



2015
Sustainable
Development
Report

Dia %
Group

INDEPENDENT REVIEW REPORT ON

Distribuidora Internacional de Alimentación, S.A. 2015 SUSTAINABLE DEVELOPMENT REPORT

To the Management of Distribuidora Internacional de Alimentación, S.A. (hereinafter DIA, S.A. or DIA)

Scope of the work

We have carried out the review of certain sustainability information included in the 2015 Sustainable Development Report (hereinafter, the Report) and in the GRI (G3.1) indicators table included in chapter 5. Our work has been limited to the review of indicators EC1, EC7, LA7, LA8, LA10, LA12, LA13, PR1, SO2, SO4, SO7, SO8, EN3, EN4, EN6, EN8, EN16, EN22, EN26 and EN28 included in the mentioned table.

The Report was prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 3.1.

The scope considered by DIA for the elaboration of the Report is defined in section 1.1 "Report profile, scope and boundary" and includes DIA, S.A. as well as its associated companies in Spain, Portugal, Argentina, Brazil and China. The scope of our review has been limited to DIA, S.A. and its associated companies in Spain.

The preparation of the attached Report, as well as the information contained therein, is responsibility of the management of DIA. They are also responsible for defining, adapting, and maintaining the management systems and internal controls from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

- The Guidelines for reviewing Corporate Responsibility Reports, issued by the Official Register of Auditors of Accounts (ICJCE).
- Standard ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited scope of assurance.

Applied procedures

Our review consisted in performing inquiries to the managers of the Sustainable Development and Corporate Social Responsibility (CSR) unit as well as the various managers of the business units that have participated in the preparation of the attached Report, and in applying analytical procedures and sampling review tests as described below:

1. Interviews with the managers of the Sustainable Development and Corporate Social Responsibility (CSR) unit in charge of the elaboration of the Report. Interviews with key staff from other business units that participate in the elaboration and definition of its content have also been carried out.

2. Understanding of the reporting systems used by the Company, the processes for the elaboration of the Report and the monitoring of policies, relationships and commitments acquired by DIA with its stakeholders.
3. Analysis of the adaptation of the structure and content of the Report as indicated in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 3.1.
4. Test, on a sample basis, of the quantitative and qualitative information of the indicators mentioned in section "Scope of the work", as well as its adequate compilation from data supplied by information sources.

The scope of this review is considerably lower than in a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered an audit report.

These procedures have been applied on the information included in DIA 2015 Sustainable Development Report, with the scope defined before.

Independence

We have performed our work in accordance with the standards of independence required by the Code of Ethics of the International Federation of Accountants (IFAC).

Conclusions

As a result of our review of DIA 2015 Sustainable Development Report, and with the scope described before, we conclude that no matter came to our attention that would lead us to believe that this information has not been prepared, in all its significant aspects, according to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 3.1., as it is stayed on it.

This report has been prepared solely according to DIA's interest, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated 15th March 2016. In case of any discrepancy, the Spanish version always prevails.)

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1. OVERVIEW AND FINANCIAL INFORMATION

1.1 Report profile, scope and boundary

This Sustainable Development Report provides a relevant, accurate and thorough account of the DIA Group's performance in 2015 across ethical, environmental, social and governance dimensions and across its universe of operating markets: Spain, Portugal, Argentina, Brazil and China.

With this document, DIA is reaffirming its commitment to reporting transparently to its various stakeholders, with whom it fosters ongoing, open engagement: customers, shareholders, franchisees, employees, suppliers and society in general.

DIA prepared this report in accordance with prevailing legislation and international reporting standards, specifically the Global Reporting Initiative (GRI) recommendations. In compiling the data disclosed in this report, the Group used Enablon SD-CSR (Sustainable Development-Corporate Social Responsibility) software, which is used by leading players from all sectors in over 130 countries and is certified by GRI.

The information contained in this document is complemented by other information available on the corporate website, www.dia-corporate.com, under the Sustainability and CSR tab, and in the other reports that make up this annual report: the Activities Report, the Financial Report and the Corporate Governance Report.

1.2 2015 in review

Distribuidora Internacional de Alimentación - DIA - is a food and HPC retailer. Its shares are traded on the Madrid stock exchange. It has stores in Spain, Portugal, Brazil, Argentina and China.

DIA's mission is to offer consumers solutions to their food and consumer product needs underpinned by a value for money pledge that is unique in the marketplace, while meeting the expectations of all its stakeholders: employees, franchisees, suppliers, shareholders and society in its business markets.



Values

We honour our commitments. We foster a climate of trust and welcome diversity and differences of opinion. This creates a work environment marked by security, credibility and personal respect.

RESPECT

Our work is thorough. We train our teams to take decisions informed by professional criteria. We seek returns for our shareholders. We offer our customers top quality products and services at unbeatable prices.

We work as a coordinated team towards a common goal. We encourage a positive environment in order to tap our people's talent. This leads to optimal results.

EFFICIENCY

TEAMWORK

We monitor our operating markets for changes, proactively devising creative and innovative solutions.

Customer satisfaction is our number one goal.

INITIATIVE

CUSTOMERS

Financial indicators

	2015	2014
Gross under-banner sales	10,546.7	9,399.9
Revenue (net sales)	8,925.5	8,011
Adjusted EBITDA	610.1	585.3
Capital expenditure	563.3	349.4
Net debt	1,132.4	533.4
Adjusted net profit	254.1	267.2

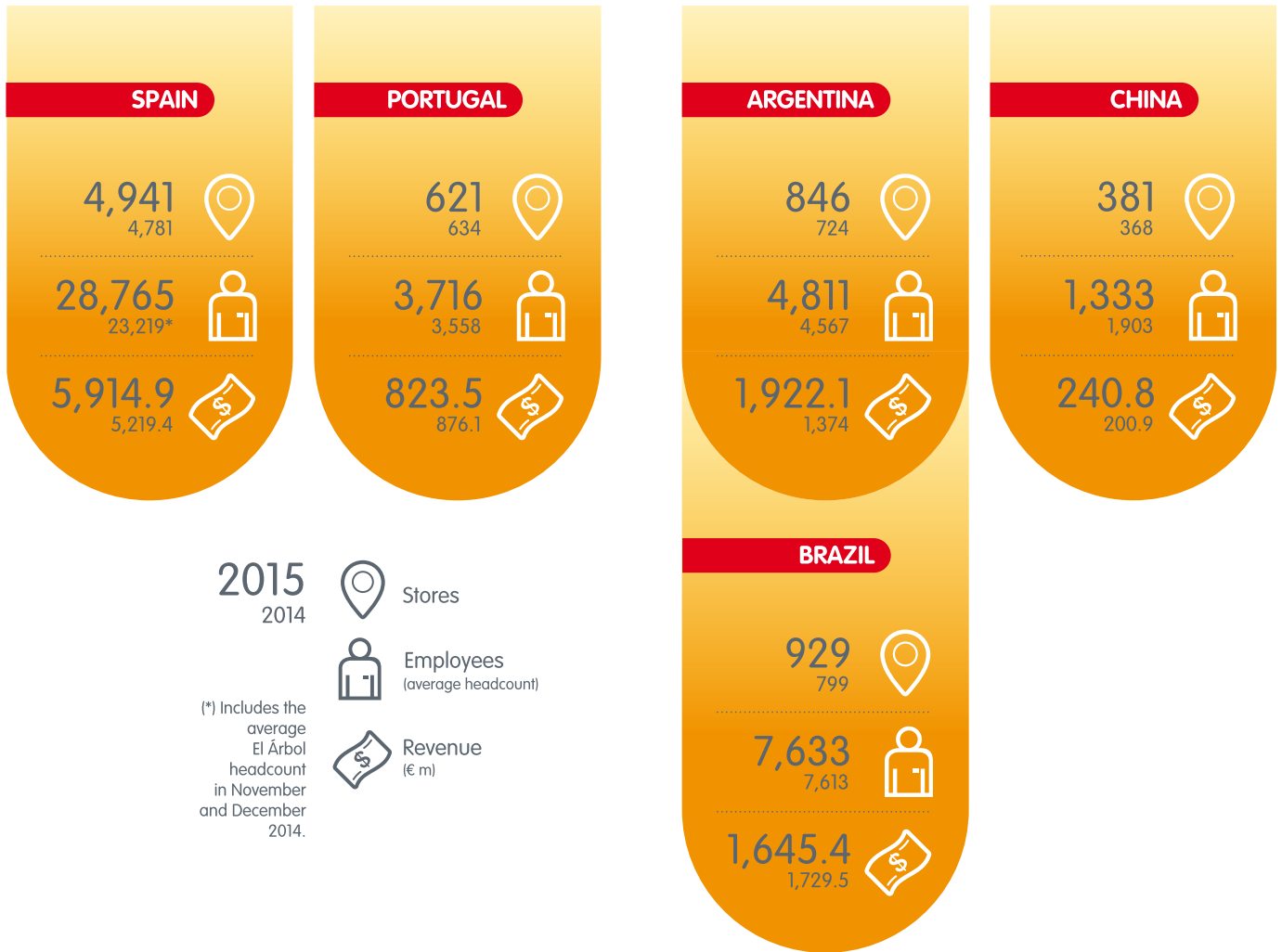
(€ m).

Sustainability indicators

	2015	2014
EMPLOYEES		
Employees (average headcount)	46,258	40,860*
Training hours ('000)	374	505
HEALTH AND SAFETY		
Workplace accidents	2,522**	1,694*
Absenteeism (%)	6.44	6.21%
ENVIRONMENTAL PROTECTION		
Investment in environmental protection (€ m)	26.955	15.515
GHG emissions (millions of kg of carbon dioxide equivalent)	131.498	134.707
Power consumption (kWh/m ²)	309.08	329.01

* Includes the average El Árbol headcount in November and December

** Includes the employees taken on in the wake of the latest acquisitions



2015
2014

Stores

Employees
(average headcount)

Revenue
(€ m)

(*) Includes the average El Árbol headcount in November and December 2014.

Shareholder structure *

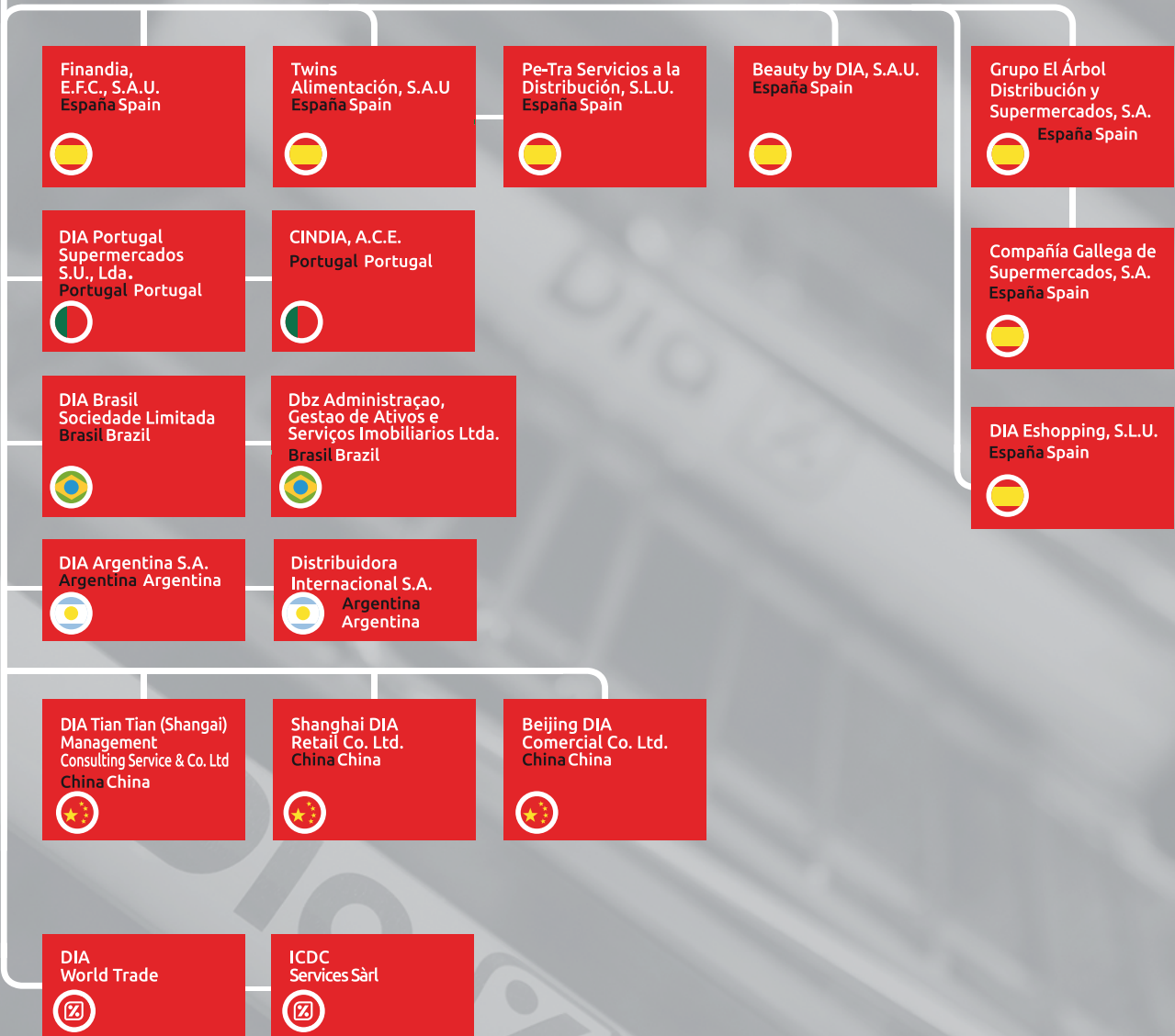
Free float: 98.65%

Treasury shares: 1.35%

(*) At year-end

Dia  Distribuidora Internacional de Alimentación, S.A

**Estructura societaria
Shareholder structure**



1.3 Chairwoman's statement

Dear friends,

The DIA Group posted a stellar performance once again in 2015, providing further evidence of the resilience of its business model, articulated around profitability and sustainable growth. Despite having to tackle a considerable number of challenges last year, shaped by the erosion of consumer confidence and attendant weak spending, the company remained firmly committed to innovation, new formats and unbeatable prices. Always with its customers and their needs at the heart of its activities.

Thanks to the excellent work of our more than 46,000 employees and over 3,500 entrepreneurial franchisees worldwide, DIA is today one of the leading players in the international food retailing sector. To all, my sincerest thanks. We have bolstered our teams with professionals from El Árbol, Caprabo and Eroski in the wake of recent acquisitions, adding and learning from their expertise handling fresh produce, meat and fish.

On the customer front, we welcomed more than 3.3 million new members to DIA's loyalty programme and embarked on a plethora of initiatives, most notably training-related, to enhance the shopping experience. Over 3,000 Spanish employees have already received training under this endeavour with more to follow. This effort is already paying off; most importantly, it has given us new reasons to feel proud of our employees.

As part of our tireless innovation effort, in 2015, the DIA Group launched over 750 new SKUs under the umbrella of its HPC private-label brands for the Clarel stores and more than 100 SKUs under its gourmet private-label brand, Delicious, thereby responding to our customers' demands.

On the corporate governance front, we worked on adapting the organisation to the latest governance recommendations and the amendments introduced to Spanish company law with the aim of further emphasising and making progress on our pledge to manage our business and organisation transparently and ethically. Against this backdrop, we approved a new Group Corporate Social Responsibility Policy, which embodies 12 principles based on how we engage with our stakeholders; we also amended our bylaws and the rules regulating our governing bodies.

One of the company's priorities is to encourage an ethical and transparent framework for working with our stakeholders. As a result, in 2015, we updated our Ethics Code and opened up the whistle-blowing channel, which had formerly been targeted exclusively at employees, to our suppliers, franchisees and contractors. In keeping with this relationship of trust and mutual respect, the Board also approved a series of corporate policies which can be downloaded from our corporate website; these policies establish the framework for engaging with our stakeholders with a view to injecting transparency into these relations. This policy development effort will continue throughout 2016.

On the human resources management front, we rolled out a talent management system for key positions within the organisation which is designed to better identify the performance-driven value created by our employees.

On the environmental management front, we developed a system for measuring our carbon footprint, thanks to which we were able to fill out the Carbon Disclosure Project's survey for the first time. The CDP is an independent non-profit organisation with the world's largest database of corporate information on climate change; it encompasses socially-responsible investors from all over the world. I would like to take this opportunity to formally applaud our teams as this work was rewarded with the Best Newcomer Award Spain 2015, the prize given by the CDP to the newcomer obtaining the highest entry score.

We continue to work on our commitment to managing all of our resources efficiently, in part because this effort also allows us to reduce our environmental footprint. We have invested more than €10 million to make our systems more energy-efficient, equipping most of our stores and warehouses with LED lighting while gradually upgrading to more efficient and modern cooling equipment in our oldest stores. This investment effort resulted in a reduction in electricity consumption per square metre across all our markets of over 6% in 2015.

Last year also marked the DIA Group's inclusion in the FTSE4Good index which ranks companies on their CSR criteria and practices.

Our commitment to community work remains unwavering. We hit yet another new food donation record, delivering more than 3.9 kilograms to food banks and charitable associations across all of DIA's operating markets. This marks growth of 44% year-on-year and in Spain alone represents the donation of 9,000 kilograms to the neediest per day.

The company's support for underprivileged children also deepened with various initiatives, including our long-standing support for the charity race organised by FEDER every year, in which over 800 Madrid-based employees participated and with nearly 100 joining in the first race in Barcelona. The company also sponsored a football competition in Portugal to help children at risk of social exclusion. Of the many community projects undertaken abroad, the purchase of clothing and shoes for poor children by DIA employees in Brazil at Christmas and the donation of school materials by DIA Argentina at the start of the school year stand out.

For all of this and for what is still to come, THANKS. Thanks to our customers, employees, franchisees and suppliers in Spain, Portugal, Argentina, Brazil and China and thanks to our shareholders all over the world. You are what make the DIA Group a company committed to success and to improving the environment and society we live in.

Ana María Llopis
Chairwoman

1.4 DIA and corporate responsibility

The DIA Group upholds and fosters the most stringent international environmental, social and governance (ESG) values and standards. The company ensures that these values are integrated into its everyday management by means of its Corporate Social Responsibility (CSR) Policy, which articulates the social commitments underpinning its profitable growth and evidences its commitment to the community and its natural surroundings. On 11 December 2015, the company approved an updated version of this policy in order to align it with the latest corporate governance recommendations for listed companies in Spain (issued by the securities market regulator, the CNMV for its acronym in Spanish).

The CSR policy - which is based on DIA's five corporate values (efficiency, initiative, respect, teamwork and customer-orientation) - serves as the framework for all of the group's members and companies in various ambits, including responsible management; commitment to people and stakeholders; quality and price positioning; the franchises; and care for the environment.

The changes introduced to the CSR policy have the effect of increasing the number of basic principles underpinning its sustainable growth proposition from eight to 10. The new principles refer to the management of risks, the consumer and franchisee protection imperative, the promotion of responsible purchasing and healthy eating practices and support for gender equality.

DIA'S CSR Principles

To promote best corporate governance practices, prioritising transparency, ethical business management and responsible risk mitigation.

To manage financial and non-financial risks and the opportunities deriving from the group's performance and environment responsibly.

To establish and maintain open, two-way communication with stakeholders (consumers, employees, franchisees, suppliers, civil society and shareholders) in order to become better acquainted with their expectations and efficiently tailor business operations to deliver on these expectations.

To work to continually improve all processes in order to promote access to quality food at unbeatable prices, tying the company's community work to the provision of food to the neediest and most vulnerable, with child nutrition as a signature program.

To promote good practices in terms of responsible purchasing and healthy eating and to provide exhaustive information about its products' nutritional content in the interests of consumers.

To ensure maximum protection of consumers and franchisees, safeguarding their privacy, by means of exhaustive compliance with prevailing regulations.

To promote respect for diversity by creating the right conditions for fostering teamwork among people of differing backgrounds and abilities.

To support gender equality.

To promote workplace health and safety for everyone working at the company.

To train the people working at the company and help them develop their careers, fostering work-life balance.

To make a difference to the environment by means of energy efficiency and innovation and by raising employee awareness in order to minimise the adverse consequences of DIA's business activities.

To promote and ensure compliance with the United Nations Global Compact.

Compliance with the CNMV's corporate governance recommendations

The latest version of the DIA Group's CSR Policy, which was first approved in March 2013, marks compliance with the Good Governance Code for listed companies published by Spain's securities market regulator, the CNMV, in February 2015.

As a by-product of these changes and deriving from the new CSR Policy, the Risk Management Policy, Investor Relations Policy, Tax Policy and Environmental Policy were also developed, adapted and publicly disclosed. This effort will continue in 2016 with the fine-tuning and dissemination of the remaining corporate policies.

Development of these policies marks a fresh milestone in formally setting down DIA's social responsibility pledge. Back in March 2012, the company signed the United Nations Global Compact, thereby committing to ethical business management underpinned by these 10 universally-accepted principles in the areas of human rights, labour, environment and anti-corruption.

In order to flesh out its CSR-related corporate policies, DIA is working to draw up a Sustainable Development Master Plan.

Definition of this roadmap was one of the targets mapped out for 2015 in last year's annual report. However, publication in Spain of a new Good Governance Code in February and the attendant fine-tuning of the CSR Policy and other related corporate policies obliged management to review the work performed until then in order to factor in new parameters. As a result, it is expected that this Master Plan will ultimately be approved in 2016.

CSR targets delivered in 2015

DIA set itself three core targets for 2015:

Calculation of its carbon footprint

Last year, the company launched a tool that enables it to compute the carbon footprint its facilities and activities and established new environmental performance indicators.

In 2015, DIA took the step of publicly sharing information on its greenhouse gas emissions and the measures taken to mitigate them by responding to the CDP-Climate Change questionnaire.

Integration of El Árbol into the food bank delivery scheme

In the wake of the acquisition of Grupo El Árbol in 2014, the DIA Group integrated this chain into its food bank scheme in 2015. Thanks in part to the deliveries made by El Árbol's warehouses, DIA once again hit a new donation record in Spain.

Implementation of the Anti-Fraud Programme in Portugal:

Now that this plan has been executed in full in Spain, DIA continues to work to export, adapt and implement this programme in the rest of its markets, including Portugal.

DIA recognised as a responsible corporate citizen

The DIA Group was given the Best Newcomer Award Spain 2015 by the Carbon Disclosure Project (CDP) having achieved the highest score among all the companies to have joined the CDP index, which specialises in measuring the strategy and initiatives undertaken by large companies on the sustainability and climate change front, in 2015.

The CDP is an independent non-profit organisation; it boasts the world's largest database of corporate information on climate change and encompasses over 800 socially-responsible investors with €90 billion of assets under management globally.

DIA's performance in the social responsibility arena in 2015 also pushed it up to third place in the retailing sector on MERCO's annual ranking, which assesses the 100 top-performing companies in Spain in terms of social responsibility and corporate governance.

The MERCO index is compiled on the basis of feedback from 10 groups of experts: unions, financial analysts, influencers and social media managers, business & finance journalists, Merco Consumo (general public), CSR experts, NGOs, consumer associations, company executives and a merit-based assessment.

The parameters assessed include ethical conduct, transparency and corporate governance policy, responsibility vis-a-vis employees, work-life balance programmes and diversity efforts, among others.

DIA's corporate social responsibility was also applauded by the market; in 2015, DIA was included in the benchmark international sustainable investing stock index, FTSE4Good.

This index includes listed companies from all over the world that meet the prerequisites established by the London Stock Exchange Group: corporate social responsibility practices in relation to the environment, shareholder engagement and human rights, underpinned by responsible investing principles.

Lastly, in its capacity as active employer, in Spain DIA received an award from the financial trade journal Actualidad Económica, which gave the group one of its Prizes for Successful Enterprising in Madrid, specifically the Job Creation Prize for the launch of its newest format: La Plaza de DIA.

1.5 Goals for 2016

GLOBAL dimension:

Development and publication of specific corporate policies in CSR-related areas of relevance.

Update of the materiality assessment.

Definition of a Master CSR Plan for 2017-2019.

1.6 Value generated and distributed

DIA's gross under-banner sales rose by 13.9% in constant currency to €10.55 billion in 2015. The group's healthy performance not only translated into adjusted net profit of €267.2 million but also implied wealth generation for the regions in which it does business by means of job creation, the promotion of auxiliary business via its work with local suppliers and subcontractors and the payment of taxes to the various public administrations.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

	(thousand euros)	
	2015	2014
Economic value generated	9,113,544	8,132,767
Revenue	8,925,454	8,010,967
Other income	96,215	105,250
Income tax	82,610	-
Finance income	9,265	16,447
Gains/(losses) on financial instruments	-	103
Economic value distributed	8,710,634	7,846,610
Consumption of goods for resale and other consumables	7,018,881	6,350,654
Personnel expenses	847,233	704,940
Operating expenses	644,034	535,029
Gains/(losses) on disposal of fixed assets	12,340	11,558
Finance costs	65,291	57,259
Income tax	-	74,556
Dividends (*)	122,855	112,614
Economic value retained	402,910	286,157

(*) The 2015 dividend figure corresponds to the proposed dividend against 2015 profits to be submitted for shareholder approval, while the 2014 dividend figure corresponds to the sum paid out in 2015 in respect of the prior year's profit.

2. DIA AND RESPONSIBLE MANAGEMENT

2.1 Corporate governance bodies

DIA's corporate governance model is designed to facilitate delivery of its corporate objectives and transparent and effective protection of the interests of its shareholders and other stakeholders. In 2015, the company amended its internal body of rules and regulations to adapt them to the good governance recommendations approved by Spain's securities markets regulator, the CNMV, in February, which affected its Bylaws and the regulations governing its main governance bodies, namely the General Meeting and the Board of Directors.

The newly worded regulations, approved at the company's Annual General Meeting on 24 April, factor in the changes introduced by Spanish Law 31/2014, which in turn modifies the Corporate Enterprises Act to reinforce corporate governance at listed companies, as well as some of the recommendations made in the new Good Governance Code, mentioned above.

DIA's level of compliance with these recommendations is disclosed in its annual corporate governance report, which is available on its corporate website.

Annual General Meeting

DIA held a single General Meeting in 2015, on 24 April. The Annual General Meeting was attended, in person or by valid proxy, by 511 shareholders whose shares represented 65.98% of the total.

Quorums at recent AGMs		% of shareholders	Number of shares	% of capital
AGM 28 April 2012	In person	88	54,283,482	7.99
	Proxy	463	348,382,403	51.28
	Total	551	402,665,885	59.27
AGM 25 April 2013	In person	65	6,385,360	0.98
	Proxy	456	381,574,742	58.61
	Total	521	387,960,02	59.59
AGM 24 April 2015	In person	69	25,074,301	3.85
	Proxy	442	404,517,663	62.13
	Total	511	429,591,964	65.98

At the AGM, the company's shareholders ratified the proposed amendments to the Bylaws and governing body regulations, approved the annual financial statements, the proposed appropriation of profit and the dividend motion and granted discharge to the Board of Directors for its performance during the year.

The approved changes to the General Meeting regulations reinforce this body's role and open up new channels for encouraging shareholder participation. The shareholders in general meeting are now empowered to give management-related instructions and reserve the right to approve corporate transactions whose effects are equivalent to those of a 'structural change'.

More specifically, the shareholders' new powers notably include the following: approval of director remuneration policy, approval of director exemptions from bans deriving from their fiduciary duty of loyalty and approval of the acquisition, disposal or contribution to another company of 'essential assets'.

Moreover, the threshold needed for shareholders to exercise their rights was reduced to 3% of share capital; meanwhile all shareholders remain entitled to attend the meeting, no matter how few shares they own.

The new general meeting regulations expand the information to which shareholders are entitled in the run up to the meeting via the website and entitle shareholders to exercise their right to information up until five days before the meeting is held.

Other noteworthy changes include clarification of the criteria for calculating the quorum needed to validly ratify a resolution at the general meeting: resolutions shall be carried with a simple majority of the votes cast by shareholders present, in person or by valid proxy, and shall be understood to be ratified when a motion obtains more votes in favour than against, except for the instances in which a qualified majority is required as per the Corporate Enterprises Act or the company's Bylaws.

Board of Directors

DIA's Board of Directors is made up of nine members, seven of which are independent; one is executive and one is classified as 'other external'. The Board of Directors met nine times in 2015.

Name	Position	Class of directorship
Ms. Ana María Llopis	Chairwoman	Other
Mr. Mariano Marín Mampaso	Deputy Chairman	Independent
Mr. Ricardo Currás de Don Pablos	Chief Executive Officer	Executive
Mr. Julián Díaz González	Director	Independent
Mr. Richard Golding	Director	Independent
Mr. Pierre Cuilleret	Director	Independent
Ms. Rosalía Portela	Director	Independent
Mr. Antonio Urcelay Alonso	Director	Independent
Mr. Juan María Nin Génova	Director	Independent

The Board of Directors articulates its work around two committees: the Appointments and Remuneration Committee and the Audit and Compliance Committee.

Appointments and Remuneration Committee:

The Appointments and Remuneration Committee has three members. It is presided by one of the company's independent directors; its other two members are also independent directors. This committee held six meetings in 2015.

Name	Position	Class of directorship
Mr. Mariano Marín Mampaso	Chairman	Independent
Mr. Pierre Cuilleret	Member	Independent
Mr. Antonio Urcelay Alonso	Member	Independent

Audit and Compliance Committee:

The Audit and Compliance Committee has four members. It is presided by one of the company's independent directors; its other three members are also independent directors. This committee met of five occasions in 2015.

Name	Position	Class of directorship
Mr. Richard Golding	Chairman	Independent
Mr. Julián Díaz González	Member	Independent
Ms. Rosalía Portela	Member	Independent
Mr. Juan María Nin Génova	Member	Independent

Events after the reporting period

On 15 February 2016, the Board of Directors resolved, at the recommendation of the Appointments and Remuneration Committee, to name, availing of its powers of co-option, Ms. Angela Spindler as independent director of the company. This Board resolution will be submitted for ratification at the 2016 Annual General Meeting.

Boardroom changes

In June 2015, Nicolas Brunel and Nadra Mousalem, the directors then representing Cervinia Europe and Blue Partners, respectively, resigned from DIA's Board of Directors in the wake of the sale by both of these funds of their shares in the company.

In October, the Board of Directors appointed Juan María Nin as independent director, at which point Mr. Nin also joined the Audit and Compliance Committee.

In addition, independent directors Rosalía Portela de Pablo and Antonio Urcelay Alonso were also appointed to the Audit and Compliance Committee and the Appointments and Remuneration Committee, respectively.

Amendment of the Board Regulations

In terms of the designation and operation of its committees, the newly worded regulations incorporate several of the CNMV's new recommendations, with the company committing to ensure that the majority of its committee members are independent directors and that they are appointed with regard to their knowledge and experience in respect of the duties required of them, thereby assuming a more stringent commitment than is required of it under the Corporate Enterprises Act.

In the case of the Audit and Compliance Committee, the amendments reinforce its role and responsibilities in the areas of risk control and management, specifically including tax risk, the internal and external audits, corporate social responsibility, communication strategy and financial reporting supervision.

The Appointments and Remuneration Committee, meanwhile, has assumed responsibility for defining director candidate duties and aptitudes, making and revoking internal appointments, diversity related matters and other remuneration-related decisions.

Executive Committee

Name	Position
Mr. Ricardo Currás de Don Pablos	Chief Executive Officer
Mr. Diego Cavestany de Dalmasas	Executive Director of Operations, Spain
Mr. Antonio Coto Gutiérrez	Executive Director, Latin America and Partners/Franchises
Mr. Juan Cubillo Jordán de Urríes	Director of Sales and Merchandise
Mr. Francisco Javier La Calle Villalón	Corporate Director of Resources and Executive Director in China
Mr. Amando Sánchez Falcón	Corporate Director of Services and Ex-ecutive Director in Portugal

Integration of CSR into the governance structure

The new corporate governance recommendations include that of establishing a corporate social responsibility policy outlining the firm's commitments in this arena. On 11 December, the Board of Directors adapted and approved the DIA Group's Corporate Social Responsibility Policy, which defines the corporate framework governing this issue; it applies to all of the companies and countries comprising the group.

In parallel, the Board of Directors approved the adaptation of a series of complementary policies that regulate relations with various stakeholders: Investor Communication Policy, Tax Policy, Media Relations Policy, Risk Management Policy, Environmental Policy and Quality Management Policy.

DIA's corporate social responsibility function reports to the Board of Directors, which is tasked with oversight of compliance with this policy via its Audit and Compliance Committee.

The Audit and Compliance Committee has been vested with the following CSR-related duties: orientation of CSR policy around value creation, strategy monitoring, supervision and evaluation of the processes governing relations with the various stakeholders, evaluation of the company's non-financial risks and coordination of the non-financial and diversity related reporting process, in keeping with applicable legislation and benchmark international standards.

2.2 Ethics framework

DIA complies scrupulously with prevailing legislation in everything it does and in all of its business markets. In 2015, the company updated its Ethics Code and opened up its whistle-blowing channel, which was formerly targeted exclusively at employees, to suppliers, franchisees and contractors. Moreover, it approved a series of corporate policies to govern its dealings with its stakeholders and developed an in-house compliance system to ensure compliance with national and international legislation.

Updated Ethics Code

On 27 July 2015, the Board of Directors of DIA approved an updated version of its Ethics Code, which formerly sets down the DIA Group's ethics and compliance model and the codes of conduct binding upon the employees, officers and directors of the DIA Group, which includes the parent company and its subsidiaries.

The duties vested in the Ethics Committee, which operates at the group level, include that of disseminating and implementing the Code and ensuring that it is acknowledged, understood and upheld. The company has also appointed Ethics Coordinators at the country level.

Ethics Code

We comply with rules and regulations and respect others. Compliance with the rules and regulations and respect for others lie at the heart of our business conduct.

Our decisions and relationships are guided by ethics: no to corruption At the DIA Group we are aware that individual success is rooted in the team. And that a team can only be successful when it is founded on ethical conduct.

We safeguard assets and information. We are thorough and professional and loyal to the company. We endeavour to make the best use of the DIA Group's assets and resources at all times aware that they must be used strictly for professional purposes.

We are committed to our customers and to society as a whole. We compete fairly, avoiding manipulation, fraud and any other form of conduct which could put us at an unfair advantage.

We lead by example. We are responsible for ensuring that our company abides by the business ethics to which we aspire. Our values and codes of conduct are not just words: they must inspire and dictate our everyday actions.

All new hires are given a copy of the Ethics Code with their employment contracts which they are asked to sign in order to attest to their acceptance thereof. All DIA executives, meanwhile, accept the code in writing, thereby acknowledging their commitment to upholding the group's business principles, making sure they are respected in the teams under them and putting them into practice.

Expansion of the scope of the whistle-blowing channel

The company has whistle-blowing channels at the corporate and country levels so that people can report potential breaches of its Ethics Code and resolve questions about its interpretation. In 2015, the company agreed to allow anonymous complaints and ran a communication plan during the last quarter to foster its usage.

One of the most noteworthy milestones last year was the decision to open this channel up to franchisees and suppliers, increasing its reach and scope of application.

The Ethics Committee is responsible for managing the whistle-blowing channel and publicising its existence.

DIA opened up its whistle-blowing channel to franchisees and suppliers in 2015



DIA's compliance model

DIA's compliance model is articulated around three cornerstones, for which the company has established different objectives, all of which are designed to ensure compliance.

Corporate governance

To have in place a body of rules and regulations that complies with company and securities market law and complies to an exacting level with prevailing corporate governance recommendations.

To adopt company resolutions in keeping with applicable internal and external rules and regulations.

Internal control and legal certainty

To have in place an internal risk management and control system that guarantees an appropriate control environment propitious to identification and prevention of compliance-related risks.

To endow the company with the legal certainty needed to carry out its business.

Prevention and detection of fraud

To foster a culture of compliance by means of a business ethics model that guides employees and executives and is framed by the company's values.

Corporate policies

Spain's new corporate governance recommendations include that of establishing a corporate social responsibility policy outlining the firm's commitments in this arena. On 11 December, the Board of Director approved the DIA Group's Corporate Social Responsibility Policy, which defines the corporate framework governing this issue; it applies to all of the companies and countries comprising the group.

In parallel, the Board of Directors approved the a series of complementary policies that derive from the general framework established by the Group CSR Policy and regulate the company's relations with its stakeholders: the Investor Communication Policy, Tax Policy, Risk Management Policy and Environmental Policy. Adaptation and approval of the rest of the group's corporate policies is scheduled for completion in 2016.

Crime Prevention Plan

The DIA Group has put in place a crime prevention model which establishes optimal internal control procedures and policies for preventing the commission of white-collar crime within the organisation and exonerating the company from liability - or at least mitigating its liability to the extent possible - in the event of such acts.

In 2015, the company analysed the activities carried out by DIA's various business units and assessed each activity's risk in respect of the commission of potential crimes in terms of probability and impact, factoring in the controls put in place by the company to mitigate these risks.

It also appointed a person within the organisation to champion crime prevention; this person will report to the head of compliance and take responsibility for the adequate maintenance and operation of the model. In Spain, the DIA Group also has an Anti-Fraud Programme specifically designed to prevent and detect fraud in any of its manifestations.

Anti-Fraud Programme in Spain

DIA has an Anti-Fraud Programme in Spain. Using the same methodology as was followed in creating the white collar crime prevention model, the company analysed the activities carried out by DIA's various business units and assessed each activity's risk in respect of potential fraud and corruption, factoring in the controls already put in place by DIA to mitigate these risks.

Similarly, the company has appointed a person from within the organisation to champion fraud prevention; this person will report to the head of compliance and the corporate ethics committee and take responsibility for the adequate maintenance and operation of the anti-fraud programme.

This plan has been executed in full in Spain; work is currently ongoing to export, adapt and implement this programme in the rest of the group's markets.

2.3 Risk management

In 2015, the Board of Directors approved the amendment of the DIA Group's Risk Management Policy which establishes the parameters and methodology for ensuring effective risk management while facilitating delivery of the business targets set by management.

DIA defines risk as any internal or external contingency that, if it were to materialise, would impede or hamper delivery of the targets set by the organisation.

The company has an enterprise risk management (ERM) model designed to ensure identification of the various classes of risk, financial and otherwise, to which the organisation is exposed, including within financial risks those related to tax, contingent liabilities and other off-balance sheet items.

Key risk management principles

The key defining principles underpinning DIA's approach to risk management are:

- 1 Risks must be managed everywhere in the organisation, with no exceptions. The entire organisation needs to get involved in the risk management system.
- 2 The management of risk includes risk identification, assessment, responses, monitoring and reporting, in keeping with the procedures put in place to this end.
- 3 The model used must ensure the existence of appropriate measures for mitigating the impact of the identified risks in the event they materialise. Risks must be addressed in a consistent manner and mitigating measures should amply factor in business conditions and the economic environment.
- 4 DIA's Executive Committee must evaluate DIA's main risks, including tax risks, and review DIA's risk tolerance levels at least annually, among other duties. The duties tasked to DIA's Executive Committee are itemised in the Risk Management Manual.
- 5 DIA's ERM must be monitored regularly and an account given of the risk identification, assessment, responses, monitoring and reporting activities carried out.

DIA's risk management process is based on the COSO II standard, the risk management methodology widely accepted in the marketplace, tailored for DIA's requirements. This methodology enables the company to pinpoint, create, capture and sustain the value deriving from risk management across the various levels of the firm.

The main elements of the risk management process at DIA are:

- 1 **Internal environment:** management establishes the risk management philosophy and determines risk tolerance thresholds.
- 2 **Target-setting:** it is crucial to understand the company's objectives in order to identify the possible events that could thwart their delivery.
- 3 **Event identification:** identification of the possible events that could have an impact on DIA. Events mean the developments that could affect delivery of the company's objectives, differentiating between those that pose a risk and those that represent an opportunity.
- 4 **Risk assessment:** the risks are analysed and their probability of occurrence and potential impact on target delivery quantified.
- 5 **Risk responses:** identification and evaluation of potential risk responses: avoid, accept, reduce or share.
- 6 **Control activities:** as a function of the defined risk responses, policies and procedures are put in place to ensure they are carried out.
- 7 **Information and communication:** the information resulting from this analytical process must be reported to the risk officers for implementation.
- 8 **Supervision:** the ERM is monitored continually so that it can be adapted in the event of changing circumstances.

Duties

The Board of Directors is responsible for approving and setting the risk management and control policy, while senior management is in charge of implementing it and establishing the strategy, culture, people, processes and technology comprising the company's ERM model.

The Board of Director's Executive Committee is tasked with setting acceptable risk tolerance thresholds. The Audit and Committee, meanwhile, has the power to regularly supervise and review the effectiveness of DIA's internal control, internal audit and risk management procedures, verifying their suitability and comprehensiveness.

DIA has set up a Risk Committee at the corporate level and individual risk committees at the individual country level. The Risk Committee comprises a Risk Coordinator and a manager from each functional area (the area directors).

Should a risk materialise in a given area, the director of that area is responsible for managing it appropriately and setting in motion the mechanisms needed to minimise its impact.

The Risk Committee subsequently evaluates whether the response provided after the risk materialised was the correct one and determines the need for any new controls or response mechanisms.

In addition to approving this new Risk Management Policy, in 2015, the DIA Group worked on updating its risk map in keeping with business trends and developments, such as the strategic focus on e-commerce, the emergence of new businesses and regulatory changes, among others.

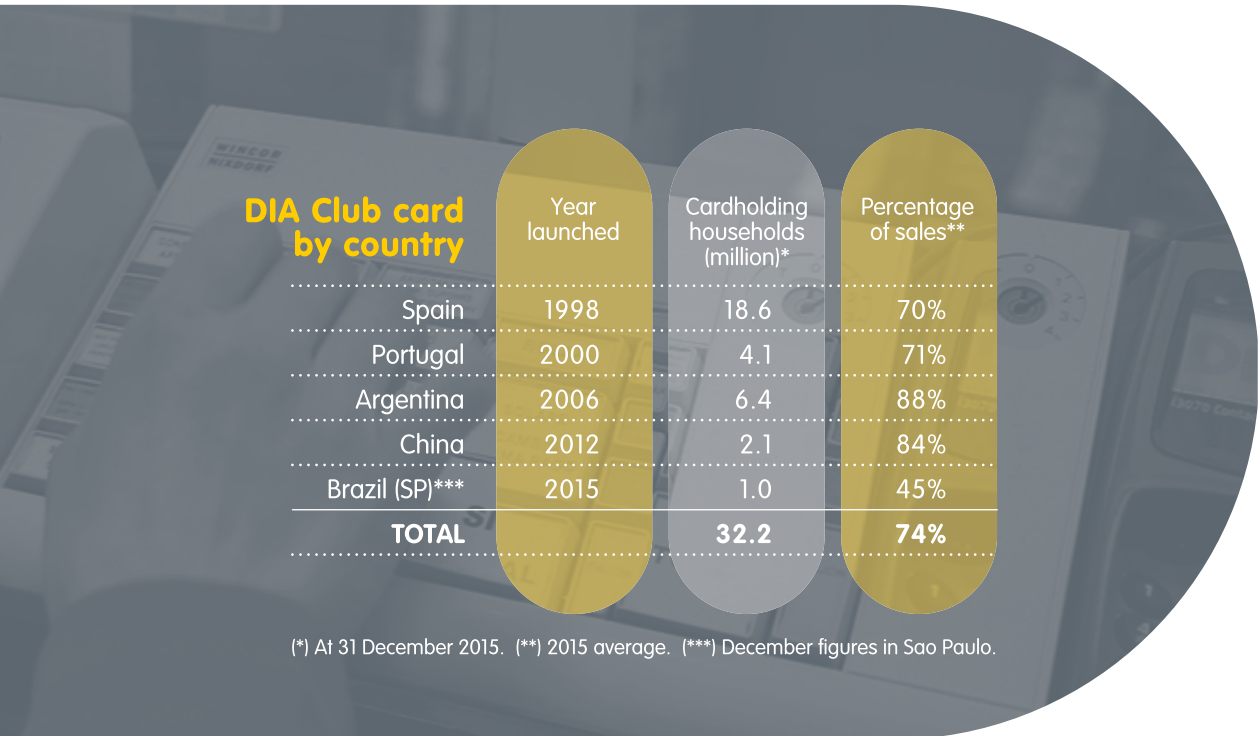
3. DIA AND ITS STAKEHOLDERS

3.1 Customers

The satisfaction of its more than 40 million customers is the axis around which DIA’s business pivots. The group achieves customer satisfaction by continually fine-tuning its compellingly-priced neighbourhood shopping proposition. In 2015, it added to its product ranges and further developed its retail formats and sales channels. To identify emerging customer demands and adapt its establishments, products and discounts accordingly, DIA reached out to its customers.

Enhanced customer intelligence translates into greater customer loyalty

In 2015, Club DIA welcomed 3.4 million new members and printed 1.65 million discount coupons. These new members boosted the number of cards issued since the loyalty programme was first created back in 1998 to 32.2 million.



The loyalty programme has proved the most effective source of customer intelligence and the most efficient way to generate positive experiences and nurture the ‘unbeatable prices’ image. Whereas members obtain exclusive benefits from membership of Club DIA (namely, access to over 250 lower-priced products, discount coupons, etc.), the company is afforded the chance to study their behaviour and prepare personalised sales plans, in coordination with its suppliers.

In 2015, Club DIA welcomed 3.4 million new members and printed 1.65 million discount coupons

Actively generating feedback via customer polls

In its quest to enhance the shopping experience, in 2015, DIA Spain implemented a new system for gathering feedback about its customers' shopping experiences - in its stores and online.

Thanks to this new system, Club DIA members who shop using their loyalty cards receive a brief questionnaire by e-mail aimed at evaluating the service provided by the store and checkout staff. Their responses are sent automatically to the company's system for analysis and evaluation. At present some 1.5 million Club DIA members have registered e-mail addresses and can submit their feedback through this channel. Over 700,000 surveys have been sent since the system was introduced; the response rate stands at 5%.

Last year, DIA implemented a new system for gathering customer feedback via e-mail about their shopping experiences

In the online arena, meanwhile, DIA rolled out its Opinators satisfaction surveys during the year in an attempt to track the online shopping experience. Each time a customer signs up for the first time, he or she receives a questionnaire. Then, at the end of the year, a general survey is sent to all e-commerce users with questions related to customer service and the shopping experience in general. More than 28,000 surveys were sent out in 2015 and the participation rate was close to 2%.

Avenues for dialogue

As part of its effort to really listen to what its customers need and want, the group worked to reinforce its store staff's attitude, continued to hone its customer attention, interacted continually via its social network profiles and encouraged customer participation by creating innovative events such as 'Let's turn the day on its head' and 'Experts in Saving', as well as producing a number of publications.

In a bid to enhance in-store customer care, DIA created a programme in Spain called 'Customer Attitude', which consists of a host of activities targeted at employees at all levels of the company with the aim of improving their attitude to customers and their determination to satisfy them. Among these activities, the focus groups conducted by sales managers and store supervisors and the 'Customer Attitude Recipe Book' (provided to store employees to complement the company's customer service protocol) stand out.

The DIA Group's customer contacts via its various customer attention services numbered 110,775, dealing with a host of issues including its stores, products and Club DIA. Of this total, 79,043 were enquiries, 1,267 suggestions and 30,465 complaints. DIA's customers contacted it by phone, by internet, by mail, etc.

In the social media, the company answered its customers questions in real time, providing them with product information and organising competitions designed to boost customer loyalty. As a result, at year-end, DIA had 482,000 Facebook fans in Spain and one million in Argentina. On Twitter, DIA had 29,000 followers in Spain, 1,600 in Argentina and 24,000 in Brazil. In China, DIA has an official WeChat account. In addition, the Clarel chain has its own social network profiles, which are used to organise competitions, provide beauty tips and gather customer feedback.

DIA has been overhauling its customer communication efforts to leverage the new media. In China, where the company has focused its sales strategy on development of the online business, DIA made noteworthy use of the WeChat platform to carry out several marketing campaigns. Coinciding with DIA's twelfth anniversary in China, the company shared an interactive game targeted at its younger shoppers. The game was shared by over 850,000 people, helping to double the number of WeChat followers in just two months.

Development of its social network presence marks a fresh milestone in DIA's traditional communication strategy. The company has been producing a number of customer publications for several years now, the most noteworthy being the Club DIA magazine in Spain.

With a print run of 700,000, the pages of this magazine contain nutrition and health related content, product news, ideas for family activities, recipes and practical household tips. In addition to this flagship magazine in Spain, the group's print publications include Member Lifestyle in China, Experts in Argentina and the DIA Magazine in Brazil.

Customer communities: 'Experts in Saving' and 'Let's turn the day on its head'

DIA has created and nourished dynamic customer communities. In 2015, management continued to leverage the 'Expert in Saving' and 'Turn the day on its head' initiatives to reinforce company-customer ties by means of different events, many of which designed to additionally showcase its involvement with the least privileged.

The third 'Experts in Saving' National Summit, which took place in Buenos Aires and was attended by 3,200 people, is a fine example. To participate in the event, the 'experts' had to first register on DIA's fan page and donate a book or toy in good repair to the children cared for by the Garrahan Foundation and the Dr. Ricardo Gutiérrez Hospital Cooperation Association. DIA topped up their contributions by donating \$30,000 worth of products.

Another example is the new television show spawned by the Experts initiative in Argentina, called TV Experts, first aired in August 2015, which includes a section dedicated to 'Exemplary Experts', women who devote their lives to helping others.

Elsewhere, the members of 'Let's turn the day on its head', punning the word DIA in Spanish), the gastronomy community hosted at www.demoslavueltaaldia.com, participated in the annual march organised by ASPRONA in defence of the rights of people with intellectual disabilities and their families. More specifically, 12 chefs, winners of this initiative's cooking competition, prepared a gluten-free paella for the 5,000 walkers.

Format, product and sales channel innovation

This active and ongoing search for customer feedback translated into fresh refurbishment of the group's formats, products and sales channels in 2015 in a bid to hone its compellingly-priced neighbourhood shopping proposition.

In order to get ever closer to its customers and provide them with a quicker, easier, more affordable and environmentally-friendly (by eliminating transportation) way to shop, DIA continued to expand its store network, lifting the total number of establishments at year-end to 7,718 and giving it a market share of 10.31% in Spain, its main and home market.

In parallel, it focused its investment effort on unwavering innovation in respect of its retail formats, focusing in 2015 on the creation of a new family neighbourhood supermarket, La Plaza de DIA, and the upgrade of its larger DIA Maxi stores.


La Plaza de DIA is characterised by a strategic focus on fresh produce, managed by experts at selling meat, fish and cold cuts. La Plaza stores also offer a broad assortment of packaged foods, dominated by name brands, albeit with an excellent range of private-label products. Of the more than 7,500 SKUs found in a typical La Plaza store, 1,500 are fresh products and over 6,000 are fast-moving consumer goods (FMCG) products (4,000 of which name brands and the remaining 2,000, private label). The store design is dominated by greens and greys, punctuated by wood, colours and materials that evoke the warmth and intimacy of a traditional market. The lighting is designed to make the products stand out.

2015 marked the start of the process of refurbishing the DIA Maxi stores in Spain, placing greater emphasis on fresh produce. At the DIA Maxi stores the meat, cold cuts and fish counters are currently all manned. Now, shoppers can choose between pre-packaged trays in the self-service refrigerated aisles and shopping at counters where experts can orient them, make recommendations and tailor products to their taste.



Banners


Neighbourhood format
Floor area of 400 - 700m²
Expanded range of perishables



Larger format for bigger shops
Floor area of 700 - 1,000m² in suburban areas
Customer parking
Over 3,500 SKUs




HPC retailer
Close to 6,000 SKUs
Floor area of 160 - 260m² in urban areas



Neighbourhood family supermarket
Ample range of perishables and personalised customer service
Over 7,500 SKUs, 1,500 of which fresh products
300, 500, 700 or 1,000m² in urban areas



Neighbourhood format
Supermarkets with a wide range of perishables
Close to 5,000 SKUs
Floor area of 300 - 700m² in urban areas




Cash & carry format targeted at food hospitality professionals and associations
Assortment of over 4,000 SKUs



Establishments located in small towns, particularly country towns, that do not require investment in store infrastructure
Managed by franchisees



Store format used to articulate the franchise model in China and for certain third-party brand licensing agreements in other markets



Encompasses two store formats operated in Portugal:
Minipreço Market: neighbourhood stores in city centres Floor area of 250-400m² and 3,000 SKUs
Minipreço Family: larger stores in city outskirts Floor area of up to 1,000m², indoor parking and as many as 4,500 SKUs



Rural stores in Portugal that do not require investment in store infrastructure.
Managed by franchisees

The new La Plaza de DIA format, coupled with renewal of the DIA Maxi stores, consolidates DIA as a multi-format, multi-banner group, with a range of neighbourhood supermarket formats (DIA Market, La Plaza de DIA, El Árbol, Minipreço Market, Cada DIA and Mães Perto) and a dedicated health and personal care (HPC) chain, Clarel. At year-end 2105, these neighbourhood formats accounted for XX% of the group's establishments. Its other formats include its larger-format suburban supermarkets, DIA Maxi (Minipreço in Portugal) and its cash & carry format, Max Descuento.

In an attempt to reach consumers not only in its bricks & mortar stores but also online, DIA created a company - DIA E-shopping - to support its online strategy. In November it began to display some of the non-food products sold through its flash sales platform - www.oportunidades.dia.com - in some of its physical stores and in December the Clarel online store went live nationwide in Spain. In parallel, it continued to develop DIA's online store in Spain, which is currently operational in the region of Madrid and the cities of Malaga and Barcelona. Towards the end of the year it initiated online sales in China, as well as striking an agreement with Alibaba covering the sale of certain imported products on the latter's T-Mall platform.

Quality at unbeatable prices

The DIA Group remains firmly committed to the provision of unbeatable value for money across all of its formats. To this end, it carries out painstaking price positioning work with the aim of leading the retail sector on price in all of its operating markets year after year.

To achieve this, it listens to and tracks its customers, engaging the services of international agency Nielsen to assist it, an exercise which every year provides it with a reliable snapshot of their needs and perception of the sales policy and initiatives executed across the various markets. In this manner it retains the ability to react quickly to changing consumer needs and adapt more precisely to their habits.

The surveys conducted this year revealed that DIA is the retailer with the best price image in Spain and Argentina, outperforming its closest rivals by 7 and 58 points, respectively at year-end. In Portugal, Brazil and China, meanwhile, DIA ranks third on perceived pricing, although according to the consumers polled, during the second half of the year the company managed to improve this perception by as many as nine points in the Chinese market and two points in Brazil.

DIA ran a special campaign in 2015 - #MayoSinGluten - to support consumers with Celiac disease and to raise awareness of their needs

High-quality private-label brands

In 2015, DIA continued to develop its private-label brands which cater to every customer's individual needs. At year-end, the group's private-label brand portfolio comprised the DIA brand, the company's flagship brand; Delicious, its range of compellingly-priced gourmet food products, which was expanded to 140 SKUs in 2015; Bonté, the standard-bearer in personal care, which continued to add to its range in different categories; Baby Smile and Junior Smile, the baby care range; the Basic Cosmetics beauty products; and AS, DIA's pet care brand.

Addressing special needs

The group's effort to sell products for people with food intolerances, such as gluten-free foods, sets it apart. All of the group's private-label products are labelled to facilitate identification of gluten-free options. In addition, the name brand range includes an assortment of products made especially for people with Celiac disease.

To help this segment, in 2015, it launched an online campaign in Spain dubbed #GlutenFreeMay: that month shoppers buying online received a direct 15% discount on gluten-free products; sales of these products rose by up to 30% on certain days, in proportion to the number of retweets and mentions of the campaign's hashtag.

In Argentina, the range of gluten-free products was selected by the company's 'experts' with a close relative affected by this food intolerance. Consumers applauded the excellent trade-off between accessibility, price and quality (in Argentina gluten-free products are very expensive and hard to find).

In order to promote the overall gluten-free line, DIA Argentina took a stand at Expoceliaca, the event organised by the national celiac support association in July. DIA's stand was visited by over 20,000 people keen to find out more about the full range of healthy products including frozen goods, dairy products, jams and condiments, among others.

Food safety

DIA guarantees the quality and safety of the products it retails by means of an ISO 9001:2008 certified quality management system. In 2015, DIA once again passed its external audit, thereby renewing its certification and evidencing how well its quality management system is performing.

It did not record a single incident deriving from the breach of food safety regulations resulting in a fine or penalty in 2015.

Private-label product development is a complex process in which many players, both internal (sales, quality, packaging) and external (suppliers, design agencies, etc.) are involved. It is articulated around various sub-processes that require the exchange, development and validation of significant volumes of documentation and exhaustive monitoring of the defined communication flows.

To support this process, DIA has been working for years on implementation of an IT tool - called Auraportal - that covers all the tasks, documentation and reporting flows that comprise the development of a private label product, streamlining project management, monitoring and status enquiries.

Having initially installed and consolidated use of the quality module in Europe and South America, in 2014, the company developed the packaging model and implemented it at the European level; this module provides support for the various processes comprising the design and development of private-label product packaging and containers.

The performance of quality audits at its warehouses and stores (hygiene-sanitation, preservation of the cold chain, cleanliness) enables the DIA Group to identify and proactively address any circumstances that could affect its processes, thereby ensuring that its products are kept in optimal conditions right throughout the supply chain. In 2015, DIA conducted 2,162 quality audits in total group-wide.

Analysis of the data gathered as a result of those audits provides a clearer picture of the overall situation at the facilities and operations audited, enabling the definition of more effective action plans whose implementation implies more widespread improvements by encompassing and affecting several facilities/operations at once.

Product labelling

DIA complies stringently with applicable product labelling legislation. Thanks to this, it did not record a single incident related to the breach of this legislation resulting in a fine or penalty in 2015. The percentage of packaging incidents relative to the total number of analyses performed did not reach 0.8% in any country.

At present, DIA sells different products requiring specific labelling disclosures, including items with the Organic Farming seal and others featuring the Halal seal.

3.2 Shareholders

Shareholder value creation is one of DIA's top priorities. In 2015, the company boosted shareholder remuneration by increasing its dividend by 20% and reducing the number of shares outstanding by 4.16%. In parallel, it continued to work to safeguard its shareholders' rights by approving an updated version of its Investor Communication Policy. In December, the DIA Group was admitted to the FTSE4Good sustainable investing index.

Created in collaboration with UNICEF, the FTSE4Good index includes listed companies from all over the world that meet the prerequisites established by the London Stock Exchange Group: corporate social responsibility practices in relation to the environment, shareholder engagement and human rights, underpinned by responsible investing principles.

The index components are reviewed twice-yearly with a view to adding newcomers to the index and removing those that no longer meet its sustainability criteria.

Shareholder movements

At year-end, DIA had 622,456,513 shares outstanding, 71.78% of which were freely floated, 1.36% held as treasury shares with the remainder held by institutional investors with interests ranging between 1% and 10.2%.

In 2015, two investors, Cervinia Europe (Arnault Group) and Blue Partners (Colony), sold their combined 8.48% interest in DIA by means of an accelerated placement of 55.2 million shares with institutional investors. The shares were placed by Citigroup Global Markets Limited at a unit price of €7.4 so that the transaction size was €408.48 million.

Shareholder structure *

Free float: **98.65%**
 Treasury shares: **1.35%**

(*) At year-end

Share price performance

The share price traded in a band defined by the low of €5.095 recorded in September and the high of €7.657 reached in April. During the first half of the year, the market applauded the positive results posted in the wake of the exit from the French market and the acquisition of the El Árbol supermarkets and Eroski stores in Spain, bidding the company's share price higher. Subsequently, however, the share price suffered from food price uncertainty in Spain, currency devaluation in Brazil and Argentina and, above all, the global financial market rout during the final weeks of the year.



Growth in shareholder remuneration

DIA paid out a dividend of €0.18 per share (before withholdings) from 2014 profits on 16 July 2015, extending its track record of increasing shareholder remuneration year after year since its IPO in 2011. This dividend implied a payout (in terms of underlying net profit) of 43.9% and a dividend outlay of around €115 million.

The company has earmarked over €800 million to shareholder remuneration since it went public in 2011

For 2016, the Board of Directors will submit a motion to pay a dividend of €0.20 per share (before withholdings) from 2015 profits at the upcoming Annual General Meeting. This dividend would imply year-on-year growth of 11.1% and represent a payout of 49%.

Complementing dividend policy and facilitated by its cash flow generation capabilities, on 10 September, the company reduced its share capital by €2.86 million by cancelling 28.6 million own shares (unit par value: €0.10), equivalent to 4.16% of the total outstanding. Following this transaction, DIA's share capital stands at €62,245,651.

General principles of the Investor Communication Policy

Responsibility, diligence and transparency in transmitting information

Equal treatment of all shareholders and promotion and protection of their rights and interests

Swift provision of relevant information

Listening to and cooperating with stakeholders

Investor communication

DIA strives to communicate openly, regularly and transparently with the investment community. In order to establish the criteria and actions governing relations with shareholders and investors and ensure compliance with the related aspects of prevailing corporate governance recommendations, the Board of Directors approved the group's Investor Communication Policy in 2015.

The company's official direct communication channel with its shareholders and the financial market in general is its corporate website (www.diacorporate.com), the content of which is updated continually. By means of this channel, the company monitors the information that may be of interest to its shareholders and other stakeholders. Generally speaking, the website facilitates immediate and user-friendly access to this information.

DIA's website complies with the technical and legal stipulations laid down in the Circular issued by the Spanish securities market regulator, namely CNMV Circular 3/2015, of 23 June 2015.

The "Shareholders & Investors" tab includes structured and ordered information about the company's share price performance, financial disclosures, fixed income securities, corporate governance and General Meeting documentation and an investor agenda. It also provides access to the Relevant Fact price-sensitive notices filed with the CNMV, the company's press releases and details of how investors and analysts can contact the Investor Relations Department (investor.relations@diagroup.com or by phone).

Briefing activities

The Investor Relations Department, together with the CEO and the Executive Director responsible for the Finance Department, is responsible for communication with the analyst community and handling their queries.

In 2015, it organised more than 1,200 briefing events, including in-person meetings, webcasts and conference calls with analysts and investors. The aim of this intense activity is to make sure that proxy advisors have as comprehensive information about the company as possible when issuing their respective recommendations and reports.

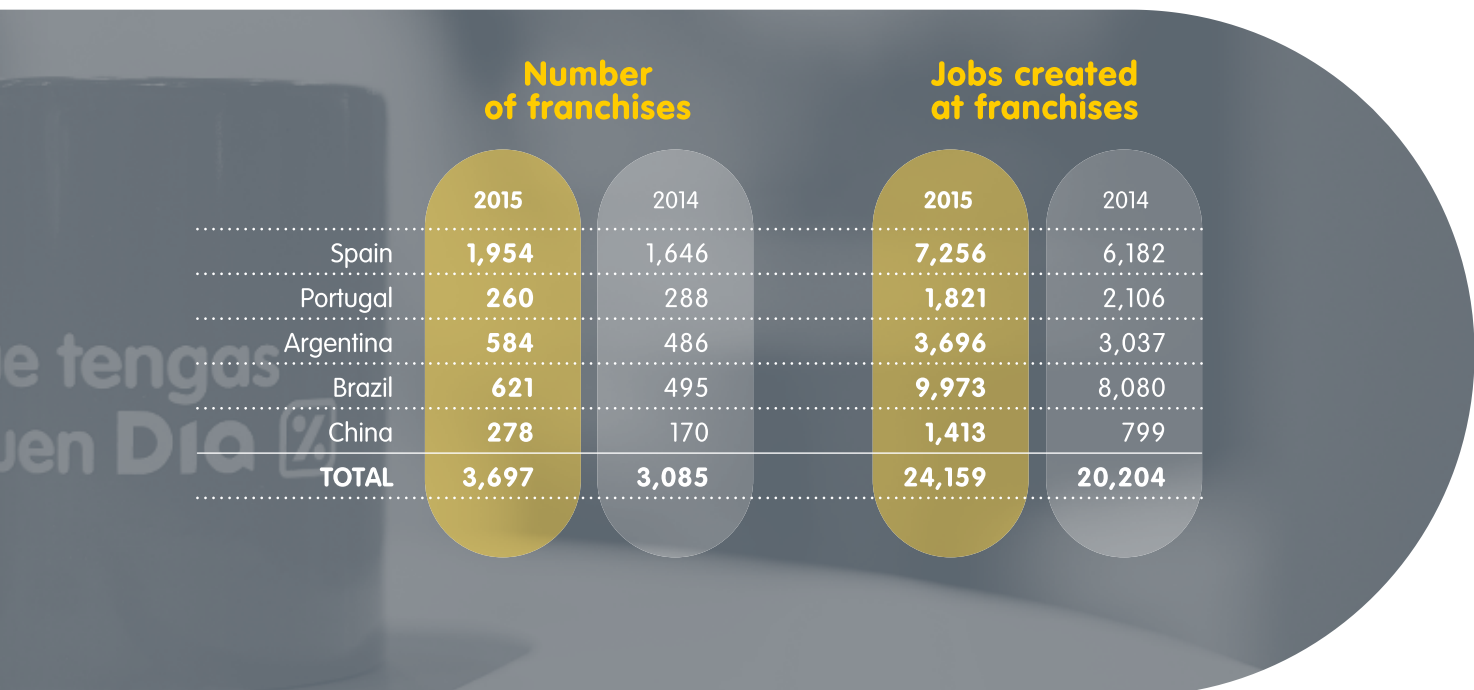
Note that the 2015 Annual General Meeting was broadcast live by means of a webcast.

DIA's transparency effort was explicitly rewarded by the financial community in 2015 when the company's Investor Relations Department was selected by the prestigious publication Institutional Investors as the best team in the European Food sector for the second year in a row.

3.3 Franchises

Over 3,600 franchised stores were operating under the DIA banners worldwide at year-end 2015, 47.9% of all of the group’s establishments and 61.1% of the DIA network. The group believes that its franchisees are the brand’s best ambassadors and the professionals best qualified to deliver customer satisfaction thanks to their local market knowledge. In 2015, the company tried to address their needs by putting the entire organisation at their disposal to help them make their businesses more profitable and to transfer its know-how, brand equity and unbeatable price image to them.

DIA fosters the franchise model because it believes it is the best operating model for excelling in the neighbourhood shopping segment. Over the course of the year, DIA added 612 stores run by local entrepreneurs to its network, bringing the total to 3,697 and generating work in its local communities in the process: at year-end, these franchised establishments employed 24,000 people. 2015 was in fact a record year for franchise openings.



The channels for communicating with potential franchisees include websites informing candidates all about the company and its franchise model. Last year the company launched one of these information sites in Portugal and Argentina.

Trade fair attendance is another way of attracting new entrepreneurs. In 2015, DIA participated in more than 10 such trade fairs in Spain, interviewing over 300 interested parties, including the Franquishop fairs in Seville, Zaragoza, Barcelona and Madrid, Franquiatlántico in Vigo, Expofranquicia in Madrid; the Andalusia Franchise Trade Fair in Granada; Frankinorte in Bilbao, and the International Franchise Expo in Valencia.

In Argentina, the firm participated in the International Franchise Expo organised by the Argentine Brand and Franchise Association in Argentina, at which 180 interested parties visited the company’s stand; in Portugal, Minipreço attended the International Franchising Fair in Lisbon for the first time; and in Brazil, DIA attended the all-important trade fair sponsored by the Brazilian Franchising Association, among others.

At these trade fairs, the company provides interested candidates with the documentation they need for starting up a franchise and informs them of the benefits afforded by the model.

DIA has other programmes specifically designed to attract potential franchisees, such as the Referral Programme in Argentina, under which DIA employees and existing franchisees recommend the franchise formula to potential entrepreneurs; these programmes are delivering excellent results. Referring employees propose candidates for operating a store; in the event a franchise agreement is signed they receive a specific number of points for exchange for gifts from a catalogue (they can accumulate points to qualify for better gifts, including trips).

International DIA Franchisee Satisfaction Survey

The relationship between DIA and its franchisees is based on mutual trust and benefits. To this end, DIA has set up several channels for tracking its franchisees’ satisfaction, transmitting relevant business information and listening to their experiences and suggestions.

This unwavering effort to gather feedback from its franchisees crystallises in the annual International DIA Franchisee Satisfaction Survey. In 2015, this barometer, in its fourth edition, confirmed that the most highly-rated attributes remain the sales and supervisory aspects, notably including the quality and competitiveness of the DIA brand, the advertising campaigns and the Club DIA loyalty programme. Moreover, 58% of franchisees said they would repeat the experience and 54% would recommend it to another person.

The survey has emerged as an exceptionally good way of learning about the entrepreneurs’ expectations and suggestions. Notably, over 95% of franchisees answered the following open-ended question: “What else could DIA do to help you manage your business?”

The franchisee satisfaction survey is an exceptionally useful tool for tracking franchisee expectations

In order to respond to their concerns, keep them satisfied and fuel ongoing sharp growth in the franchise format, DIA went to lengths to improve communication with its entrepreneurs, help them make more money from their businesses and generally lend them its support in 2015.

Regular meetings to enhance communication

In 2015, the organisation focused on servicing its franchisees, setting up meetings to serve as forums for dialogue between the entrepreneurs and representatives from different areas of the company to listen to their proposals and improve the way things are done by establishing agreed-upon procedures.

Over the course of the year, franchisees visited the Spanish warehouses, nurturing a strong bond between franchisees and management at the various regional centres. Meetings were also organised at the company’s head offices with the department heads who are involved in everyday franchise activities. These meetings essentially unearthed issues that affect the franchisees’ business, such as administration and logistics. Meetings of this kind also take place on a recurring basis in Portugal and China.

In Brazil and Argentina, the company organised Franchise Week, marked by activities designed to make DIA employees familiar with the franchise business model and its strategic importance for the company. It also organised an Integration Day with franchisees. This event included meetings with professionals from the logistics, operations, finance and sales areas at which executives and leaders from DIA Argentina shared their experiences with the firm’s entrepreneurs.

Franchisee portal

In addition to communicating with its franchisees by means of these regular meetings, DIA has other internal channels for helping its entrepreneurs, the most notable being the Franchisee Portal. This platform, created in 2014, provides the entrepreneurs with key business information - covering range, orders and sales information, etc. Franchisees can use this online channel to access databases containing information about their own performance as well as comparative information; it is also configured with a messaging system for getting in contact with DIA.

All of the group's franchisees receive a newsletter outlining the latest corporate news and best management practices. There are also country-specific publications, such as the new bi-monthly magazine, Partners, in Argentina, as well as bi-monthly newsletters for franchisees in Spain (with a print run of 1,900) and Portugal.

The company also has a series of franchisee-specific feedback channels. These were expanded in 2015 with the creation of the Franchisee Ombudsman figure in Portugal. There is also a Strategic Partner Service Centre (CASE for its acronym in Spanish) in Argentina which operates by phone and e-mail and is similar to the phone line in operation in China. In Portugal there is also a postal feedback channel, while the equivalent platform in Brazil, dubbed 'DIA is listening', handles queries and resolves potential business management issues.

Helping franchisees become more profitable

In response to franchisee demands, in 2015, the group worked to help them make their stores more profitable. To this end, DIA worked on definition of their product ranges, factoring in the entrepreneurs' experience by listening to their suggestions about product assortment and special offers.

The company gives its franchisees tools for driving sales and its specialists provide expert advice in a number of areas. In addition, each franchisee receives a print run of advertising brochures tailored for his or her catchment area. DIA's entrepreneurs also benefit from DIA's mass media advertising campaigns. Lastly, DIA also negotiates special initiatives with its suppliers for its franchisees.

This year, over 100 franchisees won trips and gifts as part of the sales incentive competitions organised in collaboration with suppliers.

Franchisee support

The unwavering support extended to its franchisees is one of DIA's strong suits. Before signing a franchise agreement, DIA analyses each project, helps with the premises search and prepares a specific business plan.

The DIA teams provide support with the technical aspects necessary to start up an establishment, specifically furnishing them with the management tools they require: in-house software, PoS terminals, the Club DIA loyalty programme, etc., all of which are adapted to individual country needs.

In some cases, DIA provides applicants with financial assistance so they can start up their businesses and draw on financing agreements with partner banks as required.

The continuous training and assistance received through a network of store supervisors who visit the franchised establishments frequently are among the aspects most highly valued by the franchisees. Against this backdrop, in Spain there are 18 Franchise Coaches, while DIA Argentina has established a Store Head Coach role, a person who accompanies the entrepreneur during the first 45 days managing his or her store to facilitate the initial learning process.

In Spain there are dedicated coaches specialised in franchisee training who provide: the welcome and initial training - comprising the academic and practical courses imparted in the training centres; theory taught via the online training platform (DIAttraining); and work practice in actual stores. The specialist franchisee coaches receive annual refresher training themselves on various topics of interest such as management of bread and fruit counters, the franchise websites, etc.

More than 800 people from the franchise unit received training in Spain in 2015, including franchisees and DIA support staff (supervisors, franchise marketings), accounting for over 30,000 hours of in-situ training. The online training model associated with the upfront franchisee training plan entailed the provision of over 3,500 hours of training in total.

DIA, benchmark franchisor

The transfer of its know-how, coupled with its sheer number of franchised stores, innovation capabilities, support for entrepreneurs and sensitivity to environmental problems, earned DIA a spot among international consultant Franchise Direct's ranking of the world's top 20 franchisors in 2015.

Worthy of special mention is the Franchise Excellence Seal awarded by the Brazilian Franchise Association (ABF for its acronym in Portuguese), which helped to consolidate its image as franchisor in this market. This accolade was awarded after interviewing 70 franchisees who were asked to answer 35 questions designed to measure their satisfaction as franchisees and their companies' performance.

DIA received the Franchise Excellence Seal awarded by the Brazilian Franchise Association after interviewing 70 franchisees

Similarly, in Argentina, the franchises received the Quality Seal granted by the Argentine Brand and Franchise Association (AAMF for its acronym in Spanish) in conjunction with Bureau Veritas-BVQI, the world-leading quality certification provider.

Acknowledging franchisee performance

In 2015, DIA sought to acknowledge the hard work and dedication of its franchisees with the second edition of its DIA Franchisee Awards in April 2015, celebrated in conjunction with the Expofranquicia trade fair. The company awards these accolades to recognise its franchisees' efforts in five different categories representing its corporate values: efficiency, initiative, respect, teamwork and customer-focus.

Josefa Miguelina, from Dos Hermanas (Seville), received the Customer-focus award; the prize for best representing the corporate value 'Efficiency' went to Adrián Paredes; Gabriel Hernández, from Mérida, received the award for showing the most 'Initiative'; the prize for 'Respect' went to Jordi Viva and María del Carmen Palacios; and the 'Teamwork' prize was awarded to the work performed by Teodora Molina, José García, María Teresa Pérez and Robustiano García, two couples from Manises (Valencia).

In April, DIA organised the second edition of the DIA Franchisee Awards to thank franchisees for their hard work and dedication

DIA Argentina also sought to reward the franchisees best representing DIA's values by naming them 'DIA Ambassadors'.

3.4 EMPLOYEES

DIA has 46,258 employees in Spain, Portugal, Argentina, Brazil and China. This diverse and multicultural workforce increased by 5,398 people in 2015 to support the company’s growth and the specialisation of its retail formats in fresh products.

During the year, the company tackled the integration of the El Árbol supermarkets and modified and enhanced its HR management system in response to the needs of a company of the emerging scale and complexity of the DIA Group. The new system better addresses aspects related with how to recognise excellence, foster transparency and maximise talent.

On the training front, in 2015, the company continued to develop its Talent Management System covering key positions within the organisation, rolling out horizontal career paths and coaching initiatives and highlighting the role of managers in the career development process. In addition, it implemented the market-leading technology solution to support this process and make it more accessible and productive for users.

Committed to jobs

Of the 46,258 people working at DIA, 70.2% work in Europe, 26.9% in Latin America and 2.9% in Asia. Seventy-four per cent work in the group’s stores, 13% in warehouses and 13% in its offices.

In all of its markets and workplaces, DIA upholds prevailing legislation and fosters the development of universally recognised human and labour rights, equal opportunities and non-discrimination.

Average headcount by country

	2015	2014
Spain	28,765	23,219*
Portugal	3,716	3,558
Argentina	4,811	4,567
Brazil	7,633	7,613
China	1,333	1,903
TOTAL	46,258	40,860

* Includes the average El Árbol headcount in November and December

DIA is strategically committed to job stability: at year-end, 86.83% of the workforce was employed under permanent contracts. Employee turnover, understood as voluntary departures, stood at 1.59% and the average length of service stood at 6.8 years at year-end.

Driven mainly by acquisitions as well as structural changes, in 2015, the company reorganised its sales, warehouse and office networks and this work logically affected the HR function. This department's work was similarly affected by the company's strategic commitment to the franchise format globally and the outsourcing of owned stores during the year.

Integration of El Árbol and Eroski-Caprabo employees

One of the biggest challenges surmounted on the human resources management front was the integration of El Árbol's employees in Spain. In the wake of the acquisition of this financially non-viable chain in 2014, DIA has maintained the vast majority of its employees.

It is worth highlighting the important contribution of El Árbol staff and this chain's existing training centre in Valladolid to enriching the group's know-how, especially in the perishable goods management arena.

Elsewhere, the integration of 145 Eroski stores in 2015 also implied the addition of more than 2,400 people, most of whom again specialised in the handling of perishables.

Increasing specialisation

Format innovation in recent years has led to the recruitment of professionals with different backgrounds, people with greater expertise, in order to manage the sale of products that require certain handling skills, such as fresh goods. Against this backdrop, in 2015, the company added, between new hires and the employees taken on from newly-acquired stores, more than 1,200 experts in managing the meat, cold cuts and fish counters for its DIA Maxi and La Plaza stores.

External recognition for DIA's role in generating jobs

DIA's role in generating work was recognised by the financial trade journal *Actualidad Económica*, which gave the group one of its Prizes for Successful Enterprising in Madrid, specifically the Job Creation Prize for the launch of its newest format: La Plaza de DIA.

Changes in the HR management model

In 2015, the DIA Group changed its human resources management model at the group level; the new model applies to over 3,000 people from the clerical categories and higher and is designed to respond to the company's evolving business circumstances.

The company has incorporated the value chain tool into this system to identify and acknowledge the value that the various job categories generate for the organisation. This system, which is more flexible, in addition to delivering consistency organisation-wide, permits recognition of the business's strategic areas and identification by the organisation of the people who add that bit extra to the company using a system underpinned by common criteria.

These criteria can be summed up as follows: value chain, quantitative criteria, employee numbers and levels, replacement cost, degree of autonomy and ability to assume greater responsibility, reporting lines, and complexity of the assortment managed and related negotiations.

Fifty-four per cent of the job opportunities arising at the organisation's head office were filled internally by advertising the vacancies on the DIA Portal, encouraging horizontal and vertical development of internal talent and reinforcement of employee profiles with a broader vision of the company.

Development of the Talent Management System

DIA remains uniquely committed to providing all of its employees with continuous training. In 2015, without counting the job training provided before new hires begin, the company imparted more than 55,000 training hours to its headquarters and office staff and over 251,000 hours to warehouse and store staff worldwide.

The company continued to develop its Talent Management System along three lines of initiative in 2015:

The International Management Development Programme

DIA rolled out its International Management Development Programme in 2014-15 with the overriding goal of fortifying and boosting management skills and capabilities in the context of the DIA Group's business, offering course participants a top-down vision of business management in general and food and retail sector business management in particular. Thanks to the success of this initiative, the second edition of this programme was launched at the end of 2015 and will finish in the first quarter of 2016.

DIA engaged the San Telmo International Institute, a business and executive management school specialised in the food retailing sector, to design and execute this important programme.

This external programme is rounded out with presentations given by DIA Group executives. The in-situ sessions are complemented with online courses in accounting and finance.

Training for managers at other levels

Warehouse and head office middle and line managers also receive skills training. DIA earmarked 5,500 hours to this form of training in 2015, equivalent to an average of 19 hours per person. Some of the topics addressed included management skills, financial training, team management, etc. The e-learning language and time management modules were fortified within this training programme.

The company also introduced a Head Office Welcome Manual to help new hires get to know the company, its facilities, work tools, rules and regulations and values using an interactive application.

Store and warehouse training

Development of fresh produce and a dedicated training plan

2015 was an important year in terms of boosting fresh produce related training, prompted among other things by development of the DIA Maxi and La Plaza de DIA models in Spain, as these stores are being fitted with meat, cold cuts and fish counters and broader assortments tailored to customer needs.

With the aim of delivering professional customer service, last year, DIA added over 1,200 professionals specialised in management of the new fresh produce counters for Dia Maxi and La Plaza de DIA: meat, cold cuts and fish.

The human resources management systems are being adapted to this new paradigm. Specific training and career development programmes are being developed to incorporate this specialisation in fresh products for sales managers, store supervisors and counter specialists.

The focus on fresh produce is being built into a modular training programme designed to reinforce: customer orientation, the skills needed to profitably manage these counters on a daily basis, the correct use of these sections' specific equipment and sales skills targeted at detecting and satisfying customers' needs.

During the coming year the company plans to continue to fine-tune this expert training and to develop specific training programmes addressing quality management at the bread and fruit and vegetables counters.

Acquisitions

As a result of the growth derived from the acquisition of the Eroski and Caprabo stores in central and southern Spain, upfront training courses were designed to cover checkout, store and counter management for around 3,000 people. These courses were concentrated in the roughly three months it took to transform these stores into the DIA Market, DIA Maxi and La Plaza de DIA formats.

In October, DIA implemented its IT systems in the El Árbol stores, providing relating training to more than 3,000 people in just one month.

Over 40 professional coaches and DIA store supervisors and managers threw themselves into the job of providing these newcomers with upfront welcome training.

Franchise support staff

Training the franchise support staff is one of the areas of priority focus in the group's Spanish HR training programme.

Specific training initiatives reinforce the business-related expertise and skills of the franchise supervision staff. A crucial part of this supervisory function is the provision of advice by our supervisors. To this end the supervisors are provided with courses in communication and motivational skills with the aim of having this translate into enhanced franchisee loyalty.

The customer, cast in the lead part

The HR Department devised and promoted the Customer Attitude initiative in Spain with the aim of rolling it out internationally in the future. The goal of this programme is to deliver a better shopping experience through our people, the key enablers in this respect.

The word 'attitude' embodies the essence of this project since the actions carried out are designed to boost and fortify internal and external customer orientation and translate into higher end customer satisfaction.

The activities carried out under the umbrella of the Customer Attitude programme include specific workshops for practising customer service attitudes and commitment, involving and engaging the company's entire chain of command, from executives to store staff, in this quest. This customer revolution has taken hold in the regional centres which carried out a range of initiatives related to this project including competitions, prizes and attitude merchandising.

These initiatives are then disseminated and broadcast via the employee portal.

Clarel

Store staff training continued at Clarel all of last year, reinforcing sales skills and product range knowledge.

In 2015, particular attention was paid to deepening knowledge of the company's private-label brands. Training sessions were organised directly with the Basic supplier, Maymó, and familiarity with the Bonté brand was reinforced by means of product files and reinforced in-store training.

A specific training plan has been drawn up to addresses knowledge of these products and the provision of professional advice to customers for implementation over the course of 2016.

Warehouse training in Argentina

The figure of Operator Coach was introduced in the country's four warehouses in Argentina whose role is to welcome, accompany and train new hires to shorten their learning curve and speed up their integration into the team. Thanks to their work transmitting know-how in respect of everyday logistics activities, the Operator Coach helps standardise processes and procedures.

Two-way communication

2015 was a year of consolidation in terms of the measures rolled out in the wake of the workplace climate survey carried out at all levels and for all job categories two years earlier. These measures included the reinforcement of online internal communication initiatives via the portal for store and warehouse staff in Spain with over 200 publications and around 7,000 subscribers.

In Argentina, there is a monthly newsletter which contains not only information but also links to internal vacancies and e-learning course content.

In China, the results of the workplace climate survey and the resulting action plans were communicated. On the internal communication front, the company continued to produce its in-house newsletter and meetings were organised with the warehouse and store team managers to improve job efficiency and team management.

The group's various geographic units are organising a series of meetings between management and the team managers with direct responsibility over customer attention to nurture a customer-centric culture and improve in-store customer attention processes. Specifically, in China the company rolled out a series of meetings between management and the managers of high-performing stores to establish a direct line of communication with these stores.

In Argentina avenues for communication with management were also put formally in place: sales meetings and logistics meetings, aimed at aligning all areas around the overriding goal of improving the shopping experience.

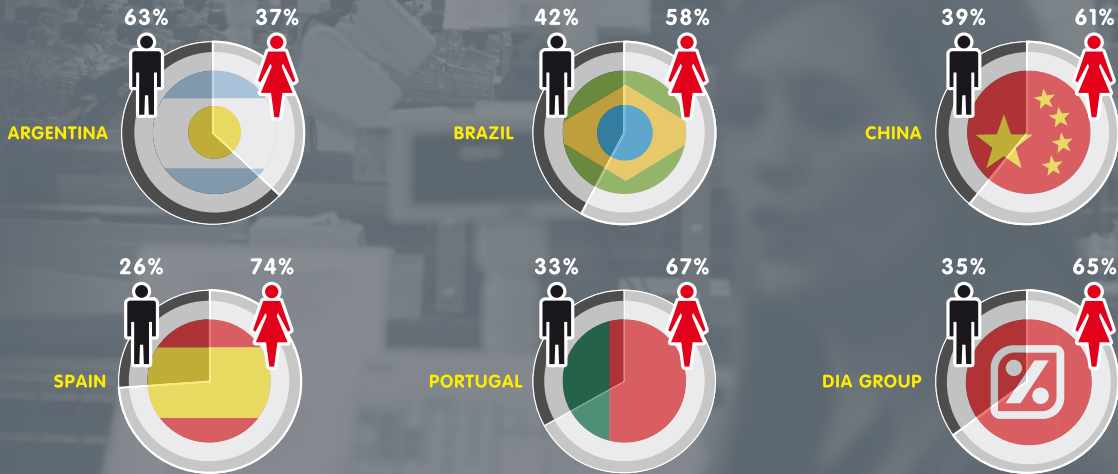
The internal communication tools in place in this market were also bolstered with a new bi-monthly newsletter targeted specifically at warehouse operators which contains logistics related-content but also aims to outline how their work impacts the stores and, ultimately, the company's customers. In China, the warehouse team heads meet to work on best practices and search for solutions to shared problems.

A website has also been set up for 'Warehouse Leaders' where these professionals can consult key logistics and other business indicators; it is targeted at supervisors, shift managers and warehouse managers in Argentina.

Equal opportunities

The DIA Group is firmly committed to the provision of equal opportunities in the workplace. Female employees account for 66% of the total headcount and 37% of management positions at the group level; this percentage rises to above 48% in Spain and China.

Breakdown by gender and country. In %



In order to make sure gender equality is borne out in practice, the group monitors and correctly publicises its hiring, promotion and workplace training processes, as well as ensuring equal pay for jobs in a given category.

To encourage equal opportunities for all members of the Spanish workforce, the firm has had an Equality Plan in place since 2012. This plan's effectiveness is evident in the fact that 63% of promotions to job categories higher than entry level went to female employees in 2015.

Last year, DIA also set up a tab within its Employee Portal called 'Building Equality' with a range of materials, videos, articles, etc. focused on equality from the standpoint of children and youths. It also organised children's drawing competitions to teach about gender equality.

In this same vein, the company has signed up for the 'Companies for a society free of domestic violence' campaign sponsored by the Spanish Ministry of Health, Social Services and Equality. On 14 July, it signed a collaboration agreement to raise awareness about domestic violence.

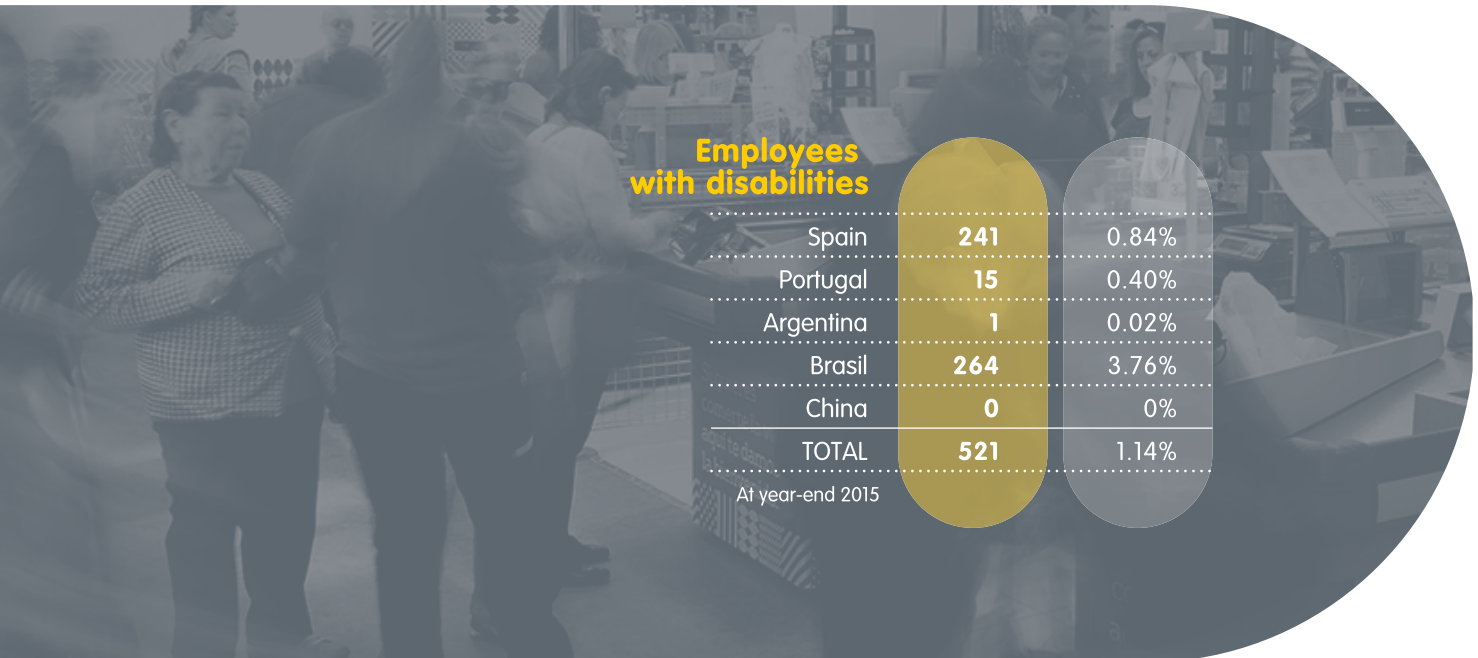
To mark International Day for the Elimination of Violence against Women on 25 November, DIA printed the 'There's a way out of domestic violence' logo on its shopping bags for one week and echoed the campaign on its social network accounts. It also distributed more than 14,500 badges for its employees to wear on their uniforms during the week of 23 - 29 November.

Workplace integration of people with disabilities

DIA has pacts with foundations and associations that foster the integration of people with disabilities into the workplace, notable among which the agreement signed in 2012 with the ONCE Foundation in Spain covering the provision of work practice and the direct and indirect purchase of goods and services from this foundation's special job centres (companies over 70% of whose employees are disabled). Thanks to these agreements, the number of employees with disabilities in Spain rose from 202 in 2014 to 241. Also under the scope of the collaboration agreement with ONCE, the company sold its lottery tickets at its head offices.



The company's diversity pledge is also palpable in its other markets; indeed, Brazil is the country with the most differently-abled people on its payroll: 264 in total. The company is working consistently to deliver the legally-stipulated minimum thresholds as quickly as possible.



In Spain a special effort was made to brief employees and raise awareness by leveraging the Employee Portal, which contains a range of content, including information about the awareness drives carried out in the regional centres and 10 rules of conduct in the presence of someone with a guide dog.

Workplace health and safety

DIA, aware of the crucial importance of health and safety matters to all its employees, contractors and suppliers, continued to reinforce its safe and healthy work environment across its offices, stores and warehouses in 2015. The company invested over €216,000 in health and safety training between all its markets, providing an average of over two hours per employee.

In Spain, the occupational health and safety team worked to reduce accident rates and enhance employee safety at every step of their jobs.

Several workplace safety training courses were designed and executed in 2015, all with the aim of ensuring the highest standards of safety across the group's operations:

Stores: DIA boosted the safety courses targeted at its butchers and fish-mongers, providing them with theoretical and practical information about the risks intrinsic to their jobs and preventative measures to put into practice during their daily work.

Warehouses: ongoing provision of the training plan for newly-hired fork-lift operators (with 101 receiving training in 2015) and refresher courses for the rest of the workforce (with 171 operators receiving this course in 2015). During the second half of the year, the stockists and maintenance staff received training on preventative handling of elevating platforms.

Head office: at the Madrid head office the training provided to the building evacuation teams contemplated in the Building Emergency Plan was reviewed. A full-blown evacuation drill was carried out to integrate safe evacuation and coordination guidelines for all of the designated emergency teams.

DIA Spain also participated in the World Day for Safety and Health at Work (28 April), launching a campaign called 'Safety is in your hands' to remind employees of the importance of prevention in their everyday work and to prompt them to reflect on the importance of complying with the safety procedures and rules consistently so that everyone works together towards the common goal of preventing accidents.

In Argentina, an awareness campaign was targeted at all employees making use of the various internal communication tools in place at each distribution centre. This initiative was rounded out with a specific campaign to control non-compliance in the warehouses that was run and managed by the safety and labour relations department.

The Brazilian business earmarked a week to briefing employees about workplace safety, organising several different talks and providing safety tips using the various internal communication channels in place in this market.

Accident rates

Aware of the importance of nurturing the right safety climate, DIA complies scrupulously with prevailing legislation. The lost-time accident frequency rate was 0.50%, which is low considering the nature of the store and warehouse work performed, while the percentage of lost-time hours due to sickness was 3.88%, also considered very reasonable. Both readings fell from 2014.

Health control



The medical check-up plan falls under the umbrella of the company’s overall occupational health and safety plan and enables evaluation of employee health in relation to the risks intrinsic to their jobs, in turn allowing DIA take a proactive attitude to health and safety requirements by adapting jobs as needed; these checks also enable the company to monitor health trends over time and detect symptoms of potential injuries that could result in workplace illnesses and absences.

DIA’s workplace health and safety programme similarly includes a range of procedures designed to enable early detection of the health repercussions of working conditions by identifying employees particularly vulnerable to certain risks in order to facilitate customisation of job conditions to individual needs.

As part of this initiative, the organisation extended some of its long-running initiatives in all its markets, including the flu vaccine drive, initiated and promoted by the Spanish public health service and facilitated by DIA to make sure that everyone who wants to get vaccinated can do so.

As part of its responsible HR policy, the company sought once again to encourage its employees to adopt health lifestyle habits, to which end it celebrated its Healthy Day for the fifth year at both the head offices in Madrid and its regional work centres, involving and engaging staff from the store network, warehouses and offices. Participating employees had the chance to take part in activities articulated around physical exercise, healthy food and emotional well-being.



In Brazil the implementation of a 24-hour support service for employees and their relatives in critical situations stands out; this initiative improves their physical and mental health as well as their job productivity. In addition to psychological and social support, the programme offers legal, financial and social security related counsel. Other health and well-being campaigns run in Brazil include ‘DIA in movement’, ‘Health at DIA’ and ‘Quick massage’.

In 2015, DIA Brazil also launched a drive to prevent conjunctivitis targeted at all employees, as well as smoking cessation and H1N1 flu vaccine drives. Pregnant employees benefitted from a special programme including dedicated workshops and pregnancy health tips.

DIA Argentina gave several health talks, including ‘How to make your day healthier’, ‘Feel good every day: good posture’ and ‘Mind your skin’. Another edition of the pregnancy care seminar was held on 17 September. This is a briefing session for new mothers at DIA and takes place in the stores and at the regional centres. These meetings are attended by paediatric nurses from an NGO (Las Casildas) who provide breast-feeding guidance. In addition, knowledgeable DIA staff informed them about the required paperwork and the company benefits for new mothers and their babies. The novelty introduced last year was the fact that the future dads were encouraged to participate in the event.

Attracting and retaining talent

In 2015, DIA sought to attract top talent by means of rigorous recruiting processes which guarantee equal opportunities and non-discrimination.

DIA Spain and DIA Brazil began to carry out recruiting activities via LinkedIn, the professional social network par excellence. These LinkedIn profiles also provide good vehicles for informing potential candidates about other topics of interest, complementing the company's communication effort in the process.

DIA runs programmes that facilitate youth hiring. In 2015, the company carried out a secondary school work practice programme in Argentina under which DIA's owned stores had as many as 200 interns in the month of July. This programme targets youths from the age of 16 with no prior work experience; they are pre-selected by the participating schools on the basis of their marks, behaviour and match for the job with the aim of helping them to develop their skills and discover their professional calling.

Remuneration

DIA's remuneration system is designed to attract, motivate and retain a workforce qualified to tackle the challenges facing the retail sector. Implementation of this system entails a protracted process ultimately designed to reward employees fairly for excellence.

For skilled workers, middle managers and executives, the first step is to evaluate their jobs. The result of this exercise is a universe of assessment maps at both the head offices and the country units.

This assessment yields different job categories. These groups are then assigned a status and a wage band which is wider the more the jobs comprising it contribute to the organisation. Each wage band has an average and a width, depending on the market positioning decisions taken by the Management Committee.

The wage bands are quantified on the basis of a market study that is updated regularly by an external consultant and market positioning decisions.

As a general rule a promotion should result in promotion to a new position and inclusion in the corresponding wage band; if this is not possible it should give rise to a pay increase of at least 4%.

Merit is the main driver of wage growth. Merit is quantified on the basis of an annual assessment of the match with the pre-established values and skill-sets and delivery of the pre-defined targets. The results of these assessments are categorised as either 'excellent', 'good', 'satisfactory' or 'room for improvement' and are correlated with pay rises.

Moreover, 'merit' (delivery of personal targets) is used, along with delivery of the corporate targets defined at the board level, to calculate the bonuses earned by middle managers and executives.

'Potential' is understood at DIA as the capabilities needed by an employee to take on work with greater responsibility in the future and can accelerate wage growth. By means of a system designed to capture this 'potential', the company pinpoints high-potential employees and establishes retention measures, including recognition in the form of a higher job category and prioritisation for training and internal promotion processes.

As for store and warehouse employees, the wage policy is governed by the terms of the collective bargaining agreements in effect between the company and the various unions, which are disclosed via the official channels of the competent public organisms.

3.5 Suppliers

DIA has 4,687 suppliers worldwide, marking year-on-year growth of 24%, driven by new format innovation and the strategic commitment to building an omni-channel presence. The trading environment was enhanced by the creation alongside the Intermarché group of CINDIA, a new buying pool in Portugal, and the alliances struck with Eroski and Casino to improve bargaining power (albeit with each company retaining totally independent sales policies). These agreements have the effect of broadening the retail market for the suppliers while simplifying the process of negotiating with the various chains.

DIA selects all its suppliers using criteria related to their competitiveness, product quality and buying terms and conditions and prioritises local suppliers when it comes to shaping its ranges of private-label and perishable goods. As a result, at year-end 2015, 86% of its suppliers were local companies that supply its national divisions in each of its five operating markets.

In 2015, the percentage of local suppliers was particularly significant in the group's emerging markets: China (100% of the total); Argentina (98%); and Brazil (97%). In Spain and Portugal, these percentages were also a significant 88% and 56%, respectively.

Commitment to name brands

In 2015, the creation of La Plaza de DIA, development of DIA Maxi - both initiatives marked by the introduction of a broad range of fresh products, wines and spirits -, expansion of Clarel and the shift in the online business towards non-food products fuelled the development and presence of name brands alongside its own brands on its store shelves.

Purchases from name-brand suppliers exceeded €4.5 billion in 2015, year-on-year growth of 16%. Purchases from private-label brand suppliers, meanwhile, topped €3.3 billion, up a slight 1.9% from 2014. The mix between name brands and private-label brands was 57% vs. 53%, respectively.

Purchases from name-brand product suppliers rose by 26% year-on-year to account for 53% of the total in 2015, compared to 48% in 2014. Group-wide this percentage increased by 16% from 54% of the total in 2014 to 57% in 2015.

Expansion of the scope of the whistle-blowing channel

DIA's relationship with its suppliers is based on respect and ethical professional conduct, underpinned by the principles enshrined in the group's Ethics Code. In 2015, the company set up an ethics whistle-blowing channel for suppliers and franchisees to handle enquires and requests for information. It is managed by the Ethics Committee and aims to resolve interpretation-related queries and unearth any potential code breaches.

Although the Ethics Code is not binding upon its suppliers, the company does expect its suppliers to foster labour rights, respect the environment and take action to prevent bribery and corruption. For this reason, all supplier contracts include a clause stating that DIA upholds the United Nations Global Compact.

In addition to its everyday business dealings with suppliers, the group began to open up alternative communication channels. DIA Argentina organised its first Supplier Summit in Buenos Aires, inviting name brand and private-label brand suppliers. The event was divided into two sections: the morning session was organised around the name brand suppliers' sales directors, managers and executives; the afternoon session was for DIA brand suppliers' sales directors, managers and executives. At the end of each event, prize-winning suppliers received awards.

3.6 Society

DIA engages in delivering economic and social progress in its communities through its business activities, its effort to stop food waste and various community work initiatives, most notable among which are its food bank donations and support for the Spanish organisation for rare disorders, FEDER, in Spain. It framed this engagement with society with open communication in 2015, channelled through its website, the media and several public organisations.

One of the vehicles used by DIA to engage with society is its corporate website, diacorporate.com. DIA uses it to provide interested parties all of the group's relevant information: news, financial information, relevant fact filings, agenda, updated business structure, legal documents, etc.

To enhance how it communicates with its communities, in 2015, it created a Group Notification Service which sends previously-subscribed users an e-mail with a link to news content of interest.

In addition, the company provides those interested in corporate social responsibility matters with a dedicated e-mail inbox, rsc@diagroup.com, to which they can address their questions and suggestions.

Media relations

DIA engages proactively with the media, which in turn create a special link between DIA and society.

In 2015, the company accounted for its activities in the form of over 70 press releases, in addition to the price-sensitive notices filed with the securities market regulator (the CNMV). To make reporters' work easier, its website also includes a media library with photos, videos, presentations and various press kits. It also organised a number of press conferences and other events to explain its projects and results, opening itself up to media scrutiny.

Reporter requests for information are channelled through comunicacion@diagroup.com. In 2015, this channel fielded 2,600 enquiries.

This effort translated into media coverage for DIA, which appeared in the press 24,000 times throughout 2015.

The company reported on its activities in the form of 70 press releases and explained its projects at different press conferences and briefing events

Engagement with the public authorities

Dialogue with the public authorities is always framed by respect for prevailing legislation and carried out with the utmost transparency, in keeping with the group's Ethics Code, upholding each country's procedures and deadlines scrupulously.

The company takes a totally neutral stance on politics and does not make financial or in-kind contributions to political parties or related institutions.

DIA's membership of sector business associations plays a very important role in the company's effort to uphold its interests vis-a-vis the public authorities. In Spain, DIA is a member of ASEDAS (acronym in Spanish for the Spanish Association of Retailers, Self-Service Establishments and Supermarkets), which encompasses the main chains, representing almost 70% of the national retailing sector.

In 2015, ASEDAS diligently represented the interests of DIA and other member retailers before the Spanish government, at its various levels, social bodies and private entities.

The DIA Group sits on ASEDAS's Management Board and a number of its committees (HR, Legislation and Communication), which decide the general thrust of the various lines of joint initiative pursued by its members.

On the European front, ASEDAS is represented on the European retailing trade association, Eurocommerce, which advocates the creation of shared value chains to strengthen food retailers to enable them to adapt to external change and looming challenges.

In Portugal, DIA is also represented on and by APED, this country's retail trade association, which in 2015 began to draft a new 'Best Environmental Practices Guide'. DIA Portugal collaborated with APED on identifying and detailing the following aspects: Global Compact principles, eco-stores, carbon footprint mapping, environmentally-friendly packaging design and the reduction of carbon footprints via logistics. It also collaborates with the Portuguese franchise association, APF.

In Argentina, DIA is a member of the supermarket trade association, ASU.

Engagement with NGOs and other non-profit entities

DIA's relations with NGOs are governed by a set of in-house rules which stipulate the procedures to be followed and cover the food bank donation scheme.

The company, which is a friend of the Lealtad Foundation, a non-profit institution that provides companies with information designed to help them decide which NGOs to collaborate with, prioritises engagement with NGOs that voluntarily submit to the analysis and audits carried out by this Foundation to inject transparency into the entire process.

In its capacity as a socially-responsible company, DIA also participates in CSR-related forums and associations. In 2015, it continued to work with the international Forética platform, whose mission is to promote corporate cultures inspired by business ethics and social responsibility by providing enterprises with useful knowledge and tools for the successful development of a competitive and sustainable business model.

Championing the food waste cause

One of DIA's signature causes is that of putting a stop to food waste. The company is part of a pioneering project for the prevention of food waste: 'Food is not for wasting, make the most of it', championed by the Spanish association of food manufacturers and retailers, AECOC, and backed by more than 250 food manufacturers and retailers. It is a high-level collaborative initiative whose goal is to prevent waste and make the most of surplus food via donations, the confection of eco-products, recovery or recycling.

In keeping with this programme's philosophy, DIA works to prevent and reduce food waste across all the links in its value chain, continually upgrading its food storage, packaging and transportation systems to minimise losses. Elsewhere, it promotes the use of surplus food by delivering it to the neediest.

In 2015, it designed a competition with AECOC dubbed 'Brainstorming to Prevent Food Waste' with the aim of searching for original ideas for ways to help consumers make the most of their food. The winning idea was to include recipes for using up leftovers from the products purchased and awareness messages on store receipts; the winner received free shopping for one year.

Its membership of retail trade associations such as ASEDAS in Spain play an important role in DIA's effort to engage with the public authorities

Food bank donations

DIA has been collaborating with FESBAL, the Spanish Food Bank Confederation, under an evergreen agreement since 2009 and works with similar organisms in other markets to regularly distribute surplus food to the least privileged. In 2015, the group's food bank deliveries hit a new record of 3.96 million kilograms.

By country, donations in Spain jumped a noteworthy 60% to 3.43 million kilograms, which is equivalent to over 9,000 kg/day, while donations in Brazil were 80% higher at 169,000 kilograms. These sums were complemented by similar drives in Portugal and Argentina, which between them donated over 350,000 kilograms.

DIA's food bank donations hit a new record in 2015 when it delivered 3.96 million kilograms

For its food donation scheme, DIA relies on the support of its employees and logistics providers as well as its regular product suppliers.

Food donations in Brazil were boosted by a collaboration agreement reached with the Commerce Social Service under which DIA has committed to the ongoing donation of food for subsequent distribution to various charitable institutions and organisations in Brazil which bring help to those who need it the most. The products donated are taken off the store shelves in the morning for distribution in the afternoon depending on the various' institutions needs and capacity. This arrangement guarantees that the food is used quickly and virtually eliminates waste.

DIA Spain carried out 35 Kilo Operations in 2015, collecting 139,185 kilograms of food with the help of its customers and employees.

It is worth highlighting an alliance between the DIA Group and MundoFranquicia covering the launch of a campaign called 'Franchises against Hunger'. The goal of this charity drive, which remains ongoing at the time of writing, is to raise money for the purchase of non-perishable foods for the Mensajeros de la Paz Foundation's Charity Bank. DIA is providing as many resources as it can to this project, optimising unit order costs and investing the savings eked out in delivering more kilos of food.

It is similarly worth highlighting the gala organised by the Hoy Corazón magazine in collaboration with Spain's public television service, to which more than 5,000 kilograms of food were donated. For every person attending the event, DIA promised to donate five kilograms of food. The gala was attended by famous Spaniards including actors, businesspeople, journalists, etc.

Other community work

In addition to its work with food banks, DIA lends its support to the least privileged groups by means of donations and campaigns to raise funds for and awareness of the problems faced by the sick and needy. Among these initiatives, it is worth singling out, on account of its long-lasting nature and the company's significant role in helping achieve its objectives, the collaboration with the Spanish organisation for rare disorders, FEDER, to raise these illnesses' profile.

A) Fight against illness and support for the disabled

Partnership with FEDER

In 2015, DIA sponsored this organisation's Charity Race for Hope on 15 March, in its sixth edition, in which 3,500 people participated, 850 of whom DIA employees. This charitable sporting event is part of a broader awareness drive organised by FEDER under the slogan, 'Make them visible', which DIA has been collaborating with for five years.

Against the backdrop of this collaboration, the company ran a campaign called 'A gesture can change everything', handing out 5,000 green-coloured lipsticks at all FEDER offices, encouraging recipients to upload photos onto the social networks with a green line painted across their faces in a show of support. This initiative was supported by some famous Spanish 'faces', including top chef Sergi Arola, TV reporter Iñaki Gabilondo, TV presenter Anne Igartiburu and science broadcaster Eduardo Punset.

Research into multiple sclerosis

DIA used its online store to contribute to the research into multiple sclerosis being spearheaded by the EME Foundation and Novartis by setting up a micro-donations tab within its www.dia.es and www.oportunidades.dia.es websites. In this manner DIA is participating in the M1 project, a massive, open and transparent social awareness and fund-raising initiative; all funds are being earmarked to research into how to cure this disease.

Leukaemia week

The company collaborated with the Josep Carreras Foundation's 'Don't stop us now' campaign in conjunction with Leukaemia Week during the week of 21 June. DIA committed to help publicise the event and rally volunteers. The funds raised via text messages were earmarked to scientific research into this illness.

Sponsorship of the Women's Race in Madrid

The company joined the list of firms sponsoring the Women's Race in Madrid in aid of Spain's Cancer Society, AECC, in which 32,000 people participated. Specifically, DIA sponsored the 'Mothers' prize category, giving the winner a gift voucher worth €500 for shopping at www.dia.es and donating another €500 to AECC.

Each of the women participating in the race received a €10 gift voucher for www.dia.es. Each time one of these vouchers is exchanged, AECC will receive a €1 donation for its various research projects.

Charity walk with disabled people in Valladolid

As part of its effort to promote charitable sporting events and help people with intellectual disabilities and their relatives, DIA participated in the charity walk organised by ASPRONA in Valladolid. For this year's walk, in its 38th edition, the company, or more specifically the 12 winners of the 'Let's turn the day on its head' cooking competition, prepared a gluten-free paella for the 5,000 walkers. Volunteers from the Personas Foundation took care of the logistics side of things.

Support for children with cancer in Brazil

Marking a first, DIA Brazil engaged its customers in one of its charitable drives with the goal of helping GRAAC, a charity which helps child cancer patients. The plan is to extent this campaign, initiated in August, to all of the company's owned and franchised stores.

B) Support for needy children and other vulnerable groups

Alliance with the regional government of Andalusia

In 2015, DIA signed a collaboration agreement with the regional government of Andalusia with the goal, alongside other leading Spanish retailers, of creating a stable collaborative framework for eradicating child poverty in this region of Spain.

This collaboration will create and feed a database of child poverty and exclusion circumstances to enable the reorientation of action plans targeted most especially at families with children at risk of extreme poverty.

'Three Wise Men' who bring hope

More than 2,000 children living in poverty and excluded from society benefitted from the toy collection drive organised by DIA. DIA employees collected the toys at the head offices in Las Rozas and at the various regional centres in Santiago de Compostela, Antequera, El Puerto de Santamaría, Mejorada, Getafe, Arroyomolinos, Jaén, Mallen, Manises, San Antonio, Mérida, Sabadell and Villanubla.

A number of non-profit entities helped to distribute the toys, including Cáritas Antequera, the Acércate a la Vida (Get Closer to Life) Association (Puerto de Santa María), AVANZA (Cáritas), the Red Cross Jaén, the Federico Ozanam Foundation (Mallen), Cáritas Manises, the Town Hall of Manises, the Red Cross Cruz San Antonio, Ningún Niño Sin Sonrisa (No Child Without a Smile) (Madrid), Cáritas Sabadell and the youth department of the City Hall of Valladolid.

Christmas drive in Argentina

As it does every year, DIA Argentina organised a Christmas collection. For the 2015 edition, the donations went to Fundamind, a non-profit organisation which has been the standard-bearer in Argentina and the rest of Latin America and the Caribbean since 1990 in providing end-to-end care to vulnerable children living in poverty and with AIDS.

The donations took the form of 'CSR Vouchers' and the company matched the funds raised. A total of €15,600 was donated to Fundamind as a result.

Charitable Christmas in Brazil

Natal Solidario is a drive organised by DIA Brazil's office staff every year in November and December.

In 2015, under the slogan, 'Adopt a child', the employees bought clothes, shoes and toys for vulnerable children as a Christmas present.

'United for Children's Day' (Argentina)

DIA Argentina once again celebrated Children's Day in August. This year the donations were sent to the children in the care of the non-profit association 'Sonrisas' (Smiles) whose work is focused on at-risk children faced by poverty and social exclusion. Some 300 toys were purchased with the money raised and, as it does every year, DIA doubled the funds raised so that the total donated was \$14,530.

'United for Children's Day' (Brazil)

This was a new campaign run by DIA Brazil to donate toys to orphanages. The aim is to extend this drive to all of the company's offices and stores in the coming years and to engage DIA Brazil's customers in this cause.

'Ponete el guardapolvo' (put your coat on) campaign

Once again in 2015, DIA Argentina helped to give underprivileged children everything they need for school with its 'Ponete el Guardapolvo' campaign. DIA's employees donated €3,892 in February for the purchase of warm coats and, as in prior years, the company donated the same amount in school bags filled with school materials.

'It's Christmas' Cultural Project

Within the community work currently underway in Brazil, it is worth highlighting the music theatre training being provided to 150 children aged between seven and 16 for 10 months at the Broadway Studio Training Centre. This program will conclude with a Christmas music performance.

'Inclusive Education'

This educational programme is being targeted by DIA Brazil at extremely vulnerable youths, offering personal and professional development opportunities by giving students better access to the job market.

Campanha do Agasalho (Winter Coat Campaign, Brazil)

DIA's Brazilian offices have been organising a clothing donation campaign every year since 2012. The garments collected are donated to nearby institutions. Here to the aim is to extend this initiative to the store network and engage the company's customers.

Amigos do Bem (Doing Good)

With this project, still ongoing, DIA Brazil is seeking to contribute to eradicating hunger and misery in northern Brazil by selling chestnuts across DIA's stores and collecting food in its stores with the help of volunteers.

Event at the Gran Rex Theatre in Buenos Aires

In order to get a ticket for the third 'Experts in Saving' National Summit, which took place at the Gran Rex Theatre in Buenos Aires, Argentina, the 'experts' had to donate a toy or children's book for donation in turn to the Garrahan and Gutiérrez Hospitals. DIA donated necessities such as baby formula and nappies to both institutions.

'Life and Peace Community' Christmas Party

DIA supported the 27th edition of the 'Life and Peace Community' Christmas party in Portugal by donating juices, wine, detergents, shower gel and shampoo, among other items.

APEPSA Christmas Party

DIA collaborated with the E.B. 2/3 Carlos Paredes school's parent and teachers association in Póvoa de Sto. Adrião (Portugal). The company donated milk, chocolate, buns, lollipops, etc.

Charitable December

DIA tries to involve its customers in its projects. In Argentina, it involved customers at three of its stores in some of its charitable work. Specifically, these joint initiatives provided support for Caritas in the Santo Cristo Parish, the Natalí Flexer Foundation which helps children with cancer and Hogar Rincón Feliz (the Happy Corner Home). In order to boost participation, DIA publicised these charitable initiatives using its external communication channels.

Recycling programme at the Garrahan Hospital Foundation

As it does every year, DIA collaborated with the Garrahan Hospital Foundation to help finance development of this institution, the landmark hospital for treatment of the most serious and complex health problems of children from all over Argentina. In parallel this Foundation works to protect the environment. In 2015, DIA donated 14,620 kilograms of paper and 25 kilograms of lids to its recycling programme.

B) Focus on children's sports

“Futebol na rúa” (Street football) in Portugal

In Portugal, DIA collaborated with “Futebol na Rúa”, an initiative run by CAIS to fight youth poverty and support their social integration through sport. Minipreço, DIA's trademark in Portugal, handed out 1,500 items of food and hygiene kits to 250 children and the training shirts for the football championships celebrated between 22 and 26 July.

Founded in 1994, CAIS is a non-profit association whose mission is to help improve the general well-being and living conditions of the most economically vulnerable.

Gigantes Children's Basketball Campus

As part of its commitment to children and sport, DIA took care of the provisions for the people participating in the Gigantes Children's Basketball Campus organised by the magazine of the same name in the Madrid towns of Getafe and Tres Cantos.

Well-known players from the Spanish basketball league passed through the Campus between June and July to share their experiences with children aged between five and 18 and spend a fun-filled day together.

Seventh edition of the Minibasket Tournament in Galicia

With this same aim of encouraging children to do sport, DIA collaborated with the Minibasket Tournament (in its seventh edition) in Galicia organised by Grupo Correo Gallego in December, in which 1,500 children participated, handing out pieces of fruit and energy bars.

C) Emergency relief

Aid for the victims of flooding in Buenos Aires

The victims of the flooding in Buenos Aires province received the support of DIA and its employees in 2015. Thanks largely to DIA's employees' charitable spirit, six containers filled with clothing, blankets and sheets were sent to the SI Foundation in August.

In addition, the company donated \$23,135 in coordination with the province's Development Department to help the victims.

Aid for the victims of flooding in Concordia

DIA's employees also made donations to the people affected by the flooding in Concordia. Two truckloads of food, mineral water and milk were delivered to the relief effort. In addition, the chain organised collections at eight of its stores so that its customers could make donations. The company donated substantial sums of basic necessities.

Donations for the victims of the Mariana dam flood

DIA donated private-label products to the people who found themselves without a home when the dam of a mining company in the town of Mariana in the Brazilian state of Minas Gerais burst

D) Social awareness campaigns

Publicity for the 'check the box' initiative in Spain

DIA helps publicise the 'check the box' campaign in Spain, the aim of which is to raise more funds for charity work by simply ticking this box on Spanish personal income tax returns. Thanks to this box, over one million people benefit from aid for their children and families.

Shopping bags with a gender violence message

To mark International Day for the Elimination of Violence against Women last November, DIA's shopping bags featured the logo, phone number and mobile app of the 'There is a way out' campaign sponsored by Spain's Ministry of Equality for one week.

Volunteering campaign

DIA Brazil's warehouses ran a campaign dubbed 'Together for a special day' (punning the word DIA in Portuguese) to encourage its employees to volunteer. Generally speaking the volunteers participate in donation drives or work with institutions located near the warehouses.

Donation of second-hand items and DIA-branded products

DIA Brazil encourages the donation of used items such as telephones and computers. The company also donates the DIA-branded products used in campaigns such as Food Truck or in-house events.

Blood donation drive

DIA facilitates blood donation drives at its headquarters. The employees based in the head offices located in Las Rozas in Madrid (Spain) demonstrated their philanthropic side by donating blood quarterly (a considerable 131 donations).

In Brazil, the blood donation drive is publicised in the media, using the slogan 'Give blood, give life', to encourage customers to donate. The Brazilian drive is organised in conjunction with the Pró Sangue Foundation.

European Mobility Week

DIA supported this initiative by donating 2,000 bottles of water. This programme promotes sustainable mobility.

4. DIA AND THE ENVIRONMENT

4.1 Environmental policy

In 2015, DIA reinforced its environmental commitment, increasing environmental spending and capital expenditure by 74% to €26.95 million and reviewing and ratifying its Environmental Policy. The latter establishes the guiding principles in this ambit and the duties and channels for integrating environmental protection into the company’s management and planning systems by adopting sustainability criteria.



- Compliance** with prevailing environmental legislation, as applicable in each of the group’s operating markets.
- Promotion** of the responsible use of resources.
- Application** of sustainability and eco-design criteria to product and packaging design.
- Management** of waste following the established hierarchy of priorities: prevention to the extent possible, avoiding its elimination as much as is feasible.
- Measures** to reduce GHG emissions.
- Active** effort to identify opportunities for doing things better by developing and implementing procedures that foster self-assessment of the company’s environmental performance.
- Encouraging** staff involvement via training and awareness initiatives

Carbon footprint

The DIA Group’s commitment to reducing its carbon footprint has prompted it to work in recent years on a range of initiatives for paring back its emissions, including the development an in-house tool designed to enable it to calculate the carbon footprint of its facilities and activities in all its geographic markets and business operations.

In 2015, DIA took the step of publicly sharing information on its greenhouse gas emissions and the measures taken to mitigate them by responding to the CDP-Climate Change questionnaire.

The CDP is an independent non-profit organisation; it boasts the world’s largest database of corporate information on climate change and encompasses over 800 socially-responsible investors with €90 billion of assets under management globally.

By means of an annual survey of the biggest listed companies, the CDP gathers information about identified climate change related risks and opportunities and evaluates how transparently they report on their environmental management efforts and how efficiently they handle the risks deriving from their business impacts on the environment.

The DIA Group was given the Best Newcomer Award Spain 2015 by the Carbon Disclosure Project (CDP) having achieved the highest score among all the companies to have joined the CDP index, which specialises in measuring the strategy and initiatives undertaken by large companies on the sustainability and climate change front, in 2015.

The DIA Group, rewarded by the Carbon Disclosure Project for its environmental pledge

Standardisation of the environmental management system

In 2015, work continued on the projects and systems developed by the group in recent years with the aim of enhancing the sustainable management of its activities and facilities. Among these projects, the work performed to standardise the environmental management system stands out.

During the year, drafting of the various procedures that will constitute the foundations of the DIA Group's environmental management system was completed. At present, these procedures are being implemented and publicised internationally to ensure homogeneous application group-wide.

Environmental assessment

The geographic scope of the environmental assessment procedure initiated in the Spanish warehouses in prior years has been gradually extended to the DIA Group's other business markets and facilities (stores and offices).

Against this backdrop, in 2015, the Environmental Assessment Procedure was formally adopted and implemented at the international level. Environmental assessment of DIA Spain's logistics platforms has been systematised with the audit of 18 warehouses and this process is in the process of being gradually rolled out in the group's other markets. In addition, an environmental assessment was performed at the group's headquarters in Las Rozas in Madrid.

Environmental assessment constitutes an overall review of the facilities and activities being audited to evaluate their performance in terms of waste management, control over emissions and discharges, use of resources (water and energy) and the measures already in place to minimise their environmental impact.

Compliance

DIA's implementation of environmental management principles coupled with compliance with prevailing legislation in all of its operating markets meant that it did not incur any significant fines for breach of environmental regulations in 2015.

In Spain, Brazil, Portugal and China there is an environmental regulations register and a register of any breaches. DIA Spain receives regular bulletins about legislative developments from the online SALEM legal update service; to the extent that they apply to DIA's businesses, a copy is made in the internal network.

4.2 Energy savings

Efficient use of energy resources is one of the cornerstones of DIA's sustainable growth model as this helps reduce its environmental impact and cut costs. In 2015, the company reduced electricity consumption per square metre across all its markets by 6.06%, compared to a year-or-year reduction of 2.41% in 2014.

In Spain, with the aim of continuing to hone its energy efficiency, the traditional lighting in place in more than 360 El Árbol stores and another 30 cash & carry stores was switched to LED technology. This entailed the installation of over 96,000 LED tubes in these stores, delivering the attendant reduction in consumption.

At these same establishments, the open freezers were replaced with more energy-efficient refrigeration cabinets, each of which cuts consumption by 15kWh/day. Specifically, 3,500 new cabinets were installed.

These two projects entailed investment of almost €8 million.

The group's new format - La Plaza de DIA - features the energy efficiency measures that characterise the rest of its new stores. For example, the refrigerators have glass doors and are equipped with LED lighting.

In Portugal, taking advantage of the refurbishment of the Minipreço Market and Minipreço Family stores, the company invested a little over €2.5 million in changing the refrigeration cabinets with a view to making these stores more energy efficient.

Also in Portugal, the capacitor banks were checked; as a result, this equipment was repaired at 53 stores and new equipment was installed in a further 50. Adjustments were made for summer temperatures at 74 stores and a refrigeration system audit was performed at 60 stores, a process set to continue in 2016. Against this backdrop, refrigeration cabinets were upgraded to more energy-efficient models at 41 stores.

Projects were also carried out at the Torres Novas, Valongo and Alverca warehouses, specifically introducing LED lighting and variable speed drive compressors. Warehouse consumption was cut by 457 MWh (-4%) in 2015 and is expected to come down further in 2016 with the execution of LED switches at another two warehouses.

The company also undertook major energy efficiency overhauls in its stores and warehouses in China, investing close to €200,000 to this end. August marked the culmination of the project of switching conventional light bulbs for LED technology in 200 stores. This drive to introduce greater energy efficiency across the Chinese store base was accompanied by other reforms such as the replacement of fridge and freezer cabinets in more than 30 stores, driving savings per establishment of 2,044 kWh - 3,650 kWh per annum.

In the offices within the Chinese warehouses, 288 bulbs were upgraded to LED technology, driving savings of 1,452 kWh/month. The implementation of new efficiency measures at the logistics centre was rounded out with the fine-tuning of the compressor control and repair system, delivering year-end savings of 9.3%.

In a bid to make its stores ever more energy efficient, DIA tests the most cutting-edge efficiency systems at its so-called Sustainable Stores and, once these systems prove effective in terms of both efficiency and return on investment criteria, the stores are retrofitted accordingly.

The installation of LED tubes and more energy-efficient cabinets in El Árbol and Max Descuento stores entailed investment of €8 million

Energy efficiency in warehouses

DIA Portugal is developing a smart automation project with a view to making its cooling equipment more energy efficient. This project began in 2015 and is set to continue throughout 2016.

Use of clean energy

The electricity consumed by 70% of DIA's store network comes exclusively from renewable sources, as certified by its power supplier, E.On.

DIA's headquarters in Madrid (Spain) provides good example of the company's commitment to using clean and renewable sources of power as these offices are located in a building that has obtained LEED Gold Core & Shell certification.

4.3 Committed to cutting emissions

The company's commitment to cutting emissions is a priority aspect of its sustainable development strategy given its importance as a logistics player - with 38 distribution platforms and 740,439m² of warehouse floor space - and the intensive use of energy required by the retail business. In 2015, DIA's logistics activities - across all its markets - generated greenhouse gas emissions equivalent to 131,498,024 kg of carbon dioxide. This marked a year-on-year decline in all markets except for Spain, where the increase in emissions was directly related to growth in the store network and logistics platform.

Having developed a proprietary tool for calculating the carbon footprint of its facilities and activities, DIA was in a position to monitor its emissions on an automated basis in 2015. This tool further enables oversight of the company's performance in this respect over time and evaluation of the various measures introduced to reduce emissions.

The DIA Group has been fine-tuning its logistics chain in terms of both the distance travelled and the use of more fuel-efficient engines. Against this backdrop, the company has gradually brought down its fuel consumption (measured per thousand units of products sold) in recent years, specifically lowering consumption from 5.92 litres in 2014 to 5.46 in 2015.

DIA is currently working on three fronts to reduce fuel consumption:

- Use of high-capacity modes of transport modes that boost load capacity per format by as much as 15% compared to other formats.

- Use of the back-hauling method, which consists of filling the delivery trucks with merchandise from nearby suppliers after dropping off goods at the stores and taking it back to the warehouse.

- Use of alternative means of transport such as shipping and rail.

DIA has a route optimisation system which reviews existing routes periodically to ensure warehouse-to-store trips are as efficient as possible. As well as monitoring the hypothetical kilometres travelled by its carriers in this manner, the company is also working on optimising truck loads as a result of which it achieving a considerable reduction in trip numbers.

In 2015, the company continued with the pilot test initiated in 2014 for the use of more fuel-efficient truck engines. Specifically in Portugal the company tested trucks equipped with the Euro 6 system and the plan is to increase the fleet of trucks using this system.

DIA Portugal also introduced a new container format with higher capacity which delivered a reduction in the number of trips and trucks.

Elsewhere, by using video-conferencing to hold meetings with other countries, DIA prevented travel to these markets, generating considerable emissions savings in respect of transportation and overnight hotel stays.

4.4 Material consumption and waste management

In 2015, DIA continued to employ innovative measures to prevent environmental degradation and promote profitable and sustainable growth in parallel. The company made responsible use of resources by means of sustainability and eco-design criteria, thanks to which its materials consumption fell by 29% to 15.402 million kilograms.

The most significant reductions were evidenced in the paper and board used for advertising leaflets (36%), followed by shopping receipts (16%), plastic shrink wrapping (10%) and the board used for storage boxes (9%).

Eco-design in action: shelf-ready packaging

The DIA Group's experience and know-how designing shelf-ready packaging translated into quantitative and qualitative improvements in 2015. On the one hand, it streamlined the raw materials used by reducing the size and weight of the board used, eliminating varnishes and reducing the use of ink. On the other hand, the environmental impact was pared back through use of environmentally-friendly materials and the reduction of emissions by means of logistical fine-tuning.

Some of the group's green-packaging initiatives are reflected in the triennial packaging waste prevention plans presented to Ecoembes, the entity that audits and validates the measures adopted and the implied quantitative improvements.

Reduction of paper consumption

In recent years, DIA has been working on the design and rollout of a business process management suite (BPMS) to integrate various modules related with the development of private-label goods (quality, packaging, sales, etc.); this tool is called Auraportal.

Implementation of Auraportal is enabling DIA to gradually digitalise its documents, delivering massive savings in paper consumption. In Spain, paper consumption was slashed by 19,990 kilograms and in Portugal it was cut by 573 kilograms.

In addition, DIA Spain has sealed containers throughout its headquarters in Madrid and other workplaces in which its staff place documentation containing confidential information. These containers are emptied monthly by a specialist waste handler which destroys the documents using a serrated mill which shreds them into tiny particles. The resulting shredded paper is then taken by the handler to a recycling plant. This process significantly reduces the related environmental impact. In 2015, 18,310 kilograms of paper deriving from sensitive documents were collected, treated and recycled using this process.

Implementation of Auraportal is enabling a drastic reduction in paper consumption by means of document digitalisation

Reduced consumption of plastic film at the warehouse level

In the Portuguese warehouses the company ran a campaign to reduce the consumption of plastic film by replacing it with reusable tape. The result was a 32,289 kilogram reduction in the use of plastic film to 25,205 kilograms.

Awareness about resource consumption

In order to encourage responsible consumption of material resources, DIA organises a number of events to raise employee awareness of the need to use resources rationally and handle waste adequately.

Against this backdrop, DIA Brazil embarked on a project called 'Sustainable DIA' encompassing activities, campaigns and policies to promote preservation of environmental, social and economic resources. The first step was the installation of garbage sorting container bins at the national centre. Employees were also provided with glasses to prevent the use of disposable cups.

Waste management

DIA manages waste following an established hierarchy of priorities, prioritising prevention and avoiding elimination to the extent possible. Implementation of a waste sorting system in order to facilitate waste management helped ensure that all of the group's plastic, board and paper waste was recycled in 2015. Moreover, 100% of electric devices and a significant 93.97% of scrap were recycled.

As for hazardous waste, the company recycled 73,074 kilograms of batteries and 1,072 kilograms of fluorescent bulbs, representing 100% of the waste generated.

Membership of the Board of Ecoembes

In 2015, DIA took up a seat on the Board of Ecoembes, from which it contributes to the packaging eco-design and recycling effort in Spain.

This entity's mission is to provide society with a collective response on the part of economic agents to the environmental concerns deriving from the consumption of packaged household products, helping deliver compliance with legally-binding recycling objectives.

5. GRI (G3.1) Table of Indicators

Economic performance indicators – G3.1			
Aspect: Economic performance		Status	Location of disclosure (link)
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Reported	1.6 Value generated and distributed
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Under development	
EC3	Coverage of the organisation's defined benefit plan obligations.	Under development	
EC4	Significant financial assistance received from government.	N/A	

Aspect: Market presence		Status	Location of disclosure (link)
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Under development	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Reported	1.6 Value generated and distributed 3.5 Suppliers
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Reported	1.6 Value generated and distributed 3.4 Employees
Aspect: Indirect economic impacts		Status	Location of disclosure (link)
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	N/A	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	N/A	

Environmental performance indicators - G3.1

Environmental performance indicators - G3.1			
Aspect: Materials		Status	Location of disclosure (link)
EN1	Materials used by weight or volume.	Reported	4 DIA and the environment
EN2	Percentage of materials used that are recycled input materials.	Reported	4. DIA and the environment
Aspect: Energy		Status	Location of disclosure (link)
EN3	Direct energy consumption by primary energy source.	Reported	4. DIA and the environment
EN4	Indirect energy consumption by primary energy source.	Reported	4 DIA and the environment
EN5	Energy saved due to conservation and efficiency improvements.	Reported	4. DIA and the environment
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Reported	4. DIA and the environment
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Reported	4. DIA and the environment

Aspect: Water		Status	Location of disclosure (link)
EN8	Total water withdrawal by source.	Reported	4. DIA and the environment
EN9	Water sources significantly affected by withdrawal of water.	N/A	
EN10	Percentage and total volume of water recycled and reused.	Under development	
Aspect: Biodiversity		Status	Location of disclosure (link)
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	N/A	
EN13	Habitats protected or restored.	N/A	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	N/A	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	N/A	

Aspect: Emissions, effluence and waste		Status	Location of disclosure (link)
EN16	Total direct and indirect greenhouse gas emissions by weight.	Reported	4. DIA and the environment
EN17	Other relevant indirect greenhouse gas emissions by weight.	Reported	4. DIA and the environment
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Reported	4. DIA and the environment
EN19	Emissions of ozone-depleting substances by weight.	N/A	
EN20	NO, SO, and other significant air emissions by type and weight.	N/A	
EN21	Total water discharge by quality and destination.	N/A	
EN22	Total weight of waste by type and disposal method.	Reported	4. DIA and the environment
EN23	Total number and volume of significant spills.	Reported	4. DIA and the environment
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	N/A	
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	N/A	

Aspect: Products and services		Status	Location of disclosure (link)
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Reported	4. DIA and the environment
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Reported	4. DIA and the environment
Aspect: Compliance		Status	Location of disclosure (link)
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Reported	4. DIA and the environment
Aspect: Transportation		Status	Location of disclosure (link)
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Under development	
Aspect: General		Status	Location of disclosure (link)
EN30	Total environmental protection expenditures and investments by type.	Reported	4. DIA and the environment

Social performance indicators - Labour practices and decent work G3.1

Aspect: Employment		Status	Location of disclosure (link)
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Reported	3.4 Employees
LA2	Total number and rate of employee turnover by age group, gender, and region.	Under development	
LA3	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	Under development	
LA15	Return to work and retention rates after parental leave, by gender.	Under development	
Aspect: Labour/management relations		Status	Location of disclosure (link)
LA4	Percentage of employees covered by collective bargaining agreements.	Reported	3.4 Employees
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Under development	

Aspect: Occupational health and safety		Status	Location of disclosure (link)
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	Reported	3.4 Employees
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Reported	3.4 Employees
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Reported	3.4 Employees
LA9	Health and safety topics covered in formal agreements with trade unions.	Under development	
Aspect: Training and education		Status	Location of disclosure (link)
LA10	Average hours of training per year per employee by gender, and by employee category.	Reported	3.4 Employees
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Under development	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Reported	3.4 Employees

Social performance indicators - Human rights - G3.1			
Aspect: Diversity and equal opportunity		Status	Location of disclosure (link)
LA13	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership and other indicators of diversity per category according to gender, age group, minority group.	Reported	2.1 Corporate governance bodies 3.4 Employees
Social performance indicators - Human rights - G3.1			
Aspect: Equal remuneration for women and men		Status	Location of disclosure (link)
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Under development	
Social performance indicators - Human rights - G3.1			
Aspect: Investment and procurement practices		Status	Location of disclosure (link)
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Under development	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Under development	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Under development	

Aspect: Non-discrimination		Status	Location of disclosure (link)
HR4	Total number of incidents of discrimination and actions taken.	Under development	
Aspect: Freedom of association and collective bargaining		Status	Location of disclosure (link)
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	N/A	
Aspect: Child labour		Status	Location of disclosure (link)
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Under development	
Aspect: Prevention of forced and compulsory labour		Status	Location of disclosure (link)
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	Under development	

Aspect: Security practices		Status	Location of disclosure (link)
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Under development	
Aspect: Indigenous rights		Status	Location of disclosure (link)
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	N/A	
Aspect: Assessment		Status	Location of disclosure (link)
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	N/A	
Aspect: Remediation		Status	Location of disclosure (link)
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Under development	

Social performance indicators - Social dimension - G3.1

Social performance indicators - Social dimension - G3.1			
Aspect: Local communities		Status	Location of disclosure (link)
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs.	N/A	
SO9	Operations with significant potential or actual negative impacts on local communities.	N/A	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	N/A	
Aspect: Corruption		Status	Location of disclosure (link)
SO2	Percentage and total number of business units analysed for risks related to corruption.	Reported	3.6 Society 2.3 Risk management
SO3	Percentage of employees trained in the organisation's anti-corruption policies and procedures.	Reported	3.6 Society 2.3 Risk management
SO4	Actions taken in response to incidents of corruption.	Reported	3.6 Society 2.3. Risk management
Aspect: Public policy		Status	Location of disclosure (link)
SO5	Public policy positions and participation in public policy development and lobbying.	Reported	3.6 Society
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Reported	3.6 Society

Aspect: Anti-competitive behaviour			
		Status	Location of disclosure (link)
SO7	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	Reported	3.6 Society 3.5 Suppliers
Aspect: Compliance			
		Status	Location of disclosure (link)
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Reported	3.6 Society
Social performance indicators - Product responsibility - G3.1			
Aspect: Customer health and safety		Status	Location of disclosure (link)
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Reported	3.1 Customers
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Reported	3.1 Customers

Aspect: Products and service labelling		Status	Location of disclosure (link)
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Under development	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Reported	3.1 Customers
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Reported	3.1 Customers
Aspect: Marketing communications		Status	Location of disclosure (link)
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Under development	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Under development	
Aspect: Customer privacy		Status	Location of disclosure (link)
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Under development	

Aspect: Compliance		Status	Location of disclosure (link)
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Under development	