

SUSTAINABILITY POLICY



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INTRODUCTION AND OBJECTIVES OF THE SUSTAINABILITY POLICY

Every day Esselunga strives to improve its customers' quality of life by offering an easy and pleasant shopping experience, with products of the utmost excellence and freshness and the highest quality of services, at the most affordable prices, online as well as in stores that are unrivalled on the market. Thanks to its own production plants and processing centres, Esselunga is an actual food company, committed to making food products under its own brand.

The Group, since its foundation, upholds the value of acting sustainably in economic, social and environmental matters. Therefore, the Policy has been updated with the aim of promoting the integration of sustainability in the company's strategy and activities and it embodies the whole evolution process of Esselunga in the management of social and environmental issues. The document contains the guidelines underlying the sustainability model defined by Esselunga and articulated in the Sustainability Strategy and Plan.

The Strategy consists of 5 macro-pillars that have been identified as priorities by the Group: Customers, People, Environment, Suppliers and Community, which are also Esselunga's main stakeholders, whose interests, expectations and needs must constantly guide all of the company's decisions. Furthermore, the Policy reaffirms, formalises and articulates the Group's belief that the creation of sustainable and long-lasting value must be pursued while complying with the ethical principles of legality and fairness, integrity and honesty, impartiality and transparency, with a view to continuous improvement, operational efficiency and cost-effectiveness.

In this regard, Esselunga has decided to adhere to the United Nations' Agenda 2030 and is strongly committed to making a tangible contribution to the achievement of the Sustainable Development Objectives. As a matter of fact, the Group has identified some tangible objectives that drive its business model towards inclusive, responsible and sustainable growth.

Reference standards and principles

The Sustainability Policy reinforces what has already been declared in the Esselunga's Code of Ethics and provides a manifesto through which the Group upholds the principles of responsible and sustainable growth. In defining its principles, Esselunga has been inspired by the main standards issued by several international organizations of reference, including:

- The International Charter of Human Rights of the United Nations, 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 enterprises and human rights: Implementing the United Nations' "Protect Respect and Remedy" Framework;
- The Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and related applicable covenants;
- The 10 principles of the Global Compact;
- The OECD Guidelines for Multinational Enterprises;
- The Sustainable Development Goals (SDGs) of the United Nations;
- The Women's Empowerment Principles (WEPs).

ETHICS AND RESPONSIBILITY: FIGHTING CORRUPTION

The Group undertakes to operate in compliance with the ethical principles of legality and fairness, integrity and honesty, impartiality and transparency in all relationships with stakeholders, promoting full compliance with the regulations as well as the highest ethical standards, rejecting all forms of active and passive corruption. Specifically, people at Esselunga are aware that corruption in all its forms has significantly negative economic, social and environmental impacts, for the Group as well as for the community in which it operates.

Therefore, the Esselunga Group has zero tolerance for any actions aimed directly or indirectly at promoting active or passive corruption. This stance is evidenced by Esselunga's adoption of this Policy, to guide all business players - and support the business itself - so they may act according to fairness, transparency and above all with the awareness of the consequences of non-compliance with the law when it comes to corruption.

The Group operates in compliance with all applicable laws and regulations and has also adopted an Organization, Management and Control Model according to Italian Legislative Decree 231/01 to manage corporate activities. This model features control procedures and protocols that have the purpose of preventing and managing any crimes envisaged by the Legislative Decree such as bribery/ extortion, false communications, environmental crimes and money laundering.

To comply with and adhere to the anti-corruption laws and regulations, the Esselunga Group asks all parties that directly or indirectly deal with it:

- not to accept money or other gifts with the purpose of breaching or simplifying one's duties towards the Group;
- not to promise or offer sums of money or other, even indirectly, with the aim of obtaining favours or commercial advantages in an unfair and/or improper manner;
- not to make facilitating payments, which consist of offering money with the aim of speeding up an administrative procedure even without affecting its outcome;
- always check the value of any gifts received from people and/or partners outside the Group and the intentions with which such gifts have been offered.

ESSELUNGA'S COMMITMENTS

Customers

Esselunga is aware of its role in the life of consumers and undertakes to provide a positive contribution to their eating habits, promoting **high quality products and a healthy and well-balanced lifestyle**.

With a view to continuously improve processes, services and products, the Group commits to offer customers safe, high quality, healthy and tasty branded products, developing **recipes and ingredients that are innovative as well as traditional**.

Furthermore, Esselunga undertakes to ensure **transparency** and attentiveness in its dealings with all customers and to continuously improve its ability to meet their needs, offering excellent products and services that are tailor-made to answer to different lifestyles and consumption habits. The Group is therefore constantly engaged in the renewal of the assortment offer in order to respect the growing sensitivity of consumers to social-environmental issues, thus promoting the integration of sustainability criteria in daily choices.

People

Esselunga is aware that its people are at the heart of the enterprise and the mean through which it offers high quality services and generates new ideas. Therefore, Esselunga believes that the ability to **attract** and **retain** the best **talents** is the key to create value in the long term, that is why it strives to support its people, starting from the recruitment process and throughout their career path, investing in their **wellbeing** and **professional development**.

The Group considers the **training** and **the updating of skills** of its employees essential for its success and competitiveness; to this purpose, it promotes continuous learning and design courses aimed at enriching skills and abilities and fostering professional growth, supporting its employees in building their future.

Furthermore, Esselunga commits to promote **inclusion** and support **diversity** implementing specific programmes and policies and developing listening systems that foster dialogue and collaboration, with the aim of offering all employees a harmonious and stimulating work environment, in which everyone can feel at ease and dedicate themselves to their work under the best possible conditions.

Furthermore, the constant and unchallengeable commitment to guarantee **safety in the workplace** underlies all company activities through specific policies, promoting the culture of risk prevention and management and mobilising and raising the awareness of all personnel to active and responsible participation.

Environment

Esselunga is aware that the activities for producing and distributing goods cause impacts on the environment and this is why it invests significant resources to improve its environmental performance.

Therefore, the Group uses sustainable technologies to reduce the risks associated with climate change thanks to the use of renewable energy and the improvement of energy efficiency. It also sets itself the objective of undertaking the best sustainability standards as well as restoration interventions into the design, building and management of stores, production plants, distribution centres and offices.

The **reduction of waste**, food and non-food, is a strategic priority at Esselunga, which commits to adopt operative and management solutions to reduce surplus to a minimum, reducing the amount of food to be wasted and preventing the waste of raw materials.

At the same time, Esselunga undertakes to measure the impacts of its services and products along their entire life cycle, in the constant search for strategies aimed at reducing the environmental impacts of packaging by rethinking products, considering viable alternatives and activating new operational tools able to improve and refine research activities for increasingly **sustainable packaging**.

Suppliers

At Esselunga, excellence means **quality and safety of products**, as well as the commitment to promoting a supply chain that is observant and respectful of the rights of workers, the environment and animals. Suppliers therefore become strategic partners, with whom the Group seeks trust-based and long-term relationships in order to achieve its goals, as well as fostering dialogue and mutual collaboration.

The focus on **responsible supply chain management** starts already at the stage of supplier selection and continues over time, through periodic dialogue, support and auditing activities. This way, Esselunga pursues compliance with the highest ethical standards for the protection of human rights and the dignity of people along the entire supply chain, but also to promote and market food and non-food products, sourced from ethically managed supply chains, which ensure compliance with environmental and social sustainability requirements, including **animal welfare**.

The Group also focuses on promoting **typical regional products** and choosing **local suppliers** who, thanks to an ever shorter supply chain, ensure greater freshness and higher cost-effectiveness. The support to local production is indeed an integral part of the Group's commitment towards the communities it works in, in order to foster the growth of small-sized suppliers and of the local economy, highlighting excellence and promoting the creation of shared value.

Community

Esselunga actively supports the economic and social growth of communities, generating job opportunities and contributing to the economic development of the areas where it has its own stores and plants.

Our Group has a long-standing commitment to territorial projects aimed at sustaining not only the local economic development and prosperity but also the **social and cultural progress of the communities**. This is implemented through sponsorships, fundraising and campaigns in support of medical research and scientific education, **donations of food surpluses** to local communities and supporting the fight against food waste.

Furthermore, Esselunga contributes to the **education of the new generations** and to the **protection of the beauty and traditions of the local communities**, through projects for the protection of artistic heritage and the recovery of neglected areas.

APPLICATION AND MONITORING

The Sustainability Policy was formally approved by the Board of Directors of Esselunga S.p.A. on 27 January 2021 and is an updated version of the Policy previously in force in the Group.

The Policy applies to all Group companies, to current and potential employees, associates, suppliers and business partners of the Group. Esselunga undertakes to keep in force and periodically update this Policy, communicating it to all personnel and also making it available to stakeholders through its website.

Breaches to this Policy entail specific consequences based on the extent of the breach itself and may also include disciplinary actions.

The Group considers the involvement of stakeholders of primary importance and undertakes to report annually its social, environmental and economic performance, highlighting the progress made in achieving the sustainability goals gradually met through corporate reporting documents, including the Sustainability Report, monitoring compliance with this Policy while maintaining an active dialogue with stakeholders.

The Executive Chairman
of Esselunga S.p.A.

Marina Caproli

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