

Esselunga's commitments in the framework of the EU Code of Conduct on Responsible Business and Marketing Practices

The Group encourages the value of **acting sustainably in economic, social and environmental matters and has done so since its foundation**.

Being aware of its role and of the significance of its business for the community and for stakeholders, Esselunga has started a journey of progressive integration between economic decisions and the evaluation of social and environmental impacts as basic elements to ensure the **creation of shared value** for its stakeholders in the long term.

Therefore, during 2018, the Company developed a **Sustainability Policy** that defines and declares its social and environmental principles and draws the guidelines to be followed to ensure a responsible and sustainable management of its business.

Esselunga's **Sustainability Strategy (2019-2025)** originates from this process and aims to create a framework of commitments, strategic guidelines and targets to lead the Company in the integration of sustainability drivers in daily business choices.

The Sustainability Strategy is articulated in **5 macro-pillars: Customers, People, Environment, Suppliers and Community**. The pillars represent Esselunga's main stakeholders, with their interests, expectations and requirements, and must constantly be the main aim of all of the Company's decisions.

In order to define its strategic sustainability priorities, in 2019 Esselunga developed a **materiality analysis process**, updated in 2020, aiming at identifying – according to the reporting standards issued by the Global Sustainability Standard Board of the GRI – the material aspects of sustainability that may significantly affect the decisions and the opinions of stakeholders as well as the performance of the Company.

Recognizing that operating sustainably and encouraging consumers to adopt healthy and sustainable lifestyles is a milestone of its Sustainability Strategy and that its strategic ambitions are in line with the ambitions of the “from Farm to Fork” strategy, Esselunga supports the EU Code of Conduct on Responsible Food Business and Marketing practices and does everything it can to reach the following **aspirational goals**:

#1 Healthy, balanced and sustainable diets for all consumers

Esselunga is aware of its role in the life of consumers and commits 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.

#3 A climate neutral food chain by 2050

Esselunga is aware that the activities for producing and distributing goods cause an impact on the environment which is why it invests significant resources to improve its environmental performance. Therefore, the Group makes use of sustainable technologies to reduce the risks associated with climate change using renewable energy and improving energy efficiency.

It also pursues the goal of adopting the best sustainability standards in design, construction and management of stores, production plants, distribution centres and offices.

#4 An optimised circular and resource-efficient food chain

Esselunga commits 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.

#5 Inclusive and sustainable economic growth, employment and decent work for all

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

The Group considers training and skills updating of its employees as key resources for its continued 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, the constant and strong commitment to guarantee safety in the workplace underlies all company activities through the adoption of suitable policies, promoting the culture of risk prevention and management and constantly raising the awareness of all personnel.

#7 Sustainable sourcing in food supply chains

In Esselunga excellence means quality and safety of products, as well as the commitment to promote a supply chain that is respectful of workers' rights, of the environment and of animal welfare. 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 constructive dialogue and mutual collaboration.

The focus on a responsible supply chain management starts at the stage of supplier selection and extends continuously over time, through periodic dialogue, support and auditing activities. This way, Esselunga commits to pursue 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 and sustainable fishing.

The commitments listed here below reflect the engagement of the Company towards an ever more sustainable and responsible development.

Aspirational objective	Dimension covered	Area	Commitment	New or existing
1	Health / Social	Food education	Promotion of food education through communication initiatives and by increasing by more than 50% the number of products sold of Equilibrio, BIO and CheJoy lines	EXISTING
1	Health / Social	Innovation	Launch of over 1,500 Esselunga brand products and revision of more than 250 recipes to improve and balance the nutritional characteristics of Esselunga brand products	EXISTING
3	Environmental	Climate Change	30% reduction of greenhouse gas emissions	EXISTING
4	Environmental	Packaging	100% of the packaging of Esselunga brand products made of recycled, recyclable or biodegradable material	EXISTING
5	Social	Training and development	More than 650,000 hours of annual training (+40% compared with 2018)	EXISTING
5	Health / Social	Health and safety	Maintaining and improving existing management systems to ensure the health and safety of employees	EXISTING
7	Social / Environmental	Responsible production chain	Development of the Esselunga Code of Conduct and its enforcement on 100% of the suppliers of Esselunga brand products, carrying out sample audits to verify its compliance	EXISTING
7	Health / Environmental	Sustainable Fishing	“Pesca Sostenibile”(Sustainable Fishing) Certification of Esselunga brand products for 100% of packaged, frozen and long-life products and for 100% of fresh product lines which include yellow fin tuna, swordfish, salmon and Esselunga and Naturama fish raised in Italy	EXISTING

Below, for each commitment, Esselunga has identified specific KPIs which are used to measure progress:

COMMITMENT BY 2025	BASELINE	KPI
Promotion of food education through communication of initiatives and increasing by more than 50% the number of products sold of the line Equilibrio, BIO and CheJoy	2018	Percentage of increase of products sold of the lines Equilibrio, BIO and CheJoy compared to 2018
Launch of over 1,500 Esselunga brand products and revision of more than 250 recipes to improve and balance the nutritional characteristics of Esselunga brand products	2018	<ul style="list-style-type: none"> Number of new revisited product Number of revisited recipes of Esselunga brand products since 2018
30% reduction of the emissions of greenhouse gases	2018	Percentage of the reduction of indexed emissions since 2018
100% of the packaging of Esselunga brand products made of recycled, recyclable or biodegradable material	2018	<ul style="list-style-type: none"> Percentage by weight of materials recycled, recyclable or compostable used for the packaging of references produced by Esselunga Percentage by weight of materials recycled, recyclable or compostable used for the packaging of Esselunga brand products produced by third parties

More than 650,000 hours of annual training (+40% compared with 2018)	2018	Percentage of increase in training hours compared to 2018
Maintaining and improving the existing management systems to ensure the health and safety of employees	2018	Maintenance of "Occupational health and safety management systems" certification
Development of the Esselunga Code of Conduct and its adoption by 100% of the suppliers of Esselunga brand products, carrying out sample audits to verify its compliance	2018	Percentage of Esselunga brand products suppliers adhering to Esselunga Code of Conduct
"Pesca Sostenibile" (Sustainable Fishing) Certification of Esselunga brand products for 100% of packaged, frozen and long-life products and for 100% of fresh products lines which include yellow fin tuna, swordfish, salmon and Esselunga and Naturama fish raised in Italy	2018	<ul style="list-style-type: none"> ▪ Percentage of packaged, frozen and long-life Esselunga brand products certified "Pesca Sostenibile" ▪ Percentage of fresh products lines which include yellow fin tuna, swordfish, salmon and Esselunga and Naturama fish raised in Italy all certified "Pesca Sostenibile"

The Esselunga Group

Esselunga is one of the leading Italian grocery retailers with more than 160 superstores and supermarkets in Lombardy, Tuscany, Emilia-Romagna, Piedmont, Veneto, Liguria and Lazio. All shops are served by its production and distribution centers located in Limoto di Pioltello (MI), Parma, Biandrate (NO), Chiari (BS) and Florence. The chains of Esserbella perfumeries and Bar Atlantic are part of Esselunga as well.

The history of Esselunga began in Milan in 1957, with the opening of the very first supermarket in Italy. Today the company counts about 25.000 employees, a turnover of 8,4 billion euros and 5,5 million loyal customers. The company constantly works towards product innovation, environmental and consumer protection.

Being both producer and retailer, Esselunga is a real "food company", whose main strengths are its fresh products and those produced in its production plants.

Esselunga combines quality ingredients, the craftsmanship of its laboratories' employees, attention to freshness as well as waste reduction. All this that without ever forgetting the constant focus on convenience, guaranteeing the best quality at the lowest prices.

Innovation, with an eye to tradition, has always been a core strategy of Esselunga, which has not only continuously invested in studying solutions for sustainable development, but is also socially devoted to the communities it operates in. The company is, in fact, involved in many activities concerning culture, social issues, medical research and education.

Additional information about Esselunga can be found by visiting <http://www.esselunga.it> and the 2020 Environmental, Social and Governance (ESG) Report at <https://www.esselunga.it/cms/sostenibilita/area-download.html>

To learn more:

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Marina Caprotti
Executive Chairman

Limite, 14 July 2021

