current deferred revenue for prize promotions	12.17	208,136	114,127
Current tax payables	12.20	1,529	35,936
Other current liabilities	12.21	322,454	320,193
Current liabilities		**2,622,027**	**2,464,570**
SHAREHOLDERS' EQUITY AND LIABILITIES		**6,618,084**	**6,619,302**

Consolidated income statement

Consolidated Income Statement *(thousands of Euros)*	**Notes**	**2024**	**2023**
Total sales		9,447,758	9,325,770
Sales Adjustments		(218,340)	(181,704)
Net revenue	13.1	**9,229,418**	**9,144,066**
Net costs for goods and raw materials	13.2	(6,388,374)	(6,313,118)
Other revenues and income	13.3	64,526	50,397
Costs for services	13.4	(1,015,337)	(1,029,135)
Personnel costs	13.5	(1,231,442)	(1,108,626)
Other operating costs	13.6	(87,983)	(121,622)
EBITDA		**570,808**	**621,962**
Amortisation and depreciation	13.7	(393,185)	(384,031)
Provisions, reversals and write-downs of fixed assets	13.8	(10,925)	1,218
Capital gains/losses on non-current assets	13.9	(3,160)	1,109
Operating profit		**163,538**	**240,258**
Finance income		664	5,751
Finance expense		(71,104)	(69,987)
Net financial income (expense)	13.10	**(70,440)**	**(64,236)**
Share of income from equity investments		16	14
Expenses from equity investments		(99)	(99)
Income (expenses) from equity investments	13.11	**(83)**	**(85)**
Profit (loss) before taxes		**93,015**	**175,937**
Taxes	13.12	(37,115)	(57,260)
Net result		**55,900**	**118,677**

Consolidated statement of comprehensive income

Statement of Comprehensive Income *(thousands of Euros)*	**Notes**	**2024**	**2023**
Net result		55,900	118,677
Components that will subsequently be reclassified to profit or loss for the period:			
Cash flow hedge	12.13	(14,044)	(22,621)
Components that will not subsequently be reclassified to profit or loss for the period:			
Actuarial gain (loss) on defined benefit pension plans	12.13	684	(1,299)
Other comprehensive income		**(13,360)**	**(23,920)**
Net comprehensive income (expense)		42,540	94,757

Consolidated cash flow statement

The following consolidated cash flow statement has been prepared in accordance with the provisions of International Accounting Standard IAS 7 – Cash Flow Statement using the indirect method.

Consolidated cash flow statement, indirect method *(thousands of Euro)*	**Notes**	**2024**	**2023**
Net income (expense) for the period		55,900	118,677
Taxes	13.12	37,115	57,260
Net Finance expense	13.10-13.11	70,523	64,321
Amortisation and depreciation	13.7	393,185	384,031
Write-downs	13.8	10,925	(1,218)
Capital Gains and Losses	13.9	3,160	(1,109)
EBITDA		**570,808**	**621,962**
Provisions		**14,584**	**21,422**
Inventory Variation	12.9	31,937	(31,078)
Trade receivables and trade payables	12.10-12.19	(126,831)	(104,933)
Net change in other receivables/payables and other assets/liabilities		32,351	20,588
Changes in other operating assets and liabilities		**(62,543)**	**(115,423)**
Payment of employee benefits and use of funds		**(11,286)**	**(9,343)**
Payment of taxes		**(91,900)**	**(3,487)**
CASH FLOW FROM OPERATING ACTIVITIES (A)		**419,664**	**515,131**
Changes due to acquisitions/disposals of fixed assets	12.1-2-3-4	**(525,654)**	**(402,786)**
Changes in investments in financial assets		**-**	**(1,070)**
CASH FLOW FROM INVESTING ACTIVITIES (B)		**(525,654)**	**(403,856)**
Financial income (expense)		(61,420)	(58,951)
Financing received	12.14	246,464	160,000
Loans repaid (leases and others)	12.14	(109,080)	(609,965)
including reimbursement of bond loans		-	*(500,000)*
Dividends		(50,000)	-
CASH FLOW FROM FINANCING ACTIVITIES (C)		**25,964**	**(508,916)**
CASH FLOW FOR THE PERIOD (A+B+C)		**(80,026)**	**(397,641)**
OPENING CASH AND CASH EQUIVALENTS		**268,336**	**665,977**
CLOSING CASH AND CASH EQUIVALENTS	**12.14**	**188,310**	**268,336**

Consolidated statement of changes in shareholders' equity

Shareholder's Equity Movement *(thousands of Euro)*	*Share capital*	*Share premium reserve*	*Operating profit*	*Retained earnings*	*Cash flow hedge reserve*	*IAS 19 employee severance indemnities reserve*	*Other reserves*	**Total shareholders' Equity**
At 31.12.2023	**100,000**	**164,510**	**118,677**	**2,907,722**	**35,284**	**(1,596)**	**(1,357,061)**	**1,967,535**
	-	-	-	-	-	-	-	**-**
Distribution of dividends	-	-	(50,000)	-	-	-	-	**(50,000)**
Carry-forward	-	-	(68,677)	68,677	-	-	-	**-**
Allocation of net profit (loss) for the year	**-**	**-**	**(118,677)**	68,677	**-**	**-**	**-**	**(50,000)**
Net income (expense) for the period	-	-	55,900	-	-	-	-	**55,900**
Actuarial gain (loss) on defined benefit pension plans	-	-	-	-	-	684	-	**684**
Cash flow hedge	-	-	-	-	(14,044)	-	-	**(14,044)**
Net comprehensive income (expense) for the year	**-**	**-**	**55,900**	-	**(14,044)**	**684**	**-**	**42,540**
At 31.12.2024	**100,000**	**164,510**	**55,900**	**2,976,399**	**21,240**	**(912)**	**(1,357,061)**	**1,960,075**

Shareholder's Equity Movement *(thousands of Euro)*	*Share capital*	*Share premium reserve*	*Operating profit*	*Retained earnings*	*Cash flow hedge reserve*	*IAS 19 employee severance indemnities reserve*	*Other reserves*	**Total shareholders' Equity**
At 31.12.2022	**100,000**	**164,510**	**58,591**	**2,849,131**	**57,905**	**(297)**	**(1,357,061)**	**1,872,778**
	-	-	-	-	-	-	-	**-**
Distribution of dividends	-	-	-	-	-	-	-	**-**
Carry-forward	-	-	(58,591)	58,591	-	-	-	**-**
Allocation of net profit (loss) for the year	**-**	**-**	**(58,591)**	58,591	**-**	**-**	**-**	**-**
Net income (expense) for the period	-	-	118,677	-	-	-	-	**118,677**
Actuarial gain (loss) on defined benefit pension plans	-	-	-	-	-	(1,299)	-	**(1,299)**
Cash flow hedge	-	-	-	-	(22,621)	-	-	**(22,621)**
Net comprehensive income (expense) for the year	**-**	**-**	**118,677**	-	**(22,621)**	**(1,299)**	**-**	**94,757**
At 31.12.2023	**100,000**	**164,510**	**118,677**	**2,907,722**	**35,284**	**(1,596)**	**(1,357,061)**	**1,967,535**

Notes to the Consolidated Financial Statements as at 31 December 2024

1. General information

Esselunga S.p.A. (hereinafter the “Company” or the “Parent Company”) and, together with its subsidiaries the Esselunga Group, (hereinafter also the “Group” or “Esselunga”) is mainly engaged in the food sector of Large-Scale Retailing in Italy through a sales network comprising, at 31 December 2024, 192 stores (of which 177 traditional, 12 *la*Esse and 2 'Le Eccellenze di Esselunga” and one EsselungaLab)) in Lombardy, Liguria, Veneto, Piedmont, Emilia Romagna, Tuscany and Lazio.
In addition, the Group operates 124 bars, 117 of which under the Atlantic banner, 7 *laESSE ones, and* 47 “eb” selective perfumery and beauty service stores.
The Group is also active in the real estate sector, researching, planning and implementing new initiatives that are instrumental to its business activities.

In 2024, the following new openings will take place:

Date	Location	Esselunga Store	Bar Atlantic	EsserBella Perfumery	Esselunga Lab	Le Eccellenze di Esselunga
17-gen	Milan Mind - Viale Decumano		✓		✓	
16-apr	Milan - Viale Monte Rosa		✓			
17-apr	Mantua			✓		
13-mag	Ravenna	✓	✓			
10-lug	Pescia		✓			
21-nov	Monza San Fruttuoso		✓			
04-dic	Cortina d'Ampezzo					✓
05-dic	Treviglio	✓	✓			
	Total	2	6	1	1	1

On 16 April 2024, the Milan Viale Monte Rosa store was reopened after a major renovation and extension.

In addition to the above openings, the Modena Canaletto store opened on 22 January 2025.

As at 31 December 2024, the following are closed:

- the store in Montecatini for renovation;
- the store, bar and perfumery in Sesto Fiorentino due to a fire in June. As a consequence of the incident, measures have been implemented to secure the damaged structures, and activities have commenced for the removal of installations and the decontamination of equipment and structures. The store’s reopening will take place in 2025 once all the above activities are completed.

It should also be noted that the store in Gessate (MI), which was closed due to flooding in May, was reopened on 11 September after undergoing renovation work that involved the resurfacing of the flooring (inside and outside), the replacement of counters and equipment in the wine store, Fruit and Vegetables, Bread and Sweets departments, the replacement of tills and the replacement of part of the electrical and security systems.

2. Major events relating to the 2024 financial year

Florence - Via Mariti incident

On 16 February 2024, at the construction site in Florence, located between Via del Ponte di Mezzo, Via Giovanni dei Marignolli, Via Giovanni da Empoli, and Via Giovan Filippo Mariti, where the subsidiary La Villata S.p.A. had contracted the construction of an Esselunga Superstore, a reinforced concrete beam collapsed onto the floors below, resulting in the deaths of five workers and injuries to three others.
Investigations by the judiciary are still ongoing and the construction site is still under seizure.

Milan Public Prosecutor's Office "Cooperatives" case closed

On 31 July 2024, as part of the investigation into the management of cooperatives involving Esselunga – as well as other companies in the logistics and large-scale retail sector – the Milan Public Prosecutor's Office ordered that the proceedings initiated against the Company in June 2023 be archived.
The case was closed, among other reasons, thanks to the implementation of a virtuous remedial plan that enabled the Company to streamline subcontracting agreements and the number of non-commercial suppliers. This also led to the stabilisation of 5,718 individuals, including 2,812 new Esselunga employees.

In December 2023, INPS began an audit to determine the employment, social security and contribution records of the workers of the contractors involved in the case, which was closed on 31 July 2024.
On 20 September 2024, the Company received payment notices from INPS for a total amount of €18,426,366 for unpaid contributions, penalties and interest.

Seizure of the Esselunga construction site in Siena

On 4 September 2024, the Judge of the preliminary investigations of the Court of Siena subjected the Esselunga construction site for the construction of a sales point in Siena via Massetana Romana to preventive seizure and with the aim of mandatory confiscation, identifying in the works completed and in progress the crime of illegal subdivision pursu-ant to art. 44, co, 1, lett, c), D.P.R. 380/2001 and, in particular, the hypothesis of so-called material illegal subdivision.
The construction site is still under seizure and the proceedings are still ongoing.

The Company, also based on opinions from leading legal firms and in-depth technical consultancy, as well as in light of the multiple discussions with the Municipality of Siena, believes it has acted correctly and has well-founded arguments to support the legitimacy of its actions in the proceedings.

Other events

It is hereby acknowledged that in May 2024, Dr. Francesco Moncada resigned from the Board of Directors.

▪ 3. Summary of accounting policies

The main accounting principles adopted in preparing and drafting the group's consolidated financial statements are presented below.

3.1 Basis of preparation

European Regulation (EU) no. 1606/2002 of 19 July 2002 introduced the obligation, from 2005, to apply *International Financial Reporting Standards* ('IFRS') issued by the*International Accounting Standards Board ('IASB')* and adopted by the European Union ('EU IFRS') for the preparation of the consolidated financial statements of companies listed on regulated European markets. Following the above-mentioned European Regulation, Legislative Decree No. 38 was enacted on 28 February 2005 which governs, among other things, the option to apply IFRS for the preparation of the consolidated financial statements of non-listed companies.

Esselunga S.p.A. decided to apply this option to prepare the consolidated financial statements for the year ended 31 December 2009. As a result the transition date to IFRS was identified as 1 January 2008.
These consolidated financial statements were prepared in compliance with the EU IFRS in force at the date of their approval. EU IFRS include all the *"International Financial Reporting Standards"*, all the *"International Accounting Standards"* (IAS), all the interpretations of the *"International Financial Reporting Interpretations Committee"* (IFRIC), previously referred to as *"Standing Interpretations Committee"* (SIC), as approved and adopted by the European Union.

Furthermore, EU IFRS were applied consistently to all periods presented in this document. The financial statements were prepared based on the best available information on EU IFRS and taking account of best practice. Any future guidelines and interpretative updates will be reflected in subsequent years in compliance with the applicable accounting standards.

These consolidated financial statements were prepared using the conventional historical cost convention, except for the valuation of financial assets, liabilities and deferred revenues for prize promotions where the application of *fair value* is mandatory (consideration at which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in a transaction between independent third parties).

These consolidated financial statements have been prepared on a going-concern basis.

3.2 Format and content of the financial statements

The Group made the following choices regarding the format and content of the consolidated financial statements:

- The consolidated statement of financial position shows both the current and non-current assets and the current and non-current liabilities separately;
- The consolidated income statement and consolidated statement of comprehensive show a classification of costs and revenues by nature;
- The consolidated cash flow statement is represented using the indirect method.

The Group has opted for presenting a comprehensive income statement that includes, in addition to the profit (loss) for the year, also the changes in shareholders' equity attributable to profit and loss items which, as required by the international accounting standards, are recognised as shareholders' equity components.

As outlined above, the financial statements used are those that best represent the performance of the Group.
These consolidated financial statements are expressed in Euros, the Group's functional currency.
The amounts shown in the consolidated financial statements and in the detail tables included in the Notes are expressed in thousands of Euros.
For clarity in presentation, it was considered preferable to indicate all amounts rounded to the nearest thousand Euros; as a result, in some statements, the totals may differ slightly from the sum of the amounts they comprise.

These financial statements are subject to statutory audit by the independent auditors PricewaterhouseCoopers S.p.A.

3.3 Scope of consolidation and related changes

These consolidated financial statements include the draft financial statements for the financial year ended 31 December 2024 of the Parent Company Esselunga S.p.A. prepared by the Board of Directors and the draft financial statements for the year ended 31 December 2024 of the subsidiaries prepared by their respective Board of Directors or Sole Directors or, if available, the financial statements approved by their respective Shareholders' Meetings. These financial statements have been appropriately adjusted, where necessary, to bring them into line with EU IFRS.

The list of companies included in the scope of consolidation as at 31 December 2024 and the changes in the scope of consolidation compared to 31 December 2023 are listed below:

Company name	Registered Office	Share capital *(thousands of*	% holding	Line-by-line consolidation		Changes in the period
				31.12.24	31.12.23	
Esselunga S.p.A.	Milan	100,000	100	Yes	Yes	
Atlantic S.r.l.	Milan	90	100	Yes	Yes	
EsserBella S.p.A.	Milan	500	100	Yes	Yes	
La Villata S.p.A. Investment and Development Real Estate	Milan	45,000	100	Yes	Yes	
Orofin S.p.A. and its direct and indirect subsidiaries	Milan	30,000	100	Yes	Yes	In 2024, new companies entered the Group's scope of consolidation

3.4 Consolidation policies and methods

Subsidiaries

The Group's consolidated financial statements include the financial statements of Esselunga S.p.A. (Parent company) and of the companies over which it directly or indirectly has control, as of the date on which it gains control and until the date such control ceases.
Subsidiaries are consolidated on a line-by-line basis as of the date control is effectively transferred to the Group and are deconsolidated from the date control is transferred to third parties. The criteria for line-by-line consolidation are as follows:

- The assets and liabilities, expenses and income are consolidated on a line-by-line basis. Where applicable, non-controlling interests are attributed the share of shareholders' equity and net profit for the year to which they are entitled. The shares of equity and profit attributed to non-controlling interests are shown separately in the consolidated statement of shareholders' equity and consolidated income statement;
- business combinations, by which control over a company is acquired, are accounted for using the purchase method. The acquisition cost is the fair value at the acquisition date of the assets sold, liabilities assumed, equity instruments issued and of any other directly attributable cost. Acquired assets, liabilities and contingent liabilities assumed are recorded at their fair value at the acquisition date. The difference between the acquisition cost and the fair value of the assets and liabilities acquired, if positive, is recognised in intangible assets or, if negative, after having verified the correct measurement of the fair values of acquired assets and liabilities and the acquisition cost, is directly recognised in the income statement as income;
- Any significant gains and losses, and the related tax effects, arising from transactions between companies consolidated on line-by-line basis and not yet realised in respect of third parties are eliminated, except for the losses

arising from a transaction that shows an impairment of the transferred asset. If material, intercompany payables and receivables, costs and revenues, as well as finance income and expense are also eliminated;

- The gains or losses arising from the sale of equity investments in consolidated companies are recorded in the income statement for the amount corresponding to the difference between the selling price and the corresponding portion of the consolidated shareholders' equity sold;
- Income statement items are included in the consolidated financial statements from the date of acquisition of control and until the date of loss of control;
- The year-end date of the subsidiaries is aligned with the Parent Company; when this is not the case, the subsidiaries will prepare separate balance sheets for use by the parent company.

Associates

Associates are companies in which the Group significantly influences administrative and management decisions, although it does not have control or joint control over them. Generally, significant influence is presumed when the Group directly or indirectly holds between 20% and 50% of voting rights.
Investments in associates, where applicable, are valued using the shareholders' equity method. The following paragraphs describe how the shareholders' equity method is implemented:

- the carrying amount of the investments is aligned with the subsidiary's shareholders' equity, adjusted where necessary to reflect the application of accounting standards that are consistent with those applied by the Company and, where applicable, includes any goodwill identified upon acquisition;
- profits or losses attributable to the Group are recognised in the consolidated income statement as of the date the significant influence began, and until the date the significant influence ceases. If, due to losses, the Company reports negative shareholders' equity, the carrying amount of the investment is cancelled, and any excess attributable to the Group is recognised in a specific provision if the Group has the obligation to meet legal or constructive obligations of the investee or in any case to cover its losses. Any changes in the investees' shareholders' equity that are not determined by profit or loss are recognised directly in the Group's equity reserves;
- unrealised gains generated on transactions carried out between the Company and associated companies are eliminated based on the value of the Group's investment. Unrealised losses are eliminated, except where they reflect an impairment;
- where an associated company recognises an adjustment directly in equity, the Group recognises its share of interest and, where applicable, discloses it in the statement of changes in shareholders' equity.

3.5 Measurement criteria

Property, plant and machinery

Property, plant and machinery are measured at purchase or production cost, net of accumulated depreciation and any impairment loss. The cost includes charges directly incurred to make their use possible.
Interest expenses incurred for loans obtained for the acquisition or construction of property, plant and equipment increase the carrying amount of those assets only if the assets meet the requirements for being accounted for as such or a significant period is required to make the asset ready for use or sellable.
The costs incurred for ordinary and/or recurring maintenance and repairs are directly charged to the income statement as incurred. The costs for expansion, modernisation or improvement of structural elements owned or used by third parties are capitalised to the extent they meet the requirements for being separately classified as assets or part of an asset.

Depreciation is charged on a straight-line basis through rates that enable the assets to be depreciated over their estimated useful life. In application of the component approach, when the asset to be depreciated is composed of separately identifiable elements with a useful life that differs significantly from that of the other parts of the asset, the depreciation is calculated separately for each of those parts.

Land appurtenant or underlying business and real estate investments are not depreciated.

The useful lives estimated by the Group for the various categories of property, plant and machinery are as follows:

Category	**Useful life (Years)**
Buildings	30 - 40
Plant and machinery	3.3 - 13.3
Industrial and commercial equipment	2.5 - 8
Other assets	4 – 10

The useful life for buildings is estimated to be 30 or 40 years from the date of commissioning using the residual useful life principle.
The useful lives of property, plant and machinery and their residual value are reviewed and updated, if necessary, when preparing the financial statements.

Leased assets

Assets held through finance leases are accounted for in compliance with the provisions of accounting standard IFRS 16 *Leases* and are initially recorded at the present value of minimum lease payments, including any sum due for exercising the purchase option. The asset is recognised in a sub-item of property, plant and machinery called Right of Use (ROU). The corresponding liability to the lessor is recognised in financial liabilities.

The lease payments are broken down into the interest component (recognised in the income statement) and the principal component (accounted for as a reduction of liability). This breakdown is determined in such a way as to achieve a constant interest rate on the residual balance of the liability.
The ROUs are depreciated based on the lower of the lease term and the useful life of the leased asset.
The Group has made use of the exception that allows it not to apply the provisions of the standard for assets of low value and with a contractual term of less than 12 months.

Investment property

Investment property includes land or buildings not intended for use in the Group's ordinary operations but are held to receive lease payments or for subsequent sale. Investment properties are initially valued at purchase or production cost, increased by any incidental costs.

Subsequent to initial recognition, investment properties are measured at fair value, either through appraisals by external parties or through internal valuations within the limit of purchase cost.

The useful life of investment property mirrors that indicated for Property, Plant and Equipment.

Goodwill

Pursuant to IFRS 3 (Business Combinations), goodwill is recognised in the financial statements at the date of acquisition (including through merger or contribution) of companies or business units and is determined as the difference between the amount paid (which is generally determined based on fair value at the acquisition date in compliance with IFRS 3) and the fair value at the acquisition date of the identifiable assets acquired net of the identifiable liabilities assumed.

Goodwill, if recognised, is initially accounted for at cost, as described above, and subsequently tested for impairment at least annually (impairment test). This test is carried out for the Cash Generating Units (CGUs) to which the goodwill has been allocated. Any goodwill impairment is recognised when the recoverable amount is lower than its carrying amount. The recoverable amount is the higher of fair value of the CGU, net of selling costs, and its value in use. The value of goodwill cannot be written-up if it has been previously written down due to impairment losses.

Intangible assets

Intangible assets consist of identifiable non-monetary items with no physical substance, which are controllable and capable of generating future economic benefits. Intangible assets are recognised at purchase and/or production cost, including the costs directly incurred to prepare the asset for use, net of accumulated amortisation and any impairment losses.
Interest expenses incurred for loans obtained for the acquisition or development of intangible assets increase the carrying amount of those assets only if the assets meet the requirements for being accounted for as such or a significant period is required to prepare the asset for use or sellable.

Amortisation begins when the asset is available for use and is systematically allocated in relation to the residual possibility of use, i.e. based on its estimated useful life.
The useful life estimated by the Group for the various categories of intangible assets is as follows:

Category	**Useful life (Years)**
Trademarks	40
Administrative permissions (Licenses)	40
Software	2 -5

There are no intangible assets with an indefinite useful life.

Impairment of property, plant and machinery, investment property and intangible assets

At the reporting date, tests are performed to verify evidence of impairment of property, plant and machinery, investment property and intangible assets not fully depreciated or amortised.
If there is evidence of impairment, the recoverable amount of these assets is estimated, and any write-down concerning the carrying amount is recorded in the income statement. The recoverable value of an asset is the higher of the *fair value* less selling costs and its value in use, where this latter is the fair value of the estimated future cash flows for that asset.
For an asset that does not generate sufficient independent cash flows, the realisable value is determined concerning the cash-generating unit or *CGU* to which the asset belongs. In determining the value in use, the expected future cash flows are discounted at a discount rate that reflects the current market assessment of the cost of money, relative to the investment period and the specific risks of the asset.
An impairment loss is recognised in the income statement when the asset's carrying amount is higher than the recoverable amount. If the reasons for a previously recognised write-down no longer apply, the carrying amount of the asset is restored through the income statement in an amount that shall not exceed the net carrying amount the asset would have had if the write-down had not been recognised and depreciation or amortisation had been recorded.

Equity investments in other companies, other current and non-current financial assets, trade receivables and other receivables

Equity investments in other companies

Equity investments in other companies (other than subsidiaries), recorded under non-current assets and classified as assets available for sale, are measured at fair value if this can be determined. Changes in the value of these investments, where applicable, are recognised in a shareholders' equity reserve through allocation to other comprehensive income (Reserve for fair value adjustment of financial assets available for sale), which is transferred to profit or loss at the time of disposal or in the event of impairment that is deemed to be permanent.
When the investments are not listed, and their fair value cannot be reliably determined, they are measured at cost adjusted for impairment to be recognised in the income statement, in compliance with the provisions of IFRS 9.
Impairment losses recognised in the income statement of equity investments in other companies classified under "financial assets available for sale" cannot be subsequently reinstated.

Financial assets

Financial assets include non-current financial assets measured at fair value, other non-current financial assets, other non-current assets, trade receivables, other current financial assets and other current assets.

1) Classification and measurement

   On initial recognition, financial assets are measured at *fair value* and subsequently classified in one of the following categories:

   a) financial assets at amortised cost;
   b) financial assets measured at fair value with recognition of the effects in shareholders' equity and, therefore in other comprehensive income (hereinafter also "OCI");
   c) financial assets at fair value with changes through profit and loss.

   a) Financial assets at amortised cost

   Financial assets are measured at amortised cost if both of the following conditions are met:

   - the financial asset is held within a business model whose objective is to own financial assets in order to collect contractual cash flows (business model hold to collect);
   - the contractual terms of the financial asset give rise on specified dates to financial flows represented solely by payments of capital and interest on the outstanding capital amount to be repaid.

   Amortised cost is calculated using the effective interest rate method, taking into account any discounts or prizes at the time of purchase, which are spread over the entire period until maturity, less any impairment losses.

b) *Financial assets measured at fair value with recognition of the effects in other comprehensive income*
Financial assets measured at fair value with recognition of the effects in other comprehensive income if both the following conditions are met:
- the financial asset is held as part of a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets (hold to collect and sell business model);
- the contractual terms of the financial asset give rise on specified dates to financial flows represented solely by payments of capital and interest on the outstanding capital amount to be repaid.

This category includes equity interests that do not qualify as subsidiaries, associates or jointly controlled entities, which are not held for trading, for which the Company has exercised the fair value option with changes through other comprehensive income.
Upon initial recognition, the assets are accounted for at fair value, including transaction costs or income directly attributable to the instrument. After initial recognition, equity interests other than subsidiaries, associates or jointly controlled entities are measured at fair value; any changes in the value of these investments are recognised in a shareholders' equity reserve through allocation to other comprehensive income (Reserve for fair value changes of financial assets). The amounts recognised in shareholders' equity (Statement of comprehensive income) must not subsequently be transferred to profit or loss, including if the asset is disposed of. Dividends associated with these equity instruments are the only component to be recognised in profit or loss. For equity instruments included in this category that are not quoted in an active market, fair value is estimated based on cost on a residual basis only and limited to a few circumstances. That may be the case if insufficient more recent information is available to measure fair value or if a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

c) *Financial assets at fair value with changes through profit and loss*
Financial assets that are not measured at amortised cost or at fair value with changes through other comprehensive income, based on the above criteria, are measured at fair value with recognition of the effects through profit or loss.

2) Presentation
Financial assets are included in current assets, except for those with a contractual maturity of more than twelve months from the balance sheet date, which are classified as non-current assets.
Purchases and sales of financial assets are recognised at the date of settlement.
Financial assets are derecognised when the right to receive cash flows from the instrument has expired, and the Company has substantially transferred all the risks and benefits of and control over the instrument.

3) Measurement

Financial assets measured at amortised cost are measured based on the impairment model established in IFRS 9. It foresees recognition of losses on receivables based on an expected credit loss logic. The amount of the loss is recognised in the income statement under “provisions and write-downs”. The value of receivables is presented net of a provision for impairment.

Inventories

Inventories are measured at the lower of purchase or production cost and net realisable value which is the amount the Group expects to obtain from their sale in the normal course of business. The cost of inventories is determined by applying the movement-weighted average cost method and is reduced by discounts and promotional activities recognised by the Group's suppliers and increased by the costs of bringing the inventories to the point of sale.
The realisable value is estimated on the basis of specific assessments rather than the specificity of certain product categories, also taking slow moving into account.

Cash and cash equivalents

Cash and cash equivalents include cash, deposits with banks and other lending institutions, post office current accounts and other equivalent instruments and investments with maturity within three months from the end of the reporting period. The elements included in cash and cash equivalents are measured at amortised cost, with changes recognised in the income statement.

Derivative hedging instruments

Consistent with IFRS 9, derivative financial instruments are recognised in compliance with *hedge accounting* only when (i) there is formal designation and documentation of the hedging relationship and the risk management objective and strategy at the hedge's inception and (ii) the hedge is expected to be effective.
When financial instruments qualify for *hedge accounting,* the following accounting treatments are applied:

- *Fair value hedge*: If a derivative financial instrument is designated as a hedge of the exposure to changes in *fair value* of a recognised asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss from remeasuring the hedging instrument at *fair value* is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk changes the carrying value of that item and is recognised in the income statement;

- *Cash flow hedge*: If a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of any gain or loss on the financial instrument (change in *fair value*) is recognised in shareholders’ equity. The effective portion of any gain or loss is removed from shareholders’ equity and recognised in profit or loss in the same period in which the hedged transaction is recognised. Any gains or losses associated with an ineffective hedge are immediately recognised in the income statement. If a hedging instrument or hedge relationship is terminated, but the hedged transaction has not yet been realised, the cumulative gains and losses (up to that point recognised in shareholders' equity) are recognised in profit or loss when the related transaction is realised. If the hedged transaction is no longer considered probable, unrealised gains or losses suspended in Shareholders' Equity are recognised immediately in the income statement.

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic assessments of prospective effectiveness to ensure that an economic relationship exists between the hedged item and the hedging instrument.
If *hedge accounting* cannot be applied, gains or losses arising from the *fair value* measurement of the derivative financial instrument are immediately recognised in the income statement.

The *fair value* of financial instruments listed in an active market is based on market prices at the balance sheet date. The *fair value* of instruments that are not quoted in an active market is determined using valuation techniques based on a variety of methods and assumptions related to market conditions at the balance sheet date.

Assets held for sale

Non-current assets whose carrying amount will mainly be recovered through a sale rather than through their continuing use in the business are shown separately in the statement of financial position as "Assets held for sale". An asset is reclassified to this item when the following conditions are met:

- the asset is available for immediate sale in its current condition, subject only to normal sales terms for similar assets;
- the sale is highly probable;
- *management* has taken action to identify a buyer and is committed to a plan to sell the asset;
- the sale must be completed within 12 months.

These assets are measured at the lower of carrying amount and *fair value* less estimated costs to sell.

Any subsequent impairment losses are recognised directly as an adjustment to non-current assets with contra-entry in the income statement.
In accordance with IFRS 5 (Non-current assets held for sale and discontinued operations), non-current assets classified as held for sale are not subject to depreciation and amortisation.

Shareholders' Equity

Share capital

This item reflects the nominal value of contributions made by shareholders for such purpose.

Share premium reserve

Sums received by the Group for shares issued at a price higher than their nominal value.

Other reserves

This item includes the most commonly used reserves, which may have a generic or specific purpose. They are usually not formed from prior years profits.

Retained earnings (accumulated losses)

Includes the net profits of previous years, which have not been distributed or allocated to other reserves, or losses that have not been covered.

Financial liabilities

Financial liabilities include current financial liabilities, non-current financial liabilities, trade payables, other current liabilities and other non-current liabilities.
Financial liabilities are initially recognised at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities. Financial liabilities (except derivatives) are subsequently measured at amortised cost using the effective interest rate method. If there is a change in expected cash flows and they can be reliably estimated, the liabilities are remeasured to reflect the change, based on the present value of the expected new cash flows and the effective internal rate initially determined.
Financial liabilities are classified as current liabilities, unless the Group has an unconditional right to postpone their payment for at least 12 months after the reporting date.
Financial liabilities are initially recognised in the statement of financial position when the Group becomes a party to the contractual clauses of the instrument. Financial liabilities are derecognised when they are extinguished, i.e. when the obligation specified in the contract is performed or cancelled or expired.

Deferred revenue for current and non-current prize-giving promotions

Deferred revenue for prize events refers to loyalty plans that the Group grants to its customers. These plans allocate bonus points to final customers that are calculated based on purchases and can be redeemed against prizes or to obtain discounts on future purchases.
The Fìdaty prize promotion with purchase promotion is the Group's institutional promotion through which customers who store in Esselunga, Atlantic, EsserBella/eb stores earn Fìdaty Points on their loyalty cards that can be redeemed against rewards from the catalogue (including by paying any balance in cash) or against shopping vouchers; The promotion is also open to customers of selected commercial partners.

Under IFRS 15, deferred revenue for prize-giving promotions, as part of loyalty plans granted by the Group to its customers are recognised based on the fair value of the consideration received from the initial sale proportionally allocated to the bonus points and to the finished goods and products sold according to their respective fair values (fair value method).
Deferred revenue for prize-giving promotions is classified under current liabilities unless the Group plans to discharge its obligations after 12 months from the reporting date. The compensation value assigned to the prize points (i.e. the deferred revenue) is subsequently recognised as revenue in the period the customer redeems the points, and the Company fulfils its obligation to give the prize.

Employee severance indemnities (TFR) and other staff-related provisions

Employee benefits disbursed upon or after termination of employment mainly consist of the severance indemnity (TFR), governed by Italian law under Art. 2120 of the Italian Civil Code.
Starting from 1 January 2007, the "Italian Budget Law" and its implementing decrees introduced significant changes to TFR rules, including workers' discretion as to the allocation of the TFR accruing to their benefit. In particular, the TFR accrued after that date may be allocated by workers to selected pension schemes or kept within the Company. If allocated to external pension schemes, the Company's sole obligation is to pay a defined contribution to the chosen fund; as of that date, the newly accrued TFR amounts are considered as defined contribution plans in compliance with IAS 19.
The liability relating to past employee severance indemnities (TFR) is considered, under IAS 19, to be a defined benefit plan, i.e. a formalised scheme for the payment of benefits after termination of the employment; it is a future obligation for which the Group assumes the relevant actuarial and investment risks. As required by IAS 19, the Group uses the Projected Unit Credit Method to determine the present value of its benefit obligations and the related cost for current services. This calculation requires the use of objective and consistent actuarial assumptions on demographic variables (mortality rate, staff turnover rate) and financial variables (discount rate, future pay rises).
Any profits or losses deriving from changes in the actuarial assumptions are recorded in the shareholders' equity reserve "Actuarial valuation of employee severance indemnities". Interest expense associated with the "time value" component in actuarial calculations is recorded in the income statement as "Finance expense".

Provisions for risks and charges

Provisions for risks and charges are recognised for losses and charges, the nature of which is certain or probable, but the timing and/or amount of which are uncertain at the statement of financial position date.
They are recognised only if there is a current (legal or constructive) obligation to make payments due to past events, and it is likely that the payment will be necessary to settle the obligation. This amount is the best estimate of the expenditure required to settle the obligation.

Possible risks that may result in liability are disclosed in the notes under the section on commitments and risks, and no provision is made for them.

Transactions in currencies other than the functional currency

Revenues and costs relating to transactions in currencies other than the functional currency are recorded at the exchange rate prevailing on the transaction date.
Monetary assets and liabilities denominated in currencies other than the functional currency are converted into Euros at the balance sheet exchange rate, and any adjustments are recognised in the income statement.
Non-monetary assets and liabilities in currencies other than the functional currency measured at cost are recognised at the initial recognition exchange rate. When these assets are measured at *fair value* or at their recoverable or realisable value, the exchange rate prevailing at the date of determination of that value is applied.

Revenue recognition

Revenue from the sale of goods and finished products is recognised in the income statement when the business fulfils its obligation by transferring the promised good or finished product to the buyer; the asset is transferred when the customer acquires control, usually coinciding with the delivery or shipment of the goods and finished products to the customer.
Revenues from the provision of services are recognised when the service is provided to the customer, with reference to completion of the service provided and concerning the overall services still to be rendered.
Revenues are recognised at the *fair value* of the consideration received. Revenues are recognised net of value-added tax, expected returns, rebates and discounts.
Revenues from promotional activities are recognised in the income statement in compliance with the accrual principle and based on contractual arrangements with counterparties. Revenues from promotional activities are recorded as a reduction in the item “Net costs for goods and raw materials”.
Revenues from the sale of newspapers, magazines and prepaid cards are shown net of the related costs as the Company acts as an agent in compliance with IFRS 15.

Public grants

Any operating grants are entirely recorded in the income statement when the conditions for recognition are met.

Recognition of costs

Costs are recognised when referring to goods and services purchased or consumed in the financial year or when no future benefit from the cost can be identified.

Dividends received

Dividends received are recognised in the income statement on an accruals basis, i.e. in the financial year, the right to the dividend arises from the investee companies’ resolution to distribute dividends.

Dividends distributed

The distribution of dividends to Group shareholders results in the recognition of a liability in the Consolidated Financial Statements of the year in which the Group company's shareholders approved the distribution.

Taxes

Current taxes are calculated based on the assessable income for the year by applying the tax rates in force at the statement of financial position date.
Deferred taxes are calculated on all differences arising between the tax base of an asset or liability and the corresponding book value. Deferred tax assets, including those arising from tax losses from prior years, for the portion not offset by deferred tax liabilities, are recognised to the extent that it is probable that future taxable income will be available for such assets to be recovered. Deferred taxes are calculated using the tax rates that are expected to apply in the years in which the differences will be realised or settled, based on the tax rates in force or substantially enacted at the reporting date.
Current and deferred taxes are recognised in the income statement, except for items directly charged or credited to shareholders' equity, where the related tax effect is also directly recognised in equity. Taxes are offset when the same tax authority applies income taxes, and the entity has a legal right to settle on a net basis.

▪ 4. Recently issued accounting standards

IFRS accounting standards, amendments and interpretations applied from 1 January 2024:

As of 1 January 2024, the following standards, interpretations and amendments to existing standards became applicable, in relation to which there are no significant effects on the Financial Statements:

- Amendments to IAS 7 and IFRS 7- "Supplier Financing Arrangements" - In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplementary Information, to clarify the characteristics of reverse factoring agreements and request further disclosure of such agreements. The amendments clarify the characteristics of supplier financing agreements and require further disclosure of such agreements. The disclosure requirements contained in the amendments are intended to help financial statement users understand the effects of supplier financing arrangements on a company's liabilities, cash flows and exposure to liquidity risk. These changes had no impact on the financial statements.
- Amendments to IAS 1 - The amendments clarify how liabilities should be classified as current or non-current, depending on the rights existing at the end of the reporting period. The classification is not affected by the company's expectations or events after the balance sheet date. The amendments also clarify what IAS 1 means when it refers to the "extinguishment" of a liability. Any changes in liability classification must be applied retroactively as required by IAS 8 - Accounting

Policies, Changes in Accounting Estimates and Errors. These changes did not have any significant impact on the financial statements.

- Amendments to IFRS 16: Lease Liability in a Sale and Repurchase - In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a lessee uses in measuring the lease liability arising from a sale and leaseback transaction, to ensure that the lessee does not recognise any gain or loss with respect to the right of use in the lease. These changes had no impact on the financial statements.
- International tax reform – Pillar 2 model rules (Amendments to IAS 12). The amendments to IAS 12 were introduced in response to the OECD's BEPS Pillar Two rules and include:
  - a temporary exception to the recognition and disclosure of deferred taxes resulting from the application of the Pillar Two model rules; and
  - disclosure requirements to enable users of financial statements to understand the company's exposure to income taxes arising from such legislation, particularly prior to its effective date.

  The mandatory temporary exception is immediately applicable.
  For Esselunga Group companies, the application of the OECD Pillar Two regulations is delegated to the parent company Superit S.r.l.

Accounting standards not yet applicable, as not endorsed by the European Union

At the date of approval of these financial statements, the relevant bodies of the European Union had not yet completed the approval process for the adoption of the following accounting standards and amendments

Accounting standard	***Endorsed by the EU***	***Effective date***
IFRS 14 Regulatory deferral accounts	No	Approval process suspended pending the new accounting standard on "rate-regulated activities"
IFRS 18 Presentation and Disclosure in Financial Statements	No	Periods beginning on 1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	No	Periods beginning on 1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	No	Approval process suspended pending conclusion of IASB equity method project
Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	No	Periods beginning on 1 January 2026
Annual improvements - Volume 11	No	Periods beginning on 1 January 2026

Accounting standards, amendments and interpretations not yet adopted by the Group

At the date of approval of these financial statements, the relevant bodies of the European Union had approved the adoption of the following accounting standards and amendments, not yet adopted by the Group:

Accounting standard	***Description***
Exchange rate impossibility (Amendments to IAS 21)	By Regulation (EU) 2024/2862 of 13 November 2024, the EU endorsed the document "Impossibility of Foreign Exchange (Amendments to IAS 21)". The amendments are effective for financial statements beginning on or after 1 January 2025.

The assessment of the possible impacts of the Standards mentioned above is ongoing

▪ 5. Estimates and assumptions

The preparation of financial statements requires the Directors to apply accounting principles and methods that, in some circumstances, are based on difficult and subjective valuations and estimates based on historical experience and assumptions, which are from time to time considered reasonable and realistic in the circumstances. The application of these estimates and assumptions impacts the amounts reported in the statements of financial position, the income statement and the cash flow statement and the related disclosures. The actual results of financial statement items for which the above estimates and assumptions have been used may differ from those reported in the financial statements that recognise the effects of estimated events due to the uncertainty characterising the assumptions and conditions on which the estimates are based.
The accounting principles that, with respect to the Group, require greater subjective judgement by the Directors in the preparation of estimates and for which a change in the underlying conditions or assumptions may significantly impact the financial statements are briefly described below.

a) Impairment of assets
Tangible and intangible assets with a finite useful life are tested for impairment, to be recognised by writing down the asset if there is evidence that the asset's net carrying amount may be difficult to recover. To verify whether there is evidence of impairment, the Directors are required to make valuations using a high level of professional judgment on the information available within the Group, from the market and on historical experience.
In addition, when it is established that there may be a potential impairment, the Group calculates such impairment using the valuation techniques that are deemed most appropriate. Correctly identifying any evidence of potential impairment and the

estimates to calculate impairment depend on factors that may vary over time, affecting the valuations and estimates made by the Directors.

b) Evaluation of investment property

Real estate development initiatives are mainly intended for the construction of retail stores. Investment property includes the portion of land exceeding the portion used for the construction of retail stores and land and buildings no longer considered strategic or not intended for use in the Company's business that are held to obtain rental fees or for subsequent sale.

The lengthy bureaucracy for obtaining the authorisations to carry out the projects and the progressive contraction of the real estate market led to higher uncertainty on how the initiatives are implemented and to greater price volatility with a simultaneous reduction in the number of comparable transactions to be used for evaluation purposes. To ascertain whether an impairment has occurred, to be recognised through a write-down, which takes place when the net carrying amount of the individual development project or the individual plot of land or property is higher than its recoverable value, the directors measure, at least annually, to determine the fair value of development initiatives and investment property based on appraisals drawn up by an independent third party.

The methods used include some estimates, most significantly discount and capitalisation rates, rent growth rates, and property sale prices. Concerning real estate development initiatives, other assumptions that play a significant role in valuations include development costs, risk premiums and specific situations of the areas being assessed, including from a regulatory standpoint.

c) Measurement of goodwill

Goodwill is tested annually for impairment (impairment test), to be recognised through a write-down, which occurs when the net carrying amount of the cash-generating unit to which goodwill has been allocated exceeds its recoverable amount (defined as the higher of the value in use and the fair value of the CGU). To verify the above values, the Directors are required to make subjective valuations based on the information available within the Group, from the market and on historical experience. In addition, when it is established that there may be a potential impairment, the Group calculates such impairment using the valuation techniques that are deemed most appropriate. The same value assessments and valuation techniques are applied to intangible and tangible assets with a defined useful life when there is evidence that the net carrying amount of the asset may be difficult to recover through use. Correctly identifying any evidence of potential impairment and the estimates to calculate impairment depend on factors that may vary over time affecting the valuations and estimates made by the Directors.

d) Provisions for risks and charges

Determining whether a current (legal or constructive) obligation exists is not easy in some circumstances. The Directors make case-by-case assessments and estimate the amount of financial resources required to discharge the obligation. When the directors consider that a liability is only possible, the risks are disclosed in the notes under the commitments and risks section, and no provision is recognised.

e) Depreciation, amortisation and write-downs
Depreciation and amortisation are calculated based on the useful life of the asset. The useful life is determined upon initial recognition of the asset. Useful life estimates are based on historical experience, market conditions, and expectations of future events that could affect the useful life, including technological changes. As a result, the actual useful life may differ from the estimated useful life.

f) Calculation of the liability for customer loyalty plans
The identification of the *fair value* of the points attributed to customer loyalty plans and the percentages with which they will be redeemed by the Group's customers and the timing with which they will be used, is based on the Directors' estimates and assumptions, mainly based on historical experience and market conditions. These factors may vary over time, influencing the directors' assessments and estimates and, therefore, changing the calculation of the associated liability.

g) Fair value of financial assets
The *fair value* of unlisted financial assets, such as financial assets available for sale and derivative financial instruments, is calculated through commonly used valuation techniques that require basic assumptions and estimates. These assumptions may not materialise with the expected timing and in the expected manner. Therefore, the estimates made by the Group may differ from the actual figures.

h) Application of IFRS 16 Leases
The application of the accounting standard IFRS 16 Leases introduced some elements of professional judgment entailing the definition of a number of accounting policies and the use of assumptions and estimates in relation to the lease term and the incremental borrowing rate.

6. Group taxation

The Company and some of its subsidiaries participated, as consolidated entities, in the group taxation scheme governed by articles 117 to 129 of the Italian Consolidated Income Tax Code (Italian Consolidated Income Tax Code), in which the parent company Superit S.r.l. is the consolidating entity.
The companies and the consolidating entity agreed on the following internal rules:

- the tax losses arisen as of the first consolidated tax period and transferred to the consolidating entity are definitively recognised by the latter at the IRES rate in force;
- the Company agrees to make available its surplus of non-deductible interest expense or its gross operating income to the Superit Group so that the consolidating entity can adjust the Group's taxable income in compliance with the provisions of Art. 96, paragraph 7 of the Italian Consolidated Income Tax Code. On the other hand, the consolidating entity agrees to pay, on an exclusive basis, to the Company transferring the non-deductible interest expense surplus used to adjust the consolidated income, an amount equal to the product of the then current IRES rate and the amount of the above surpluses in the manner described in the paragraph above;

- the Company also undertakes to transfer any unused ACE surplus directly to Superit Group in exchange for an amount to be paid by the Consolidating Company based on the current IRES rate (24%);
- the effects of deferred taxation are individually determined and accounted for by the Company in its financial statements;
- IRAP-related effects are accounted for and settled by the individual companies in their financial statements.

Payables and receivables vis-à-vis Superit in relation to the tax consolidation are recorded as current tax payables or receivables.

7. Financial risk management

The risk management policy adopted by the Group comprises the following main steps:

- centrally defined guidelines that provide direction for the operating management of market, liquidity and cash flow risks;
- monitoring of the results achieved;
- diversification of its commitments/obligations and of the product portfolio.

7.1 Credit risk

Credit risk represents the Company's exposure to potential losses arising from business and financial counterparties failing to meet their obligations.
The Group's maximum exposure to credit risk as at 31 December 2024 and 2023 is the carrying amount of the financial assets reported in the financial statements, as shown in the table below:

(thousands of Euros)	**31.12.2024**	**31.12.2023**	**Change**
Other non-current financial assets	2,242	2,717	(475)
Non-current financial assets measured at Fair value	12,669	24,966	(12,297)
Other non-current assets	9,530	9,687	(157)
Trade receivables	247,155	269,007	(21,852)
Current tax receivables	25,225	4,923	20,302
Other current assets	44,765	49,129	(4,364)
Current financial assets measured at Fair value	15,310	22,550	(7,240)
Other current financial assets	269	2,453	(2,184)
Total gross amount	**357,165**	**385,432**	**(28,267)**
Provision for doubtful receivables	(2,356)	(3,464)	1,108
Total net amount	**354,809**	**381,968**	**(27,159)**

Credit risk is mainly limited to relations with trade suppliers arising from providing promotional services to said suppliers. The Group has adequate policies in place for selecting its suppliers designed to assess not only typically commercial aspects (quality, purchase prices and delivery terms), but also their capital and financial solidity. Therefore, the Group is not considered exposed to any appreciable credit risks.

These items are accounted for net of a provision for doubtful receivables, for a total of €2,356 thousand as at 31 December 2024 and €3,464 thousand as at 31 December 2023, respectively. This write-down is calculated based on an analysis of individual receivable positions.

Concerning trade receivables, there is no appreciable concentration of credit risk. The following tables provide a breakdown of receivables as at 31 December 2024 and 31 December 2023 by category and by number of days past due:

(thousands of Euros)	31.12.2024					
	Not yet	Days past due				
	due	0 - 30	31 - 60	61 - 90	> 90	Total
Other non-current financial assets	2,242	-	-	-	-	2,242
Non-current financial assets measured at Fair value	12,669	-	-	-	-	12,669
Other non-current assets	9,530	-	-	-	-	9,530
Trade receivables	241,646	71,167	4,792	4,939	1,815	324,358
Current tax receivables	25,225	-	-	-	-	25,225
Other current assets	44,098	-	-	-	667	44,765
Current financial assets measured at Fair value	15,310	-	-	-	-	15,310
Other current financial assets	269	-	-	-	-	269
Total gross amount	**350,989**	**71,167**	**4,792**	**4,939**	**2,482**	**434,368**
Trade receivables offset in trade payables						(77,203)
Provision for doubtful receivables	-	-	-	-	(2,356)	(2,356)
Total net amount	**350,989**	**71,167**	**4,792**	**4,939**	**126**	**354,809**

(thousands of Euros)	31.12.2024					
	Not yet	Days past due				
	due	0 - 30	31 - 60	61 - 90	> 90	Total
Other non-current financial assets	2,217	-	-	-	500	2,717
Non-current financial assets measured at Fair value	24,966	-	-	-	-	24,966
Other non-current assets	9,687	-	-	-	-	9,687
Trade receivables	266,533	64,086	9,004	1,982	5,338	346,942
Current tax receivables	4,923	-	-	-	-	4,923
Other current assets	48,251	-	-	-	878	49,129
Current financial assets measured at Fair value	22,550	-	-	-	-	22,550
Other current financial assets	2,453	-	-	-	-	2,453
Total gross amount	**381,580**	**64,086**	**9,004**	**1,982**	**6,716**	**463,368**
Trade receivables offset in trade payables						(77,936)
Provision for doubtful receivables	-	-	-	-	(3,464)	(3,464)
Total net amount	**381,580**	**64,086**	**9,004**	**1,982**	**3,252**	**381,968**

Past-due receivables as at 31 December 2024 amounted to €83,380 thousand, while the allowance for doubtful receivables amounted to €2,356 thousand.

It should be noted that the overdue receivables, net of those subject to devaluation, at the date of drafting these Consolidated Financial Statements were almost entirely collected during 2025.

7.2 Liquidity risk

Liquidity risk is associated with the ability to meet commitments arising from financial liabilities. Prudent management of liquidity risk arising from normal operations involves maintaining an adequate level of cash and credit lines.

Liquidity risk is centrally managed by the Group, which constantly monitors the financial position through appropriate forecast and actual cash flow reporting.

Please note that:

- In August 2021, Esselunga entered into three non-revocable revolving sustainability-linked credit line agreements with leading banks for €300 million maturing in August 2026. As at 31 December, these credit lines were fully utilised;
- In June 2022, Esselunga entered into three contracts for three non-revocable *revolving* credit lines with leading banks for €300 million maturing in June 2027. As at 31 December, these credit lines were undrawn.

The following tables provide a breakdown of liabilities by maturity as at 31 December 2024 and 31 December 2023. The various maturity ranges are determined based on the period between the reporting date and the contractual maturity of the obligations, including accrued interest as at 31 December.

Interest has been calculated according to the contractual terms of the loans.

(thousands of Euros)	**31.12.2024**				
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Bonds	9,401	9,375	507,628	-	526,404
Medium-long term bank loans	472,070	36,815	778,703	-	1,287,587
Lease payables	89,647	80,951	194,505	495,083	860,186
Other non-current liabilities	-	88	-	2,166	2,254
Trade payables	1,561,137	-	-	-	1,561,137
Current tax payables	1,529	-	-	-	1,529
Other current liabilities	322,453	-	-	-	322,453
Total	**2,456,236**	**127,229**	**1,480,836**	**497,249**	**4,561,549**

(thousands of Euros)	**31.12.2023**				
	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Bonds	9,401	9,375	518,750	-	537,526
Medium-long term bank loans	227,143	63,685	819,450	-	1,110,277
Lease payables	94,421	79,875	207,941	533,737	915,973
Other non-current liabilities	-	32	16	1,783	1,831
Trade payables	1,711,571	-	-	-	1,711,571
Current tax payables	35,936	-	-	-	35,936
Other current liabilities	320,193	-	-	-	320,193
Total	**2,398,665**	**152,966**	**1,546,156**	**535,520**	**4,633,307**

7.3 Market Risk

In carrying out its activities, the Group is potentially exposed to the following market risks, which are managed centrally by Esselunga S.p.A.:

- risk for product quality;
- regulatory risk;
- risk of price fluctuations;
- risk of exchange rate fluctuations;
- risk of interest rate fluctuations;
- climate risk.

Risk for product quality

As regards product quality, the Quality Management Department follows a rigorous control and qualification programme regarding suppliers and (internal and external) production processes, both in the launching stages of a new product and at later stages when the product is already on the shelf.

Regulatory risk

Regulatory risk consists of bureaucratic delays in obtaining permits to open new stores or expand existing ones. This essentially translates into lack of sales revenue while capital expenditures have already been made.

Risk of price fluctuations

Given the industry in which the Group is engaged, the predominant price risk is related to fluctuations in the purchase price of goods for resale. Managing these risks is an integral part of commercial policies aimed at, inter alia, limiting the impact of purchase price fluctuations on end customers.

Risk of exchange rate fluctuations

Sales revenues and purchase costs for goods and products are mostly transacted in euros. Additionally, financial assets and liabilities are denominated in euros. The Group is therefore not exposed to significant currency risks.

Risk of interest rate fluctuations

The risk of interest rate fluctuations the Group is exposed to arises from financial payables and receivables. The Group’s fixed-rate debt exposes it to a risk associated with changes in the fair value of the debt driven by market fluctuations of the reference rates. The Group’s floating rate debt exposes it to a cash flow risk from interest rate volatility.

The Group’s financial debt consists of debenture loans, leases and loans.

Financial liabilities at variable interest rates as at 31 December 2023 amounted to 26% of the total, considering that the Group has derivative financial instruments of an interest rate swap nature.

The following table shows a sensitivity analysis for interest rate risk.

More specifically, the table below shows the impact on shareholders' equity and profit for the years ended 31 December 2024 and 2023 of a positive or negative 0.5% change in interest rates, all other variables being unchanged:

(thousands of Euros)	**31.12.2024**		**31.12.2023**	
Interest rate change at year-end	+0.50%	-0.50%	+0.50%	-0.50%
After tax effect (in BS and P&L)	(1,824)	1,824	(1,090)	1,090

Climate risk

The Group is aware that the production and distribution of goods impact the environment; over time it has developed technical skills in the control and direct management of environmental issues in order to combat climate change, reducing greenhouse gas emissions and minimising the climate risks to which its business is exposed. For more details see **Consolidated Sustainability Reporting**.

7.4 Capital Risk

The Group's objective in managing capital risk is to maintain an optimal capital structure to reduce the cost of debt.

The Group monitors its capital based on the ratio of its Net Financial Position to net invested capital (gearing ratio).

Net Financial Position is calculated as total debt, including current and non-current loans and net borrowings from banks.

Net Invested Capital is calculated as the sum of Shareholders' Equity and the Net Financial Position.

The gearing ratio as at 31 December 2024 and 31 December 2023 is presented in the table below and compares the Net Financial Position and the Net Invested Capital to represent the financial strength of the Company and their use of third-party funds. The 2024 index shows that own funds finance 46.8% of the net invested capital.

(thousands of Euros)	**31.12.2024**	**31.12.2023**
Cash and cash equivalents	188,310	268,336
Financial receivables	269	2,453
Current financial assets measured at Fair value	15,310	22,550
Non-current financial assets measured at Fair value	12,669	24,966
Current and non-current financial payables	(2,447,282)	(2,285,976)
Net Financial Position	**(2,230,724)**	**(1,967,671)**
Shareholders' Equity	**1,960,075**	**1,967,535**
Net invested capital	**4,190,799**	**3,935,206**
Gearing ratio	**53.2%**	**50.0%**

7.5 Business Crisis Code

We inform you that pursuant to Article 2086 of the Italian Civil Code, as amended by Legislative Decree 14/2019, issued in implementation of Enabling Law 155/2017, the Group has an organisational, administrative and accounting structure appropriate to the nature and size of the business, capable of foreseeing and promptly detecting any signs of crisis through the constant monitoring of the economic/asset balances and prospective economic/financial flows to ensure the protection of assets and business continuity.

▪ 8. Financial assets and liabilities by category

The following table provides a breakdown of financial assets and liabilities by category, with the corresponding *fair value* for the Group's consolidated financial statements as at 31 December 2024 and 31 December 2023:

	31.12.2024				
(thousands of Euros)	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities at fair value through other comprehensive income	Financial assets and liabilities at amortised cost	Total	*Fair value*
Equity investments in other companies	3,151	-	-	3,151	3,151
Other non-current financial assets	-	-	2,242	2,242	2,242
Non-current financial assets measured at Fair value	-	12,669	-	12,669	12,669
Other non-current assets	-	-	9,530	9,530	9,530
Trade receivables	-	-	245,468	245,468	245,468
Other current assets	-	-	44,096	44,096	44,096
Cash and cash equivalents	-	-	188,310	188,310	188,310
Current financial assets measured at Fair value	-	15,310	-	15,310	15,310
Other current financial assets	-	-	269	269	269
Total	**3,151**	**27,979**	**489,915**	**521,045**	**521,045**
Current and non-current financial payables exc. leases	-	-	1,749,652	1,749,652	1,731,881
Lease payables	-	-	697,630	697,630	627,519
Other non-current liabilities	-	-	2,254	2,254	2,254
Trade payables	-	-	1,561,137	1,561,137	1,561,137
Other current liabilities	-	-	322,454	322,454	322,454
Total	**-**	**-**	**4,333,127**	**4,333,127**	**4,245,244**

	31.12.2023				
(thousands of Euros)		Financial assets and liabilities at fair value through other comprehensive income	Financial assets and liabilities at amortised cost	Total	*Fair value*
Equity investments in other companies	3,160	-	-	3,160	3,160
Other non-current financial assets	-	-	2,217	2,217	2,217
Non-current financial assets measured at Fair value	-	24,966	-	24,966	24,966
Other non-current assets	-	-	9,687	9,687	9,687
Trade receivables	-	-	266,921	266,921	266,921
Other current assets	-	-	48,251	48,251	48,251
Cash and cash equivalents	-	-	268,336	268,336	268,336
Current financial assets measured at Fair value	-	22,550	-	22,550	22,550
Other current financial assets	-	-	2,453	2,453	2,453
Total	**3,160**	**47,516**	**597,865**	**648,541**	**648,541**
Current and non-current financial payables exc. leases	-	-	1,543,731	1,543,731	1,515,827
Lease payables	-	-	742,245	742,245	660,369
Other non-current liabilities	-	-	1,831	1,831	1,831
Trade payables	-	-	1,711,571	1,711,571	1,711,571
Other current liabilities	-	-	320,193	320,193	320,193
Total	**-**	**-**	**4,319,571**	**4,319,571**	**4,209,791**

▪ 9. Information on fair value

In relation to the assets and liabilities recognised in the statement of financial position, IFRS 13 requires that these values be classified based on a hierarchy that reflects the significance of the inputs used to determine the *fair value*.

The classification of the *fair value* of financial instruments based on hierarchical levels is presented below:

Level 1: fair value calculated based on quoted prices (unadjusted) in active markets for identical financial instruments. Therefore, in Level 1 the emphasis is on determining the following elements:

(a) the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability;
(b) the ability to carry out a transaction with the asset or liability at that market price at the measurement date.

Level 2: fair value calculated using valuation techniques that use inputs that are observable on active markets. Inputs for this level include:

(a) quoted prices for similar assets or liabilities in active markets;
(b) quoted prices for identical or similar assets or liabilities in markets that are not active;
(c) inputs other than quoted prices that are observable for the asset or liability, for example:
    i. interest rates and yield curves observable at commonly quoted intervals.
    ii. implied volatilities;
    iii. credit spreads;
(d) market-corroborated inputs.

Level 3: *fair value* calculated using valuation techniques that make use of unobservable market inputs.

The Group measures at *fair value* derivative financial instruments of an "*Interest rate Swap*" nature, to hedge the risk of fluctuations in the variable interest rate relating to the loan taken out for the acquisition by Superit Finco S.p.A. (now Esselunga S.p.A.) of 30% of Supermarkets Italiani S.p.A. (now Esselunga S.p.A.) and on loan taken out as part of the Purchase of 32.5% of La Villata S.p.A. treasury shares from Unicredit. Such operations fall within level 2 of the above hierarchy

The determination of the recoverable value of investment property and the value of equity investments in other companies fall within level 3 of the hierarchy.

10. Operating Segments

An operating segment is an entity's component:

that undertakes entrepreneurial activities generating revenues and costs (including revenues and costs relating to transactions with other components of the same entity);

whose operating profit is periodically reviewed by the highest operational decision-making level of the entity to decide on the resources to be allocated to the segment and to assess the results (for Esselunga S.p.A. it is the Board of Directors);

for which separate financial information is available.

The management information prepared and made available to the Board of Directors for the purposes mentioned above, considers the Group's business activities as an indistinct whole; accordingly, no specific segment reporting is provided in the financial statements.

The Group currently carries out its activities exclusively in Italy, therefore, no performance disclosure *performance* by geographical segment is provided. Thereal estate activity carried out by the Group is instrumental to its main activity in the *retail*sector. Given the nature of the Group's business, there are no situations of revenue concentration on individual customers.

11. Seasonal events

Historically, the income statement results of the Group have not shown significant sensitivity to seasonal events.

▪ 12. Notes to the consolidated statement of financial position

12.1 Property, plant and equipment

Changes in this item are shown below:

Property, plant and machinery *(thousands of Euros)*	**31.12.2023**	**Increases**	**ROU increases IFRS 16**	**Decreases**	**ROU decreases IFRS 16**	**Reclassifications and transfers**	**31.12.2024**
Historical cost	5,414,151	126,779	-	(11,556)	-	87,387	5,616,761
Accumulated depreciation/amortisation	(2,080,513)	(132,284)	-	4	-	(20,385)	(2,233,178)
Provision for impairment	(14,107)	(2,064)	-	-	-	-	(16,171)
Land and buildings	**3,319,531**	**(7,569)**	**-**	**(11,552)**	**-**	**67,002**	**3,367,412**
Historical cost	1,986,869	76,205	-	(5,662)	-	24,648	2,082,060
Accumulated depreciation/amortisation	(1,469,882)	(108,334)	-	4,935	-	(9,866)	(1,583,147)
Provision for impairment	(1,851)	-	-	50	-	-	(1,801)
Plant and machinery	**515,136**	**(32,129)**	**-**	**(677)**	**-**	**14,782**	**497,112**
Historical cost	1,895	-	-	-	-	-	1,895
Accumulated depreciation/amortisation	(1,871)	(8)	-	-	-	-	(1,879)
Provision for impairment	-	-	-	-	-	-	-
Industrial and commercial equipment	**24**	**(8)**	**-**	**-**	**-**	**-**	**16**
Historical cost	743,183	43,665	-	(12,647)	-	4,737	778,938
Accumulated depreciation/amortisation	(571,124)	(46,790)	-	11,797	-	148	(605,969)
Provision for impairment	(768)	(114)	-	-	-	-	(882)
Other assets	**171,291**	**(3,239)**	**-**	**(850)**	**-**	**4,885**	**172,087**
Historical cost	249,363	170,778	-	(427)	-	(71,645)	348,069
Accumulated depreciation/amortisation	-	-	-	-	-	-	-
Provision for impairment	(10,126)	(4,000)	-	-	-	-	(14,126)
Assets under development and advances	**239,237**	**166,778**	**-**	**(427)**	**-**	**(71,645)**	**333,943**
Historical cost	1,194,572	-	33,986	-	(20,237)	(78,936)	1,129,385
Accumulated depreciation/amortisation	(399,306)	-	(56,721)	-	6,983	30,315	(418,729)
Provision for impairment	0	-	-	-	-	-	0
ROU IFRS 16	**795,266**	**-**	**(22,735)**	**-**	**(13,254)**	**(48,621)**	**710,656**
Historical cost	9,590,033	417,427	33,986	(30,292)	(20,237)	(33,809)	9,957,108
Accumulated depreciation/amortisation	(4,522,696)	(287,416)	(56,721)	16,736	6,983	212	(4,842,902)
Provision for impairment	(26,852)	(6,178)	-	50	-	-	(32,980)
Total	**5,040,485**	**123,833**	**(22,735)**	**(13,506)**	**(13,254)**	**(33,597)**	**5,081,225**

Property, plant and machinery *(thousands of Euros)*	**31.12.2022**	**Increases**	**ROU increases IFRS 16**	**Decreases**	**ROU decreases IFRS 16**	**Reclassifications and transfers**	**31.12.2023**
Historical cost	5,206,211	103,975	-	(2,151)	-	106,116	5,414,151
Accumulated depreciation/amortisation	(1,951,570)	(129,130)	-	1,092	-	(905)	(2,080,513)
Provision for impairment	(13,133)	(1,901)	-	6,532	-	(5,605)	(14,107)
Land and buildings	**3,241,508**	**(27,056)**	**-**	**5,473**	**-**	**99,606**	**3,319,531**
Historical cost	1,871,495	75,174	-	(11,197)	-	51,397	1,986,869
Accumulated depreciation/amortisation	(1,375,473)	(104,325)	-	10,132	-	(216)	(1,469,882)
Provision for impairment	(2,094)	(201)	-	444	-	-	(1,851)
Plant and machinery	**493,928**	**(29,352)**	**-**	**(621)**	**-**	**51,181**	**515,136**
Historical cost	1,881	14	-	-	-	-	1,895
Accumulated depreciation/amortisation	(1,858)	(13)	-	-	-	-	(1,871)
Provision for impairment	-	-	-	-	-	-	-
Industrial and commercial equipment	**23**	**1**	**-**	**-**	**-**	**-**	**24**
Historical cost	703,029	51,294	-	(17,884)	-	6,744	743,183
Accumulated depreciation/amortisation	(543,433)	(44,732)	-	17,067	-	(26)	(571,124)
Provision for impairment	(1,009)	(50)	-	291	-	-	(768)
Other assets	**158,587**	**6,512**	**-**	**(526)**	**-**	**6,718**	**171,291**
Historical cost	249,607	153,680	-	(2,153)	-	(151,771)	249,363
Accumulated depreciation/amortisation	-	-	-	-	-	-	-
Provision for impairment	(11,769)	(25)	-	1,763	-	(95)	(10,126)
Assets under development and advances	**237,838**	**153,655**	**-**	**(390)**	**-**	**(151,866)**	**239,237**
Historical cost	1,134,268	-	86,421	-	(26,117)	-	1,194,572
Accumulated depreciation/amortisation	(352,043)	-	(56,205)	-	8,942	-	(399,306)
Provision for impairment	0	-	-	-	-	-	0
ROU IFRS 16	**782,225**	**-**	**30,216**	**-**	**(17,175)**	**-**	**795,266**
Historical cost	9,166,491	384,137	86,421	(33,385)	(26,117)	12,486	9,590,033
Accumulated depreciation/amortisation	(4,224,377)	(278,200)	(56,205)	28,291	8,942	(1,147)	(4,522,696)
Provision for impairment	(28,005)	(2,177)	-	9,030	-	(5,700)	(26,852)
Total	**4,914,109**	**103,760**	**30,216**	**3,936**	**(17,175)**	**5,639**	**5,040,485**

Land and buildings

The details of this item are shown in the following table:

Land and Buildings *(thousands of Euro)*	**31.12.2024**	**31.12.2023**
Land	1,350,610	1,299,088
Buildings	2,016,802	2,020,443
Total	**3,367,412**	**3,319,531**

The increases include:

- Capex of +€23,606 thousand for the construction of new stores opened by the Esselunga Group in 2024;
- +€26,516 thousand for interventions on the existing sales network;
- +€73,924 thousand for the Group's commercial development;
- +€2,570 thousand for the logistic hubs, production facilities and headquarters;
- +€163 thousand for work on the logistics network.

The decreases mainly refer to the demolition of certain buildings and the repayment of deposits given for the purchase of land no longer deemed functional for the Group's development.

The reclassifications and transfers include:

- investments made in previous years relating to new stores opened in the period and previously classified among fixed assets in progress;
- reclassifications of land and buildings to investment property no longer considered instrumental to the ordinary activity of the Group.

Plant and machinery

Increases in historical cost include the following investments:

- +€24,165 thousand for new stores;
- +€29,652 thousand for interventions on the existing sales network;
- +€3,911 thousand for the Group's commercial development;
- +€18,339 thousand for the logistic hubs, production facilities and headquarters;
- +€138 thousand for work on the logistics network.

The reclassifications and transfers mainly include investments made in previous years relating to the new stores opened in the period and previously classified among fixed assets in progress.

Other assets

The details of this item are shown in the following table:

Other assets *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Office furniture and equipment	102,875	102,655
Electronic office equipment	42,025	42,864
Bar furniture and furnishings	18,702	16,905
Motor vehicles, cars and vehicles for internal use	4,646	5,734
Niche perfumery, furniture and furnishings	3,838	3,133
Total	**172,087**	**171,291**

Increases in historical cost include the following investments:

- +€7,533 thousand for new stores;
- +€25,789 thousand for interventions on the existing sales network;
- +€31 thousand for the Group's commercial development;
- +€10,076 thousand for the logistic hubs, production facilities and headquarters;
- +€236 thousand for work on the logistics network.

The decrease in this item is related to the replacement of the Group's capital equipment in addition to the disposal of the Gessate store due to the flooding suffered in May.

The reclassifications and transfers mainly include investments made in previous years relating to the new stores opened in the period and previously classified among fixed assets in progress.

Assets under construction and advances

The increases include the following investments:

- €122,658 thousand for the Group's commercial development;
- €47,441 thousand for the development and completion of logistics centres and offices;
- +€679 thousand for work on the logistics network.

The reclassifications and transfers relate to:

- investments made in previous years relating to new stores opened in the period and previously reclassified to other classes;
- reclassifications to investment property of assets no longer considered instrumental to the ordinary activity of the Group.

ROU IFRS 16 *Leases*

The item includes the right of use on properties held by the Company under lease contracts pursuant to the provisions of accounting standard IFRS 16, and on properties held under finance leases pursuant to IAS 17.

The increases mainly refer to extensions or renegotiations of existing contracts. They are composed as follows:

ROU IFRS 16 Leases *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
ROU property, plant and equipment	701,150	784,592
Rou IT equipment	5,057	7,138
Rou cars	3,389	2,844
Rou service vehicles	1,060	692
Total	**710,656**	**795,266**

The reconciliation of the ROU IFRS 16 Leases value with the value reported in the Management Report is also shown:

Reconciliation with ROU IFRS 16 from Report *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
ROU property, plant and equipment - IFRS16 operating leases	432,100	454,355
ROU property, plant and equipment - IFRS17 finance leases	269,050	330,237
ROU property, plant and equipment	**701,150**	**784,592**
ROU property, plant and equipment - IFRS16 operating leases	432,100	454,355
Rou IT equipment	5,057	7,138
Rou cars	3,389	2,844
Rou service vehicles	1,060	692
ROU IFRS 16 from Report	**441,606**	**465,029**

Monetary revaluations on property, plant and equipment in compliance with legal provisions

The following table provides a breakdown of this item as at 31 December 2024:

(thousands of Euros)	**Revaluation pursuant to Law 72/83**	**Revaluation pursuant to Law 413/91**	**Total revaluations**
Land	16	1,235	1,251
Buildings	4,040	41,840	45,880
Plant and machinery	190	-	190
Other assets	1,105	26,093	27,197
Total	**4,358**	**43,106**	**47,463**

As at 31 December 2024, the amount of revaluations not yet depreciated was €175 thousand, mainly pertaining to land and buildings.
Property, plant and machinery do not include assets given as collateral.

12.2 Investment property

Investment property includes land or buildings not intended for use in the Group's ordinary activities.

Changes in this item are shown below:

Real estate investments *(thousands of Euros)*	31.12.2023	Increases	Decreases	Reclassifications and transfers	31.12.2024
Historical cost	373,391	80,298	(13)	25,707	479,383
Accumulated depreciation/amortisation	(54,802)	(6,581)	-	(212)	(61,595)
Provision for impairment	(212,378)	(14,004)	9,265	-	(217,117)
Total	**106,211**	**59,713**	**9,252**	**25,495**	**200,671**

Real estate investments *(thousands of Euros)*	31.12.2022	Increases	Decreases	Reclassifications and transfers	31.12.2023
Historical cost	399,964	8,722	(21,029)	(14,266)	373,391
Accumulated depreciation/amortisation	(53,391)	(2,697)	139	1,147	(54,802)
Provision for impairment	(228,951)	(6,810)	17,683	5,700	(212,378)
Total	**117,622**	**(785)**	**(3,207)**	**(7,419)**	**106,211**

Increases in historical cost relate to investments in non-instrumental areas (compared to the Group's ordinary business).

The movement in the provision for impairment refers to the write-down (or possible reversal of impairment) made to align the net book value of investment properties with fair value.

The reclassifications refer to investments previously recorded among property, plant and machinery and no longer considered instrumental to the Group's core business. In 2023, they mainly referred to areas considered instrumental to the Group's operations, which were reclassified under property, plant, and equipment.

The breakdown by geographical location of investment property is shown in the following table:

(thousands of Euros)	Net historical cost	Provision for impairment	Total
Lombardy	190,252	(124,551)	65,702
Piedmont	51,341	(40,908)	10,433
Emilia Romagna	33,165	(20,528)	12,636
Liguria	14,989	(6,888)	8,100
Tuscany	17,542	(11,442)	6,101
Veneto	10,120	(7,187)	2,933
Lazio	1,179	(873)	306
31.12.2023	**318,589**	**(212,378)**	**106,211**
Lombardy	263,859	(128,571)	135,288
Piedmont	51,215	(39,075)	12,141
Emilia Romagna	38,821	(24,623)	14,198
Liguria	35,167	(6,240)	28,926
Tuscany	17,428	(10,559)	6,869
Veneto	10,118	(7,174)	2,944
Lazio	1,180	(874)	306
31.12.2024	**417,788**	**(217,117)**	**200,671**

As at 31 December 2024, the *fair value* of real estate investments was determined based on an independent third-party's or internal appraisals. The book values were aligned to the lower of cost and fair value as reflected in the appraisals.

The *fair value* expressed by the appraisals was defined according to models for determining the Level 3 *fair value*, as the inputs directly/indirectly not observable on the market, used in the valuation models, are preponderant for the inputs observable on the market.

12.3 Goodwill

The breakdown of this item is as follows:

Goodwill *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Pisa Store Startup	6,020	6,020
EsserBella S.p.A.	566	566
Total	**6,586**	**6,586**

Impairment tests were carried out at the end of each financial year to ascertain whether the goodwill recorded had suffered an impairment.

The impairment test is performed by comparing the carrying amount of the goodwill and the Group of net assets that can generate independent cash flows (cash-generating unit - CGU) to which goodwill can reasonably be allocated, with the value in use of the CGU.

The value in use was determined through the discounted cash flow (DCF) method, by discounting the unlevered free cash flows related to the CGU as per the strategic plans for the five years following the impairment test reference year. The discount factor used is the *WACC* for the industry in which the identified *CGU* operates.

The discount rate (WACC) used, which reflects the market assessment of the cost of money and the specific risks for the industry and the geographic area, was estimated at 6.22% in 2024 and 7.01% in 2023.

A sensitivity analysis was performed on the impairment test results to assess their variability to changes in the main assumptions underlying the estimate.

Two different scenarios were assumed for this purpose:

- scenario 1: discount rate = 6.72%, with an increase of 50 basis points over the baseline scenario.
- scenario 2: discount rate = 7.22%, with an increase of 100 basis points over the baseline scenario.

The sensitivity analysis showed a low sensitivity of the test to changes in the assumptions underlying the estimate. Specifically, none of the aforementioned scenarios would result in an impairment of the goodwill.

12.4 Intangible assets

Changes in this item are shown below:

Intangible Assets *(thousands of Euros)*	**31.12.2023**	**Increases**	**Decreases**	**Reclassifications and transfers**	**31.12.2024**
Historical cost	396,651	33,076	(9)	19,171	448,889
Accumulated depreciation/amortisation	(326,267)	(34,789)	2	-	(361,054)
Software	**70,384**	**(1,713)**	**(7)**	**19,171**	**87,835**
Historical cost	27,279	12	-	-	27,291
Accumulated depreciation/amortisation	(7,019)	(551)	-	-	(7,570)
Trademarks, concessions and similar rights	**20,260**	**(539)**	**-**	**-**	**19,721**
Historical cost	87,252	737	(900)	-	87,089
Accumulated depreciation/amortisation	(32,007)	(1,989)	31	-	(33,965)
Provision for impairment	(3,478)	-	-	-	(3,478)
Commercial licenses	**51,767**	**(1,252)**	**(869)**	**-**	**49,646**
Historical cost	24,064	4,007	(198)	(11,069)	16,804
Assets under development and advances	**24,064**	**4,007**	**(198)**	**(11,069)**	**16,804**
Historical cost	34,742	362	(4)	-	35,100
Accumulated depreciation/amortisation	(13,351)	(9,868)	-	-	(23,219)
Other intangible assets	**21,391**	**(9,506)**	**(4)**	**-**	**11,881**
Historical cost	569,988	38,194	(1,111)	8,102	615,173
Accumulated depreciation/amortisation	(378,644)	(47,197)	33	-	(425,808)
Provision for impairment	(3,478)	-	-	-	(3,478)
Total	**187,866**	**(9,003)**	**(1,078)**	**8,102**	**185,887**

Intangible Assets *(thousands of Euros)*	**31.12.2022**	**Increases**	**Decreases**	**Reclassifications and transfers**	**31.12.2023**
Historical cost	364,417	20,142	(1,096)	13,188	396,651
Accumulated depreciation/amortisation	(291,418)	(35,939)	1,090	-	(326,267)
Software	**72,999**	**(15,797)**	**(6)**	**13,188**	**70,384**
Historical cost	27,207	72	-	-	27,279
Accumulated depreciation/amortisation	(6,470)	(549)	-	-	(7,019)
Trademarks, concessions and similar rights	**20,737**	**(477)**	**-**	**-**	**20,260**
Historical cost	85,165	2,048	-	39	87,252
Accumulated depreciation/amortisation	(29,973)	(2,034)	-	-	(32,007)
Provision for impairment	(3,478)	-	-	-	(3,478)
Commercial licenses	**51,714**	**14**	**-**	**39**	**51,767**
Historical cost	32,054	9,474	(17)	(17,447)	24,064
Assets under development and advances	**32,054**	**9,474**	**(17)**	**(17,447)**	**24,064**
Historical cost	4,885	23,857	-	6,000	34,742
Accumulated depreciation/amortisation	(4,049)	(9,302)	-	-	(13,351)
Other intangible assets	**836**	**14,555**	**-**	**6,000**	**21,391**
Historical cost	513,728	55,593	(1,113)	1,780	569,988
Accumulated depreciation/amortisation	(331,910)	(47,824)	1,090	-	(378,644)
Provision for impairment	(3,478)	-	-	-	(3,478)
Total	**178,340**	**7,769**	**(23)**	**1,780**	**187,866**

The <u>increases</u> amount to €38,194 thousand and mainly refer to software functional to the improvement of the Group's IT infrastructure and other costs.

The item intangible fixed assets has never been subject to any revaluation.
Based on the analyses performed, intangible assets do not require any impairment.

12.5 Investments in other companies

The item in question, equal to €3,151 thousand at 31 December 2024 (€3,160 thousand at 31 December 2023) refers to minor investments.

12.6 Other non-current financial assets

This item mainly includes participation in an investment property fund and other minor investments.

12.7 Deferred tax assets and liabilities

This item includes the net balance of deferred tax assets and liabilities arising from temporary differences between the value attributed to an asset or liability in the statement of financial position and the value attributed to the same asset or liability for tax purposes.

The breakdown and movements of the items in question, gross of any offsetting made based on the timing in the use of taxes are shown in the following table relative to 31 December 2024:

Deferred tax assets and liabilities *(thousands of Euros)*	**31.12.2023**	**Income statement effect**	**Statement of financial position effect**	**31.12.2024**
Timing difference cost deductibility	1,000	(59)	-	942
Costs for bond issues	(462)	117	-	(345)
Inventories and inventory write-downs	1,745	(234)	-	1,511
TFR IAS 19	(999)	214	(266)	(1,052)
Provision for risks with deferred deductibility	17,506	(730)	(0)	16,776
Assets	(5,305)	1,703	-	(3,602)
Leasing IFRS 16 - Rou	(324,456)	13,298	-	(311,158)
IFRS 16 Leasing - Payables	365,226	(14,181)	-	351,045
Devaluation of surface rights	2,037	85	-	2,122
Capital gains subject to deferred taxes	(1,003)	35	-	(969)
Derivative	(11,405)	-	4,697	(6,708)
Others	(381)	14	-	(367)
Total deferred tax assets and liabilities	**43,503**	**262**	**4,430**	**48,195**

Deferred tax assets relating to unrecognised prior tax losses amount to €371.3 thousand as at 31 December 2024 and mainly refer to companies that are part of the consolidation area but which do not participate in the tax consolidation.

Deferred tax assets and liabilities as of 31 December 2024 were recorded for the period in which the temporary differences that generated them will be recovered and by applying the IRES (24.0%) and IRAP (4.05%) rates.

12.8 Other non-current assets

The breakdown of this item is as follows:

Other non-current assets *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Tax receivables	5,059	5,100
Security deposits	4,471	4,587
Total	**9,530**	**9,687**

Security deposits refer to contracts entered into for the supply of utilities, rent and building areas.

12.9 Inventories

The breakdown of this item is as follows:

Inventories *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Finished products and goods	484,466	525,600
Raw materials, supplies and consumables	71,078	62,856
Inventory provision for impairment	(6,294)	(7,270)
Total	**549,250**	**581,187**

The change in inventories is mainly attributable to a reduction in stock quantities. This quantity effect was partially offset by the persistence of inflationary effects on supplier lists.

The provision for impairment on inventory takes into account the estimated realisable value of certain product categories

The movements of the provision for warehouse inventory write-downs are shown below:

Provision for impairment of stock *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Balance at the beginning of the year	**(7,270)**	**(5,527)**
Allocations	(6,294)	(7,270)
Uses and releases	7,270	5,527
Balance at the end of the year	**(6,294)**	**(7,270)**

As at 31 December 2024, there were no warehouse inventories pledged as collateral on financing received by the Group.

12.10 Trade Receivables

The breakdown of this item is as follows:

Trade Receivables *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Receivables from suppliers for promotional activities	127,924	153,339
Receivables from customers	61,032	57,435
Receivables from customers for use of Fìdaty Oro cards	58,162	58,227
Receives from parent	37	6
Provision for doubtful receivables	(1,687)	(2,086)
Total	**245,468**	**266,921**

Receivables from suppliers for promotional activities refer to the compensation accrued for promotional activity carried out for commercial suppliers, mainly for advertising, preferential display, leaflet distribution.
These receivables are shown net of those that can be offset against trade payables.

Receivables from customers mainly refer to receivables for the use of meal vouchers within the Group's stores and bars and to receivables for other sales.

Receivables from customers for the use of Fìdaty Oro cards refer to the receivables due from customers following the use in December 2024 of "Fìdaty Oro" payment cards, collected in January 2025.

The **provision for doubtful receivables**, of €1,687 thousand at 31 December 2024 (€2,086 thousand at 31 December 2023) is functional to aligning the carrying amount of receivables to their estimated realisable value.

12.11 Current tax receivables

The breakdown of this item is as follows:

Current tax receivables *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Receivables from parent companies - IRES	23,216	4,852
Receivables from tax authorities - IRES payments advances	66	69
Receivables from tax authorities - IRAP payments on account	1,943	2
Total	**25,225**	**4,923**

IRES receivable from parent companies refers to taxes receivable from the consolidating entity Superit S.r.l. by the companies participating in the tax consolidation.

12.12 Other current assets

The breakdown of this item is as follows:

Other current assets *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Accrued income and prepaid expenses	14,455	14,860
Receivables from other debtors	7,671	8,873
Tax receivables (mainly VAT)	22,639	25,396
Provision for impairment of other receivables	(669)	(878)
Total	**44,096**	**48,251**

Accruals and prepaid expenses include costs for the use of third-party assets, insurance, advertising, repairs and maintenance, already paid but not pertaining to the period.

Tax receivables are mainly VAT receivables related to property purchases made by the Group.

Receivables from other debtors mainly include receivables from employees and social security institutions and receivables for the recovery of costs and other non-performing loans for which the provision for doubtful receivables has been allocated.

The movement in the **provision for impairment of other receivables** is shown below:

Provision for impairment of other receivables *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Balance at the beginning of the year	**(878)**	**(2,719)**
Allocations	(155)	(89)
Use	365	1,930
Balance at the end of the year	**(669)**	**(878)**

12.13 Shareholders' Equity

The breakdown of this item is as follows:

Shareholders' equity *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Share capital	100,000	100,000
Profit/loss for the Group period	55,900	118,677
Share premium reserve	164,510	164,510
Revaluation reserves	25,728	25,728
Legal reserve	20,000	20,000
Merger reserves	(1,456,735)	(1,456,735)
Cash flow hedge reserve	21,240	35,284
IAS 19 employee severance indemnities reserve	(912)	(1,596)
FTA IAS-IFRS reserve	54,711	54,711
Retained earnings	2,976,398	2,907,722
Other reserves	(765)	(765)
Equity attributable to owners of the parent	**1,960,075**	**1,967,535**

At the reporting date, the share capital was fully subscribed and paid and consisted of 100,000,000 ordinary shares with a par value of €1.0 each.

Shareholders' equity decreased by €7,460 thousand compared to the previous year, due to the following impacts:

- increase due to the recognition of profit for the period (€55,900 thousand);
- increase for the recognition of actuarial gains on employee severance indemnities (TFR) net of the related tax effect (€684 thousand);
- decrease due to adjustment of the cash flow hedge reserve (-€14,044 thousand), which includes changes in the fair value of derivative financial instruments hedging the variability of interest rates on loans payable, net of deferred taxes;
- decrease due to the distribution of dividends to the parent company Superit S.r.l. for €50,000 thousand.

12.14 Net financial position

The Net Financial Position is an indicator that detects company liquidity and in particular allows us to evaluate:

- the overall level of indebtedness of the Company;
- the soundness of the capital structure.

The Net Financial Position (including liabilities for operating leases) as at 31 December 2024 was negative and amounted to €2,230,724 thousand (€1,967,671 thousand as at 31 December 2023).

The negative variation of €263,052 thousand is mainly attributable to the following impacts:

- +€419,664 thousand of operating flow generated from core business after taxes;
- - €545,596 thousand relating to investment activities functional to the development and maintenance of the sales network, logistics hubs and Group offices (of which €19,942 thousand relating to investments in operational *leasing* contracts (ROU *Right of Use*) in application of the international accounting standard IFRS 16 *Leases*;
- -€67,583 thousand from finance expenses related to outstanding loans, including operating leases.
- -€19,537 thousand relating to the change in the *fair value* of the derivative financial instruments hedging the interest rate risk relating to the Acquisition loan and the La Villata loan;
- - €50,000 thousand for the distribution of dividends to the parent company Superit S.r.l.

Details are given below:

Net Financial Position *(thousands of Euro)*	**31.12.2024**	**31.12.2023**
Non-current financial assets measured at Fair value	**12,669**	**24,966**
Cash and cash equivalents	**188,310**	**268,336**
Current financial assets measured at Fair value	**15,310**	**22,550**
Accrued interest income on current accounts and other	269	2,293
Other current financial assets	-	160
Other current financial assets	**269**	**2,453**
Bonds - non-current portion	(496,437)	(495,232)
Bank loans - non-current portion	(793,940)	(835,829)
Lease payables - non-current portion	(628,135)	(672,173)
Non-current financial liabilities	**(1,918,511)**	**(2,003,233)**
Bonds - -current portion	(1,747)	(1,747)
Bank loans - current portion	(457,023)	(209,850)
Lease payables - current portion	(69,497)	(70,074)
Loans payable to parent companies	(504)	(1,072)
Current financial liabilities	**(528,771)**	**(282,743)**
Net Financial Position	**(2,230,724)**	**(1,967,671)**

Financial assets measured at Fair Value

The itemmainly includes the positive fair value of derivative financial instruments of an Interest Rate Swap nature, to hedge the risk of fluctuations in variable rates relating to the loan taken out for the acquisition of 30% of Supermarkets Italiani S.p.A. and the amortising loan taken out by La Villata as part of the Purchase of 32.5% of treasury shares from Unicredit.

Cash and cash equivalents

The breakdown of this item is as follows:

Cash and cash equivalents *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Deposits with banks and post-office	177,828	259,551
Cash and cash equivalents on hand	10,482	8,765
Cheques	-	20
Total	**188,310**	**268,336**

Current and non-current financial liabilities

Bonds

On 18 October 2017, Esselunga S.p.A. placed two Eurobonds with a nominal value of €500 million each, with maturities of 6 and 10 years, listed on the Luxembourg Stock Exchange, with the following characteristics.
At the scheduled maturity date of 25 October 2023, the Group had repaid in full the principal portion of the first bond (six-year maturity) using cash and cash equivalents and cash elasticity instruments (credit lines); the principal portion of the remaining Eurobond will be repaid in full on the maturity date (25 October 2027).
The total value of the outstanding Bond is recorded net of the issue discount and transaction costs incurred for the issue of the Bonds, which mainly include legal expenses to finalise the issues, the fees paid to the banks involved in the transaction as Joint Bookrunners, as well as the fees for the rating advisory activity.

The following table shows the characteristics of the bond loan still outstanding:

Maturity 2027
- Nominal value: €500 million - Maturity: 25 October 2027 - Annual coupon: 1.875% - Issue price: 99.289% - Yield to maturity: 1.954% - Spread: 110 bps on the midswap rate

Bank loans

- On 27 January 2020, Superit Finco S.p.A. (now Esselunga S.p.A.) entered into a loan (*"Acquisition facility")* worth €775 million with leading banks, which provides for a credit line to be used from 23 April 2020; as of 31 December 2024, the covenant provided for in the contract was respected.
- In June 2022, as part of the transaction for the purchase of 32.5% of La Villata S.p.A.'s treasury shares from Unicredit, it signed a four-year bank loan worth €180 million with Unicredit.

Please note that:

- In August 2021, Esselunga entered into three non-revocable revolving sustainability-linked credit line agreements with leading banks for €300 million maturing in August 2026. As at 31 December, these credit lines were fully utilised;
- In June 2022, Esselunga entered into three contracts for three non-revocable *revolving* credit lines with leading banks for €300 million maturing in June 2027. As at 31 December, these credit lines were undrawn;
- As at December 2024, short-term loans with leading banks totalling €106.5 million were utilised.

Lease payables

The following table shows the reconciliation of the finance lease payable with the outstanding lease payments as of 31 December 2024:

Lease payables *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Lease payables (until contract maturity)	852,091	915,973
Lease payables (implied interest)	(154,459)	(173,727)
Total	**697,632**	**742,247**
of which non-current	628,135	672,173
of which current	69,497	70,074

In 2024 the Group paid leasing fees (capital quotas) amounting to €64,411 thousand (€23,209 for financial leasing contracts and €41,202 for IFRS 16 operating leasing contracts.

In 2024, the weighted average lease rate was 4.0%. Floating-rate finance leases accounted for 23% of finance-lease payables as at 31 December 2023.

12.15 Employee severance indemnities (TFR) and other staff-related provisions

The movement of the TFR fund is shown in the following table:

Employee severance indemnities (TFR) and other staff-related provisions *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Balance at the beginning of the year	**71,221**	**71,310**
Interest cost	2,115	2,604
Payments and transfers	(4,754)	(4,469)
Actuarial gains/(losses)	(950)	1,775
Balance at the end of the year	**67,633**	**71,221**

The main assumptions used to calculate the amount of the liability as at 31 December 2024 and 2023 are shown below:

	31.12.2024	**31.12.2023**
Financial Assumptions		
Inflation rate (annual)	2.0%	2.0%
Discount Rate (Annual)	3.2%	3.1%
TFR Annual rate of increase	3.0%	3.0%
Demographic Assumptions		
Expected mortality rate	ISTAT 2022	Data from Table RG48 (State General Accounting Office)
Expected disability rate	INPS tables separated by age and sex	
Time of retirement	100% on achieving AGO requirements	
Turnover Frequency	2.50%	
Frequency of Advances	2.00%	

12.16 Provisions for risks and charges

The movements in the provisions for risks and charges are shown in the table below:

Provisions for risks and charges (thousands of Euros)	**31.12.2024**	**31.12.2023**
Balance at the beginning of the year	**48,203**	**35,823**
Allocations	17,108	23,922
Uses/Releases	(17,728)	(11,543)
Balance at the end of the year	**47,583**	**48,203**

Provisions for risks and charges mainly include charges related to certain initiatives in the real estate sector as well as risks related to costs connected with the Milan Public Prosecutor's investigation and various types of litigation.

The item uses/releases refers mainly to uses due to payments to settle past liabilities and releases resulting from the lapse of certain risks set aside in previous years.

The Group, along with some suppliers, was sued by some employees of these suppliers. The Group has made the necessary allocations for risks where the risk of loss is deemed probable. Where the risk was deemed possible, no allocation was made. The Group will monitor the progress of litigation.

12.17 Deferred revenue for current and non-current prize-giving promotions

This item is the liability related to the points earned and not yet redeemed by customers at the reporting date.

The movements in the item for the year ended 31 December 2024 broken down by campaign:

		Point value			
Deferred income from reward events (thousands of Euros)	**31.12.2023**	accrued	redeemed	reclassification	**31.12.2024**
Fìdaty campaign 2021-2026	*97,322*	*120,593*	*(99,889)*	*62,708*	*180,733*
Amici di scuola (school friends)	*13,636*	*14,248*	*(13,636)*	*-*	*14,248*
Christmas Competition	*2,758*	*13,130*	*(2,758)*	*-*	*13,130*
Black & Decker	*311*	*-*	*(311)*	*-*	*-*
20 years Atlantic competition	*100*	*-*	*(100)*	*-*	*-*
Other Initiatives (Berkel and Gastronomy Competition)	*-*	*25*	*-*	*-*	*25*
Total	**114,127**	**147,996**	**(116,694)**	**62,708**	**208,136**

		Point value			
Deferred income from non-current promotions reward events *(thousands of Euros)*	**31.12.2023**	accrued	redeemed	reclassification	**31.12.2024**
Fìdaty campaign 2021-2026	*62,708*	*-*	*-*	*(62,708)*	*-*
Total	**62,708**	**-**	**-**	**(62,708)**	**-**

The "Fìdaty" gift with purchase promotion is the Group's institutional promotion for customer loyalty.

The item **deferred revenues for non-current premium events** in 2023 referred to the value of premiums measured at the *fair value* of the Fidaty campaign that were estimated to be redeemed by customers beyond 12 months from the balance sheet date, as at 31 December 2024 they were reclassified and shown as current given the closure of the Fidaty campaign expected by June 2025.

12.18 Other non-current liabilities

The breakdown of this item is as follows:

Other non-current liabilities ((*thousands of Euros*))	**31.12.2024**	**31.12.2023**
Security deposits	2,166	1,783
Others	88	48
Total	**2,254**	**1,831**

12.19 Trade payables

The breakdown of this item is as follows:

Trade Payables (*thousands of Euros*)	**31.12.2024**	**31.12.2023**
Trade payables for goods	1,216,398	1,334,417
Trade payables for services and assets	344,739	377,154
Total	**1,561,137**	**1,711,571**

Trade payables are shown net of any trade receivables relating to the same suppliers.

12.20 Current tax payables

The breakdown of this item is as follows:

Current tax payables (*thousands of Euros*)	**31.12.2024**	**31.12.2023**
IRES tax payable to parent company	1,126	27,374
IRES tax payable to the tax authorities	205	250
IRAP tax payable to the tax authorities	197	8,312
Total	**1,529**	**35,936**

12.21 Other Current Liabilities

The breakdown of this item is as follows:

Other current liabilities *(thousands of Euros)*	**31.12.2024**	**31.12.2023**
Payables to employees and other staff	110,887	102,103
Payables to social security institutions	82,275	71,785
Deferred revenues for prepaid cards	76,404	77,903
VAT payable to the tax authorities	14,909	26,964
IRPEF payable to the tax authorities	21,909	20,059
Other payables to the tax authorities	1,569	4,831
Advances	420	370
Accrued expenses and deferred income	920	812
Other payables	13,161	15,366
Total	**322,454**	**320,193**

Payables to employees and other staff includes accrued liabilities for costs accrued as at 31 December 2024 and not yet paid (fourteenth month pay, holidays, additional permits, performance bonuses and miscellaneous entitlements).

The **other debts** mainly include liabilities towards non-profit organisations of social utility and commissions to be paid to credit institutions for the use of electronic forms of collection.

13. Notes to the consolidated income statement

13.1 Net revenue

The breakdown of the item is as follows:

Net revenue *(thousands of Euros)*	**2024**	**2023**	**Difference**
Total sales	**9,447,758**	**9,325,770**	**121,988**
Costs for the purchase of newspapers and phone cards and related services	(128,112)	(118,871)	(9,241)
Deferred revenue for prize promotions	(31,302)	(12,830)	(18,472)
Other adjustments	(58,926)	(50,003)	(8,923)
Sales Adjustments	**(218,340)**	**(181,704)**	**(36,636)**
Total	**9,229,418**	**9,144,066**	**85,352**

Total sales in 2024 increased by €121,988 thousand (+1.3%) compared to 2023.

Net sales increased by €85,352 thousand (+0.9%) compared to the previous year, and were determined by adjusting total sales by functional items to express the requirements of IFRS 15, with particular reference to the qualification of "Representative of the transferred asset" (relative to the item "purchase costs of newspapers and telephone cards and related services") rather than the accounting representation of customer loyalty programmes.

The **Sales growth of +1.3%** is in line with the market growth, slowing down significantly compared to 2023, which had benefited from high inflation (for the Esselunga Group 7.2% in 2023 versus -0.2% in 2024).

We point out that sales were adversely affected by a number of events during the year. The Gessate store was closed for four months due to flooding, the Sesto Fiorentino store closed in June and still inactive due to a fire, and the Montecatini store closed from March for renovation. The impact of these closures resulted in a sales effect of -€40 million.

The erosion of consumer purchasing power after a two-year period of high inflation also resulted in volumes contracting by -0.7% in 2024 (it was -3.4% in 2023 and -1% in 2022).

In this context of weak demand, the Group supported the purchasing power of its customers through increased promotional activities and dedicated discount instruments (targeted discount vouchers) totalling €180 million.

The **deferred revenues for prize events**, equal to -€31,302 thousand (-12,830 thousand in 2023), are the result of the recognition of:

- recognition of fees for bonds (premiums and discount vouchers) to be considered extinguished with the use of points in the amount of +€116,695 thousand in 2024 (+€102,500 thousand in 2023);
- deferral of consideration for future obligations for -€147,997 thousand in 2024 (-€115,330 in 2023).

13.2 Costs for goods and raw materials

The net costs for goods and raw materials in 2024 amounted to €6,388,374 thousand compared to €6,313,118 thousand in 2023

Costs for goods and raw materials are shown net of revenue from promotional activities.

Revenue from promotional activities refers to promotional services provided by the Group to its suppliers, mainly consisting of preferential product display, organisation, and implementation of promotional campaigns targeted to specific products and advertising flyers.

13.3 Other revenues and income

The item other revenue and income is detailed as follows:

Other revenues and income *(thousands of Euros)*	**2024**	**2023**
Rent of supports for transport of perishable products	17,177	13,385
Other sales	8,250	8,364
Rental income and recovery of common charges	9,747	9,211
Revenue from providing product data	7,156	6,185
Insurance reimbursements and damages charged back	7,875	3,554
Miscellaneous contributions	1,515	1,365
Fragola points debit	1,226	1,344
Spreads and commissions	1,062	1,090
Recharge of costs for quality control analysis	507	504
Services to parent company	22	21
Other	9,989	5,374
Total	**64,526**	**50,397**

Other sales mainly include sales of scrap, waste paper, pallets and production waste to third parties and income from photovoltaic and cogeneration plants.

The **Fragola points debit** item includes the proceeds from the transfer of points relating to the Fìdaty Campaign to commercial *partners*.

The item **Other** includes income for the non-utilisation of prepaid cards expiring in 2024 in the amount of €5,566 thousand (€1,879 thousand for prepaid cards expiring in 2023). The increase is mainly attributable to the effects of higher sales of these cards in 2022 as a result of the raising of the tax and contribution exemption threshold for remuneration in kind paid to employees to €3,000 (Decree-Law No. 176 of 18 November 2022, so called "Aid-quater" Decree).

13.4 Costs for services

The breakdown of this item is as follows:

Costs for services *(thousands of Euros)*	**2024**	**2023**
Transportation and porterage	381,595	412,468
Utilities and data transmission expenses	169,395	162,899
Repairs and maintenance	128,573	135,041
Advertising and marketing	81,081	75,127
Cleaning	66,362	60,485
Consulting and professional services	45,430	30,967
Internal and external processing of goods and products	15,184	32,205
Bank collection fees	28,137	27,387
Security, surveillance and transportation of valuables	19,609	18,216
Insurance	6,325	5,776
Common charges	9,564	10,240
Commissions for Luncheon Vouchers	9,851	8,869
Rentals	5,522	4,732
Rent expense	1,160	952
Other services	47,549	43,771
Total	**1,015,337**	**1,029,135**

The decrease in the items **transport and porterage** and **internal and external processing of goods and products** with respect to 2023 reflects the operations implemented as part of the virtuous remedial plan described in the section **"Filing of 'cooperative' proceedings by the Milan Public Prosecutor's Office"**, which allowed the Company to rationalise its procurement contracts and the number of non-commercial suppliers and led to the stabilisation of 5,718 people, including 2,812 new Esselunga employees.

The cost for **utilities and data transmission expenses** in 2023 included the benefit of the tax credit on electricity and gas (€14,946 thousand), which was not foreseen in 2024.

Meal voucher commissions refer to the commission paid to the issuers of meal vouchers following their acceptance.

The item **rent expense** refers to the variable component on the lease payments linked to the sales of the stores (the guaranteed minimum rents are accounted for according to the international standard IFRS 16 *Leases*).

Other services mainly includes costs related to the "Amici di Scuola" schools campaign, to personnel management, such as canteen, clothing, medical examinations and commissions paid to temporary employment agencies, insurance costs and costs for meat and fish processing, parking management costs at some stores and call centres.

13.5 Personnel costs

The breakdown of this item is as follows:

Personnel costs *(thousands of Euros)*	**2024**	**2023**
Wages and Salaries	883,689	798,762
Social security charges	268,758	238,485
Employee severance indemnity	59,835	53,521
Cost for temporary employees	8,384	10,166
Corporate welfare	7,507	4,231
Gifts to employees	1,488	1,315
Other personnel costs	1,781	2,146
Total	**1,231,442**	**1,108,626**

The increase in personnel costs compared to the corresponding period of 2023 is attributable to the renewal of the national collective labour agreement for Modern Organised Distribution that took place in April 2024, as well as the internalisation process of approximately 2,812 people resulting from the company's commitment to implement a virtuous remedial plan following the Milan Public Prosecutor's Investigation, as set forth in the section **"Archiving of the 'Cooperative' Proceedings of the Milan Public Prosecutor's Office"**.

Personnel costs include the Corporate Welfare programme, which allows employees to take advantage of perks and benefits for themselves and their families and convert the performance bonus into services.

The changes in the average workforce are shown in the table below:

Average workforce	**2024**	**2023**
Non-office workers	8,519	7,469
Office workers	19,025	17,248
Middle managers	516	497
Managers	79	77
Total	**28,139**	**25,291**

At 31 December 2024, the Company had a workforce of 29,391 people (25,436 as at 31 December 2023).

13.6 Other operating costs

The breakdown of this item is as follows:

Other operating costs *(thousands of Euros)*	**2024**	**2023**
Municipal Property Tax - IMU	23,951	23,370
Municipal solid waste disposal fee - TARI	11,170	11,606
Donations	3,990	4,278
Taxes related to prize promotions	3,321	5,272
Other taxes and duties	5,093	48,272
Rights, authorisations and concessions	1,532	2,083
Subscriptions, printing, etc.	811	643
Provisions (uses/releases) for risks and charges	2,780	17,173
Net write-downs of financial assets	(1,108)	(674)
Other operating costs	36,443	9,599
Total	**87,983**	**121,622**

The item Other taxes and duties mainly included in 2023 the regularisation of the Group's tax position through the payment to the Revenue Agency of the disputed sum relative to the **Investigation by the Milan Prosecutor's Office**.

The item allocations (utilisations/releases) of provisions for risks and charges mainly refers to what is reported in the chapter Investigation by the Milan Public Prosecutor's Office.

The increase in other operating costs mainly refers to costs incurred in connection with settlements concluded during the year and the accounting of penalties towards INPS as described in the section **"Archiving of the 'Cooperative' proceedings of the Milan Public Prosecutor's Office"**.

13.7 Amortisation and depreciation

The breakdown of this item is as follows:

Depreciation *(thousands of Euros)*	**2024**	**2023**
Depreciation of property, plant and equipment	286,312	277,303
Rou (*Right of use*) amortisation and depreciation	56,721	56,205
Depreciation of real estate investments	2,957	2,697
Amortisation of intangible assets	47,195	47,825
Total	**393,185**	**384,031**

The increase mainly relates to the commissioning of assets due to new store openings and new IFRS 16 ROUs.

13.8 Allocations, write-ups and write-downs of fixed assets

The breakdown of this item is as follows:

Allocations, write-ups and write-downs of fixed assets *(thousands of Euros)*	**2024**	**2023**
Write-downs of investment properties	(22,742)	(9,524)
Reversals of impairment on real estate investments	9,268	13,096
Allocations for property risks	(2,524)	(6,098)
Release of provisions for property risks	5,073	3,614
Other minor write-downs/reinstatements	0	131
Total	**(10,925)**	**1,218**

This item is recognised in order to align the book value with the fair value in the event that the latter is lower than the cost, and is expressed net of the reversal of the purchase cost when the reasons for write-downs made in previous years no longer apply

These values are identified by assessments carried out by an independent expert or internally.

13.9 Capital gains/losses on non-current assets

This item amounted to -€3,160 thousand (€1,109 thousand in 2023) and related to the impact of selling real-estate assets.

Capital gains/losses on fixed assets *(thousands of Euros)*	**2024**	**2023**
Capital gains on disposal of tangible assets	388	1,120
Capital losses on disposal of tangible assets	(4,338)	(652)
Capital gains/losses ROU IFRS 16	790	641
Total	**(3,160)**	**1,109**

ROU IFRS 16 capital gains/losses relate to the early termination of lease contracts.

13.10 Net financial income (expense)

The breakdown of this item is as follows:

Net financial income (expenses) *(thousands of Euros)*	2024	2023
Bank interest income	484	4,683
Other finance income	180	1,068
Finance income	**664**	**5,751**
Finance expense on leasing contracts	(22,843)	(23,241)
Finance expense on bonds	(11,408)	(16,728)
Finance expense on acquisition facility	(17,359)	(16,510)
Finance expense on La Villata loans	(3,936)	(5,952)
Other finance expenses	(15,558)	(7,556)
Finance expense	**(71,104)**	**(69,987)**
Total	**(70,440)**	**(64,236)**

Finance expenses on leasing contracts include both interest expenses relating to financial leasing contracts and those relating to operating leasing (both accounted for under the IFRS 16 accounting standard).

Financial expenses on bonds include the interest expenses for the period and the amortised cost portion; the decrease from 2023 is attributable to the repayment of the bond loan in October 2023.

The **finance expense on *the Acquisition facility* and on the La Villata loan** include the interest payable for the period and the amortised cost part. These charges are net of the income relating to the contracts from "*Interest Rate Swap*" financial instruments;

Other finance income and expenses in 2024 mainly include charges incurred for the utilisation of credit lines and related to short-term bank loans with leading banks. In 2023, this item included financial charges related to the Milan Public Prosecutor's Investigation. In addition, they include the adjustment of termination benefits in application of IAS 19 and other minoti

13.11 Income (expenses) from equity investments

The breakdown of this item is as follows:

Income (expenses) from equity investments *(thousands of Euros)*	2024	2023
Share of income from equity investments	16	14
Expenses from equity investments	(99)	(99)
Total	**(83)**	**(85)**

13.12 Income tax expense

The breakdown of this item is as follows:

Taxes *(thousands of Euros)*	**2024**	**2023**
Current income taxes	(37,594)	(61,657)
Income from tax consolidation	217	2,530
Net deferred tax income (Expense)	262	1,867
Total	**(37,115)**	**(57,260)**

The analysis of actual taxation as a percentage of the Group's profit before tax compared to the theoretical figure is detailed in the table below:

	2024	**2023**
Applicable ordinary tax rate	28.05%	28.05%
Increases (decreases) compared to ordinary rate:		
- permanent differences	12.52%	11.31%
- different IRAP base	8.08%	4.14%
- Energy Bonus tax credit	0.00%	-2.38%
- Iper/Super amortisation and depreciation	-3.48%	-2.74%
- effect of reduction in taxable A.C.E.	0.00%	-3.91%
- income taxes of prior years	-0.09%	-1.40%
- IRAP deductibility for IRES purposes	-2.83%	-0.24%
- super deduction for new hires and permanent employment	-2.53%	0.00%
- release of realignment diff. Art.110 LD 1048/2020	0.00%	-0.34%
- other changes	0.18%	0.06%
Actual tax rate	**39.90%**	**32.55%**

The effective tax charge for 2024 was 39.90% (32.55% in 2023), compared to the theoretical tax rate of 28.05%.

The difference between the theoretical tax rate and the effective tax rate is mainly due to:

- the permanent differences that caused the increase in the tax charge for €11,646 thousand in 2024 and €19,890 thousand in 2023 (change of 12.52% and 11.31% respectively) mainly refer to the non-deductibility of charges related to the Milan Public Prosecutor's Investigation (€5,365 thousand in 2024, 14,144 thousand in 2023), IMU (€1,192 thousand in 2024 and €1,510 in 2023) and charitable donations (€1,027 thousand in 2024 compared to €740 thousand in 2023);

- the different IRAP base that increased the charge for the years 2024 and 2023 by €7,519 thousand and €7,282 thousand, respectively (change of 8.08% in 2024 and 4.14% in 2023);

- the benefit of extra depreciation and amortisation and hyper depreciation and amortisation for €3,235 thousand (3.48% change) in 2024 and €4,813 thousand in 2023 (2.74% change);
- the benefit in 2024 from a super deduction for new permanent hires (ImplementationDecree of 3 July 2024) amounting to €2,351 thousand (change of 2.53%);

In 2023, in addition to a benefit deriving from the tax credit related to the consumption of Electricity and Gas amounting to €4,192 thousand (change of 2.38%), there was also a benefit attributable to the ACE and super ACE (Economic Growth Aid) facility amounting to €6,885 thousand (change of 3.91%), this facility was abolished as of 2024 through Legislative Decree 2023 of 31 December 2023.

14. Transactions with related parties

The transactions carried out by the Group with related parties do not qualify as either atypical or unusual, fall within the Group's ordinary activities and are entered into on an arm's length basis.

Transactions with related parties in the years ended 31 December 2024 and 31 December 2023 mainly concerned:

business relations mainly concerning administrative services and leases;
financial transactions;
transactions regarding the management of the IRES tax consolidation and Group VAT;
employment and collaboration contracts with executives with strategic responsibilities including the Company's members of the Board of Directors;
commercial transactions mainly concerning professional consultancy services carried out by related parties through members of the Board of Directors.

The following tables show the <u>balance sheet amounts</u> arising from transactions with related parties during the years ended 31 December 2024 and 31 December 2023:

Transactions with related parties that affect the income statement *(thousands of Euros)*	Superit S.r.l.	Dom 2000 S.p.A.	Centomila candele S.c.p.a.	Board of Directors	Others	**Total**	**Total item**	**As % of item**
31.12.2024								
Intangible assets	-	-	-	2,583	-	2,583	**185,887**	**1.4%**
Trade receivables	37	-	-	-	-	37	**245,468**	**0.0%**
Current tax receivables	23,216	-	-	-	-	23,216	**25,225**	**92.0%**
Other current financial assets	-	-	-	-	-	-	**269**	**0.0%**
Non-current financial liabilities	-	201,949	-	-	-	201,949	**1,918,511**	**10.5%**
Employee severance indemnities (TFR) and other staff-related provisions	-	-	-	79	-	79	**67,633**	**0.1%**
Current financial liabilities	504	11,974	-	-	-	12,478	**528,771**	**2.4%**
Trade payables	-	616	-	-	1,026	1,642	**1,561,137**	**0.1%**
Current tax payables	1,126	-	-	-	-	1,126	**1,529**	**73.6%**
Other current liabilities	-	-	-	573	-	573	**322,454**	**0.2%**
31.12.2023								
Intangible assets	-	-	-	4,583	-	4,583	**187,866**	**2.4%**
Trade receivables	6	-	-	-	-	6	**266,921**	**0.0%**
Current tax receivables	4,852	-	-	-	-	4,852	**4,923**	**98.6%**
Other current financial assets	51	-	-	-	-	51	**2,453**	**2.1%**
Non-current financial liabilities	-	210,748	-	-	-	210,748	**2,003,233**	**10.5%**
Employee severance indemnities (TFR) and other staff-related provisions	-	-	-	77	-	77	**71,221**	**0.1%**
Current financial liabilities	1,072	10,189	-	-	-	11,261	**282,743**	**4.0%**
Trade payables	-	672	-	-	591	1,263	**1,711,571**	**0.1%**
Current tax payables	27,374	-	-	-	-	27,374	**35,936**	**76.2%**
Other current liabilities	-	-	-	505	-	505	**320,193**	**0.2%**

The following table shows the income statement amounts arising from transactions with related parties in the years 2024 and 2023:

Economic transactions with related parties *(thousands of Euros)*	Superit S.r.l.	Dom 2000 S.p.A.	Centomila candele S.c.p.a.	Board of Directors	Others	**Total**	**Total item**	**As % of item**
2024								
Other revenues and income	22	-	-	-	-	22	**64,526**	**0.0%**
Costs for services	256	616	-	-	1,216	2,088	**1,015,337**	**0.2%**
Personnel costs	-	-	-	7,408	-	7,408	**1,231,442**	**0.6%**
Finance expense	20	6,412	-	-	-	6,432	**71,104**	**9.0%**
2023								
Other revenues and income	21	-	-	-	-	21	**50,397**	**0.0%**
Costs for services	160	672	-	-	1,285	2,364	**1,029,135**	**0.2%**
Personnel costs	-	-	-	7,502	-	7,502	**1,108,626**	**0.7%**
Finance expense	44	6,612	-	-	-	6,656	**69,987**	**9.5%**

The other revenues and income refer to the provision of administrative services.
Costs for services to Dom 2000 S.p.A. refer to the variable component of rent expense.
The costs for services to other related parties refer to professional consultancy services carried out by the law and tax consulting firm Pirola, Pennuto Zei and Associati as a related party through members of the Board of Directors.
Personnel costs refer to the emoluments and remuneration granted in any form and for any reason to the Senior Management, including members of the Parent Company's Board of Directors, and recorded in the financial statements in each of the two periods ended 31 December 2024 and 2023, including allocations and regardless of whether such costs have already been paid.
Finance expense vis à vis DOM 2000 S.p.A. refers to finance expenses recognised in compliance with IFRS 16 on leases.
The Parent Company is not subject to management and coordination.

▪ 15. Commitments, guarantees and contingent liabilities

15.1 Capex commitments

Commitments outstanding as at 31 December 2024 for capex amounted to €102,547 thousand and were determined based on contracts and agreements entered into with the relevant local authorities net of capex already made at that date and liabilities already recorded in the financial statements.

15.2 Commitment for the purchase of goods

The Group did not enter into significant agreements for the future purchase of goods. Therefore, there are no commitments in this regard.

15.3 Guarantees given

The guarantees given by the Esselunga Group amounted to €131,436 thousand as at 31 December 2024, of which €121,145 thousand were bank guarantees, €5,220 thousand insurance guarantees and €5,071 thousand to the Treasury for VAT credits as part of the VAT settlement procedure.

15.4 Contingent liabilities and lawsuits

Please refer to the comments in chapter Closure of the "cooperatives" case by the Milan Public Prosecutor's Office and to the comments in section Provisions for risks and charges of this Financial Statement.

▪ 16. Positions or transactions arising from atypical and/or unusual transactions

In 2024, no atypical and/or unusual transactions were carried out which, due to their nature, size, or effect, may affect the Group's assets, liabilities, shareholders' equity, net result or cash flows.

17. Summary of public grants pursuant to Article 1 of law 124/2017

We inform you that the obligations set out in the annual Market and Competition Law 124/2017 do not apply to the Esselunga Group, as the subsidies, contributions, or other financial aid received fall within the scope of its activity and, in any case, refer to incentive measures addressed to all companies in general.

18 Remuneration of the Board of Statutory Auditors

The compensation paid to the Board of Statutory Auditors for the financial year ended 31 December 2024 amounted to €124 thousand.

19. Independent auditors' fees

Pursuant to the applicable legislation, the total fees for the 2024 financial year for auditing and non-audit services provided by PricewaterhouseCoopers S.p.A. and entities belonging to its network are shown below:

(thousands of Euros)	**Service provider**	**Recipient**	**Total fees**
Audit services	PricewaterhouseCoopers S.p.A.	Esselunga S.p.A.	904
		Subsidiaries	115
Non-audit services	PricewaterhouseCoopers S.p.A.	Esselunga S.p.A.	30
		Subsidiaries	20
	PricewaterhouseCoopers Network	Esselunga S.p.A.	207
		Total	**1,276**

20. Significant events after the end of the financial year

There are no significant events occurring after the closing date that have an impact on these Financial Statements.

Milan, 31 March 2025

The Chairman
of the Board of Directors
(Ms Marina Sylvia Caprotti)
Marina Caprotti

Report of the Board of Statutory Auditors

ESSELUNGA S.p.A. (Sole shareholder)
Registered office in Milan, Via Vittor Pisani 20
Share Capital €100,000,000 fully paid up
Tax Code and Milan, Monza Brianza, Lodi Register of Companies No. 01255720169
Milan R.E.A. no. 1063068

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2024

To the sole shareholder

The Consolidated Financial Statements of the Esselunga Group, as notified to us by the Directors, have been drafted in compliance with the International Financial Reporting Standards (IFRS).

Pursuant to Legislative Decree No. 39 of 27 January 2010 and Article 41, paragraph 2 of Legislative Decree No. 127 of 9 April 1991, the task of verifying that the Consolidated Financial Statements comply with legal requirements and correspond to the accounting records and the consolidation entries is assigned to the Independent Auditors.

Our supervisory activity was carried out in compliance with the principles of conduct of the Board of Statutory Auditors as issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Council of Certified Accountants and Auditors) and concerned, in particular:

- verification of the existence and adequacy, within the Esselunga Group's organisational structure, of a function responsible for relations with subsidiaries and associated companies;
- examination of the Group's composition and shareholders, to assess the determination of the scope of consolidation and its change from the previous financial statements;
- obtaining information on the activities carried out by the subsidiaries and on intragroup transactions most significant in terms of financial and P&L impact.

Comments on the consolidated financial statements of the Esselunga Group.

- The consolidated financial statements of the Esselunga Group for the year ended 31 December 2024 reported a consolidated net profit of Euro 55,900 thousand; they consist of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the statement of changes in consolidated equity and the notes to the consolidated financial statements for the year ended 31 December 2024.

- The Board of Directors also prepared the management report pursuant to Article 2428 of the Italian Civil Code; Pursuant to Article 40, paragraph 2-bis of Legislative Decree 127/91, the Company has exercised the option to present a single document for the management report of the separate financial statements and that of the consolidated financial statements, including, starting from this year, the Consolidated Sustainability Report, drawn up in compliance with Legislative Decree No. 125/2024, which transposes European Directive 2022/2464/EU into Italian law, and the ESRS (European Sustainability Reporting Standards).

The sole shareholder expressly waived the deadline given in the first paragraph of Article 2429 of the Italian Civil Code for filing the Report of the Board of Statutory Auditors, as the shareholders' meeting called to vote on the financial statements was convened for 30 April 2025.

In compliance with legal obligations, the Board of Statutory Auditors makes the following remarks:

- On 16 April 2025, the Independent Auditors, which are responsible for the statutory audit, issued the report prepared pursuant to Legislative Decree 39 of 27/01/2010, which certifies that the consolidated financial statements of the Esselunga Group for the year ended 31 December 2024 provide a true and fair representation of the Company's financial position, economic result and cash flows for the year in accordance with the International Financial Reporting Standards endorsed by the European Union, as well as the provisions issued in implementation of art. 9 of Legislative Decree 38/05; the Independent Auditors' report also expresses an opinion on the consistency of the management report with the financial statements and its compliance with the law;
- on 16 April 2024, the Independent Auditors provided the Board of Statutory Auditors with the additional report required by Article 11 of EU Regulation 537/2014;
- On 16 April 2025, the Independent Auditors provided the Board of Statutory Auditors with their certification that the Consolidated Sustainability Report was prepared in accordance with ESRS and the provisions of Article 8 of Regulation

2020/852/EU. The aforementioned certification did not reveal any elements of non-compliance with the relevant regulations.

- the scope of consolidation, the consolidation criteria and methodologies, as well as the measurement criteria adopted by the Directors, which are described in the Notes to the consolidated financial statements at 31 December 2024, are in accordance with the laws in force;
- the subsidiaries are consolidated using the line-by-line method; investments in associates are measured using the equity method;
- the Board of Statutory Auditors ascertained, through direct checks and information obtained from the heads of the various departments, the general compliance of the financial statements with the legal provisions in force as regards their formation and structure;
- the Board of Statutory Auditors was able to ascertain that the financial statements generally conform to the information gathered, the documents examined and the facts that came to its attention during the periodic audits and the interviews carried out;
- The Board of Statutory Auditors did not receive any remarks from the Boards of Statutory Auditors of the subsidiaries to be noted in this report;
- the Board of Statutory Auditors acknowledges that the Management Report, including the Consolidated Sustainability Report, prepared by the Directors provides a true, fair and comprehensive analysis of the Company's affairs under all respects.
- Regarding the Consolidated Sustainability Report, the Board of Statutory Auditors confirms that it has monitored compliance with the relevant legal provisions and the adequacy of the organisational, administrative and reporting and control system established by the Company to enable the correct and complete representation of the disclosures required by the specific regulations.

Milan, 16 April 2025

The Board of Statutory Auditors

Mr Enzo Moggio	Chairman
Mr Marco Sabella	Regular Auditor
Mr Stefano Angheben	Regular Auditor

Independent Auditors' Report

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the sole shareholder of Esselunga SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Esselunga Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity, the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Esselunga SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were

PricewaterhouseCoopers SpA

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	***Auditing procedures performed in response to key audit matters***
Commercial arrangements with suppliers	
Note 13.2 Costs for goods and raw materials The Group signs commercial agreements with suppliers that include discounts and contributions for promotional activities. In accordance with International Financial Reporting Standards (IFRS), such contributions and discounts are recognized as a reduction in the purchase cost of goods under "Costs for goods and raw materials" when the conditions for accrual, defined in the commercial agreements signed with individual suppliers, are met. The recognition varies according to the type of trade agreement: • discounts are mainly determined as a percentage of the amount purchased from the supplier; • promotional contributions may vary depending on the nature and timing of the promotional services. The recognition is based on a fixed or variable amount of the amount purchased from the supplier. As part of the audit of the consolidated financial statements for the year ended 31 December 2024, the areas affected by the accounting of such contributions and discounts have been considered a key audit matter in the audit process, with reference to the accuracy and existence of the transactions, considering the significance on the Group's results and the number and complexity of the agreements signed with suppliers.	We have understood and evaluated the internal control process and we carried out procedures to verify the actual existence and effectiveness of the controls we considered relevant underlying the management of commercial arrangements. In addition, audit procedures in response to the key audit matter included: • performing analytical procedures to understand fluctuations in discounts and promotional contributions; • for a sample of suppliers, obtaining and reviewing signed commercial agreements and conducting meetings with purchasing managers to obtain an appropriate understanding of contract terms; • the verification of the accuracy of accrued discounts as well as promotional contribution amounts by recalculating the amounts and reviewing relevant supporting documentation; • examination of the existence and accuracy of the accrual recorded by the Group by obtaining, for a sample of suppliers, debit notes issued and credit notes received subsequent to year-end. Finally, we verified the appropriateness and completeness of the disclosures in the notes to the financial statements.

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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Esselunga SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

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

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 26 September 2017, the shareholders of Esselunga SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2017 to 31 December 2025.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

pwc

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of Esselunga SpA are responsible for preparing a report on operations of Esselunga Group as of 31 December 2024, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Esselunga Group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Milan, 16 April 2025

PricewaterhouseCoopers SpA

Signed by

Stefano Pavesi
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Corporate bodies and auditing firms

Giuliana Albera Caprotti	Honorary President [1]

Board of Directors [2]

Marina Sylvia Caprotti	Executive Chairman
Vincenzo Mariconda	Vice Chairman
Gabriele Villa[3]	General Manager and Director
Alessandra Cozzani	Director
Lorenzo Oliviero Piaget	Director
Monica Alessandra Possa	Director
Francesco Paolo Tronca	Director
Stefano Tronconi	Director

Board of Statutory Auditors[4]

Enzo Moggio	Chairman
Stefano Angheben	Regular auditor
Marco Sabella	Regular auditor
Franco Chesani	Alternate auditor
Claudio Clementel	Alternate auditor

Independent auditors[5]

PricewaterhouseCoopers S.p.A.

Supervisory Body[6]

Augusta Iannini	Chairman
PierMario Barzaghi	Member
Alberto Gaudio	Member

(1) **Honorary President** appointed on 19 April 2023
(2) **Board of Directors** appointed on 18 April 2024 and reduced to 8 directors on 9 May 2024
(3) **General Manager** appointed on 15 September 2021
(4) **Board of Statutory Auditors** appointed on 19 April 2023
(5) **Independent auditors** appointed on 26 September 2017 for the period 2017 - 2025
(6) **Supervisory Body** appointed on 27 April 2022

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