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**EXTRACT FROM THE  
ORGANISATIONAL,  
MANAGEMENT AND CONTROL  
MODEL**

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**D. LGS. 231/2001**

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**Organisational, management and control model pursuant to Legislative decree  
no. 231/2001  
Special parts**

Special part A - Crimes against the public administration (omissis)

Special part B - Occupational health and safety crimes (omissis)

Special part C - Crimes against industry and commerce and counterfeiting (omissis)

Special part D - Crimes relating to forgery of coins, public credit notes and duty stamps (omissis)

Special part E - Crimes related to violations of copyrights (omissis)

Special part F - Computer crimes, unlawful data processing and crimes involving non-cash payment instruments(omissis)

Special part G - Corporate crimes (omissis)

Special part H - Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin and self-laundering (omissis)

Special part I - Organised crime, Transnational crimes, Induction not to make statements or to make untruthful statements to the judicial authorities (omissis)

Special part L – Crimes against the individual and the equality(omissis)

Special part M - Employment of third-country nationals residing without authorisation (omissis)

Special part N - Crimes against the environment (omissis)

Special part O – Market abuse (omissis)

Special Part P – Tax crimes and Smuggling crimes (omissis)

Special Part Q - Crimes against cultural heritage and Laundering of cultural property and devastation and looting of cultural property and landscape (omissis)

**Annex**

Annex 1. Members of the Supervisory Body and their *curricula vitae* (omissis)

## 1 LEGISLATIVE DECREE NO. 231/2001

### 1.1 LEGISLATIVE FRAMEWORK

Legislative decree no. 231 of 8 June 2001 (the “Decree”), which regulates the administrative liability of legal entities, companies and unincorporated associations introduced the concept of company liability into Italian law. This is a form of criminal administrative liability of legal entities when certain crimes are committed or attempted by senior management or their subordinates.

The Decree harmonized the Italian laws about the liability of legal entities with international conventions signed by Italy in previous years, such as the Brussels Conventions of 26 July 1995 and 26 May 1997 on the protection of the Communities’ financial interests and the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, and the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

The Decree represents great legislative and cultural change with the introduction of the criminal liability of the individual who committed the crime as well as the body in whose interests the crime was committed, or which benefitted therefrom.

Its provisions specifically apply to the following “parties (the “Bodies”) as provided for by article 1 thereof:

- bodies with legal personality;
- entities and associations, including without legal personality.

### 1.2 THE NATURE OF BODIES’ LIABILITY

The report presenting the Decree emphasised that by administrative liability is meant a “tertium genus that combines the essential features of the criminal system with the administrative system to reconcile the reasons for effective preventive measures with those, which are even more unavoidable, requesting greater guarantees”.

The Decree is the result of a legislative technique that has introduced into Italian legislation a system to punish corporate crimes in addition to the existing disciplinary measures by incorporating the inherent characteristics of criminal and administrative crimes: the competent criminal court judge is not solely required to identify the perpetrator of the crime but also the Body’s administrative liability and to apply the related sanction in line with the provisions and timing of any criminal proceeding.

The Body’s administrative liability is separate to that of the individual who committed the crime: it follows that the Body should not be exempt from liability even if the offender cannot be identified or cannot be charged or if the crime is no longer punishable for reasons other than amnesty (article 8 of the Decree).

Moreover, the Body’s liability is additional to and does not substitute that of the individual who committed the crime.

### 1.3 CRITERIA FOR THE ATTRIBUTION OF LIABILITY TO THE BODY AND EXEMPTIONS FROM LIABILITY

In the case of the predicate crimes (set out in section 1.4), the Body is only liable if certain conditions are met, specifically, the definition of the objective and subjective criteria for the attribution of the crime to the Body have been defined.

The first objective criterion is that the predicate crime is committed by a party who reports to the Body. Article 5 of the Decree states that the offenders are:

- parties that represent, administer, or manage the Body or one of its organizational units and have financial and operating independence or parties that *de facto* manage and control the Body (*senior management*);
- parties subordinate to the senior management (*subordinates*).

The second objective criterion is that the unlawful conduct is performed by one of the above parties “*in the interests of or to the advantage of the company*” (article 5.1 of the Decree):

- an “*interest*” exists when the offender has acted intentionally to benefit the Body, regardless of whether they have achieved their intention;
- an “*advantage*” exists when the Body has benefitted or could have benefitted from the crime, which does not necessarily have to be in financial terms.

The Decree explicitly provides that the Body is not liable if the members of senior management or the subordinates have acted “*solely in their own interests or in the interests of third parties*” (article 5.2 of the Decree).

The “*interest or advantage*” criterion is by its nature not compatible with the negligent nature of the predicate crimes covered by article 25-*septies* of the Decree (manslaughter and grievous bodily harm) while it reflects the intentional nature of premeditated crimes.

The negligent component of the last two cases (which implies the lack of intention) means that they cannot be considered predicate crimes committed in the Body’s interests (which would imply intention). As the legislation is silent on this point, the most accredited interpretation holds that the plausible criterion for the assignment of these negligent crimes is if non-compliance with safety regulations gives the Body an objective advantage (at least in terms of the smaller costs arising from non-compliance). Therefore, the criterion in question is limited in this case to the objective circumstance that non-compliance is an advantage to the Body, as shown in the special part of the Model covering article 25-*septies*.

The subjective criteria for charging the crime to the Body establish the conditions when this can take place: in order for the crime not to be charged thereto for subjective reasons, the Body must be able to show that it has done all in its powers to organize, manage and monitor its activities to prevent the commission of one of the predicate crimes listed in the Decree.

Accordingly, the Decree provides that the Body’s liability is excluded when, before the

crime is committed:

- the Body has prepared and implemented organizational and management models suitable to prevent crime;
- the Body has set up a control body (the Supervisory Body), with independent powers to supervise the organizational models' working.

In the case of a crime committed by a member of senior management, it is assumed that the Body is liable given that senior management embodies, represents and implements the Body's management policies: the Body's liability is only excluded if it can prove that the crime was committed by fraudulently evading the existing Organizational, management and control model (the "Model") and the Supervisory Body has not omitted any controls or performed them inadequately as this body has the specific duty of supervising the Model's correct functioning and compliance therewith (article 6 of the Decree)<sup>1</sup>. Accordingly, the Decree requires stronger proof that the Body is not involved in these cases, as it must also prove that senior management has defrauded the Model.

In the case of crimes committed by a subordinate, the Body is liable only when the crime may be committed due to non-compliance with management and supervisory obligations: the Body's liability is excluded if it can prove that it has adopted suitable conduct rules for its type of organization and activities performed that guarantee that its business is carried out in compliance with the law and can identify and eliminate any risk situations promptly (article 7.1 of the Decree)<sup>2</sup>. This is an "*organization fault*", as the Body has indirectly consented to the commission of the crime by not properly monitoring its activities and the parties at risk of committing a predicate crime.

#### 1.4 THE CRIMES

Pursuant to the "*principle of legality*" as per article 2 of the Criminal Code, the Decree sets out a *numerus clausus* of crimes the Body can be held liable for (the *predicate crimes*). These crimes, for which the Body can be held liable, are listed in the Decree and are as follows:

- Crimes against property of the public administration (article 24);
- Crimes related to public funding (article 24);
- Computer crimes and unlawful data processing (article 24-*bis*);
- Organised crime (article 24-*ter*);
- Crimes against the public administration (article 25);
- Forgery of coins, public credit notes, duty stamps and identification tools or

<sup>1</sup> Pursuant to article 6.1 of Legislative decree no. 231/2001, "If the crime has been committed by the persons indicated in article 5.1.a) [senior management], *the body is not liable if it can prove that: a) the management body has adopted and successfully implemented, before the crime was committed, organisational and management models suitable to prevent crimes of the type committed; b) responsibility for supervising the models' working and compliance and to ensure they are up-to-date was assigned to an internal body with independent decision-taking and control powers; c) the persons who committed the crime fraudulently evaded the organisational and management models; d) the body as per letter b) did not perform all its controls or was negligent?*"

<sup>2</sup> Pursuant to article 7.1 of Legislative decree no. 231/2001, "*In the case covered by article 5.1.b) [subordinates], the body is liable if the crime was possible because of non-compliance with management and supervisory obligations*".

marks (article 25-*bis*);

- Crimes against industry and commerce (article 25-*bis.1*);
- Corporate crimes (article 25-*ter*);
- Crimes related to terrorism or subversion of democratic order covered by the Criminal Code and special laws (article 25-*quater*);
- Female genital mutilation practices (article 25-*quater.1*);
- Crimes against the individual (article 25-*quinquies*);
- Market abuse (article 25-*sexies*);
- Transnational crimes (Law no. 146/2006);
- Crimes violating occupational health and safety regulations (article 25-*septies*);
- Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin and self-laundering covered by articles 648, 648-*bis*, 648-*ter* and 648-*ter.1* of the Criminal Code (article 25-*octies*);
- Crimes related to payment instruments other than cash and fraudulent transfer of values (article 25-*octies.1*);
- Crimes related to violations of copyrights (article 25-*novies*);
- Induction not to make statements or to make untruthful statements to the judicial authorities (article 25-*decies*);
- Crimes against the environment (article 25-*undecies*);
- Employment of third-country nationals residing without authorisation (article 25-*duodecies*);
- Racism and Xenophobia (article 25-*terdecies*);
- Sporting fraud, abusive game and gambling exercise and games of chance played on prohibited equipment (article 25-*quaterdecies*);
- Tax crimes (article 25-*quinquiesdecies*);
- Smuggling crimes (article 25-*sexiesdecies*);
- Crimes against cultural heritage (article 25-*septiesdecies*);
- Laundering of cultural assets and devastation and looting of cultural and landscape assets (article 25-*duodevicies*)

## 1.5 SANCTIONS

Article 9.1 of the Decree identifies the sanctions to be imposed on the Body, specifically:

1. fines;
2. prohibitions;
  - a) bans on operations;
  - b) suspension or withdrawal of permits, licenses or concessions used to commit the crime;
  - c) bans on contracting with the public administration, except to obtain a public service;
  - d) exclusion from benefits, loans, grants or subsidies and the possible withdrawal of those already granted;
  - e) ban on advertising goods or services;
3. seizure;

#### 4. publication of the conviction ruling.

Fines are applicable to all cases of administrative liability of a Body regardless of the crime. They are applied using a quota system, no less than 100 and not higher than 1,000, with a minimum amount of €258.00 and a maximum of €1,549.00 (article 10 of the Decree). When calculating the fine, the Judge decides the number of quotas considering: (i) the seriousness of the crime, (ii) the Body's degree of liability, (iii) the activities performed by the Body to eliminate or mitigate the consequences of the crime and to prevent the commission of other crimes, and (iv) the Body's financial conditions and position (article 11 of the Decree).<sup>3</sup>

The prohibitions are applied in addition to the fines, and solely for those crimes for which they are specifically envisaged and exclusively when at least one of the following conditions is met: (i) the Body has made a significant profit from the crime and the crime has been committed by a member of senior management or one of its subordinates when, in the latter case, it was possible to commit the crime or the crime was facilitated by serious organisational weaknesses; (ii) the crime has been performed more than once (article 13 of the Decree).

Seizure entails the acquisition of the price, or the profit generated by the crime or an equivalent value by the state (article 19 of the Decree).

If it is not possible to seize the assets directly making up the price or profit generated by the crime, the state may seize amounts of cash, goods or other assets equivalent to the price or profit generated by the crime. As a precautionary measure, the state may order the attachment of goods that may be seized as they are the price or profit generated by the crime or their monetary equivalent (article 53 of the Decree)<sup>4</sup>.

With respect to precautionary attachment, point 1-bis was included in article 53 of the Decree when Law decree no. 101/2013 was converted (pursuant to Law no. 125/2013). This point provides that, in the case of an attachment prior to seizure of equivalent assets pursuant to article 19.2 of the Decree, the receiver allows the company bodies to use the companies, securities, shares or liquid funds attached to guarantee the

<sup>3</sup> Pursuant to article 12 of Legislative decree no. 231/2001, the fine to be applied to the Body may be reduced in special circumstances: specifically, it is halved and cannot exceed €103,291.00 if (i) the offender has committed the crime mainly in its own interests or those of third parties or the Body has not received an advantage or the advantage has been minimum; (ii) the financial damage caused was very minimal. In addition, the fine is decreased from between one third to a half if, before the first level court hearing takes place, (i) the Body has fully compensated the damage and eliminated the damaging or dangerous effects of the crime or if it has effectively taken steps to do so; (ii) the Body has adopted and rolled out an organisational model suitable to prevent crimes of the nature performed. If both these conditions are met, the fine is reduced from half to two thirds.

<sup>4</sup> As shown by case law (Supreme Court, IV criminal section, ruling no. 34505 of 2012), in order to order preventive attachment, the judge shall assess the merits of the allegation and recognize the serious evidence of the Body's liability. Moreover, the principle of certainty of the offenses and penalties provided for by the Decree prevents the precautionary attachment of the amounts making up the profit of the crimes not included in the list of predicate crimes. This is also true when the public prosecutor alleges these crimes to be those committed by the criminal associations, while the creation of the criminal association is a predicate crime implying the Body's liability pursuant to article 24-ter of the Decree (Supreme Court, VI criminal section, ruling no. 3635 of 2014).

In this ruling, the principle of non-retroactivity was invoked to clarify that the profit from actions performed before the application of the regulations that include a specific crime in the list that implies the Body's liability cannot be attached or seized. The period when the crime was performed is considered rather than when the profit is received.

company's continuity and development.

The company bodies usually retain management of these assets and management is only transferred to a court-appointed administrator if they are not used to ensure the company's continuity and development. Therefore, the court-appointed administrator only monitors the company bodies' activities, acting as the go-between between the judicial authorities and the company.

Publication of the conviction ruling may be ordered when the Body is subject to a prohibition. The Body may be required to have all, or part of the ruling published in one or more newspapers, indicated by the judge in the ruling, and to post it in the municipality where it has its headquarters (article 18 of the Decree).

If the crimes punishable based on the Decree are attempted only, the fines (in terms of their amounts) and the prohibitions (in terms of their duration) are reduced by between a third to a half. Fines cannot be imposed if the Body voluntarily prevents the fulfilment of the action or the event (article 26 of the Decree).

## **1.6 CRIMES COMMITTED ABROAD**

Bodies with their headquarters in Italy are also liable for crimes committed abroad as long as the country where the crime is committed does not decide to take action against them (article 4.1 of the Decree).

## **1.7 EVENTS THAT MODIFY THE BODY**

The Decree includes rules for the liability of the Body in the case of modifying events such as transformations, mergers, demergers, and sales of businesses.

In the case of a *transformation* of the Body, it continues to be liable for crimes committed before the transformation effective date. The new Body will be required to pay the fines applied to the original Body for crimes committed before the transformation (article 28 of the Decree).

In the case of a *merger*, the Body resulting from the merger is liable for the crimes committed by the merged/merging bodies (article 29 of the Decree).

In the case of a *partial demerger*, the demerged Body continues to be liable for the crimes committed before the demerger. However, the Bodies benefitting from the partial or total demerger are jointly liable for the payment of the fines due by the demerged Body for the crimes committed before the demerger up to the limits of the actual value of the assets transferred to each Body (article 30 of the Decree).

In the case of a *sale* or a *transfer of a business* in which a crime was committed, without prejudice to the benefit of preventative enforcement of the seller, the buyer is jointly and severally liable with the seller for the payment of the fine, to the extent of the

value of the sold business and the fines recorded in the mandatory accounting records or of which the buyer was aware. Moreover, the fines are applicable to the Bodies that keep or receive, including a part thereof, a business unit in which a crime was incurred (article 33 of the Decree).

## 1.8 CHARACTERISTICS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

The Decree does not regulate the Model's nature and characteristics in detail but covers certain general principles. The mere adoption of the Model by the Body is not sufficient to exclude its liability.

Pursuant to article 6.1.a) of the Decree, the Model is only valid as a reason for exemption from liability if:

- it is *efficient*, i.e., it is reasonably suitable to prevent the crime(s) committed;
- it has been *effectively implemented*, its content is applied to the company procedures and internal controls.

With respect to the Model's efficiency, article 6.2 of the Decree requires that it shall at least have:

- identified the risk areas in which it is possible that the crimes could be committed;
- provided for specific protocols designed to program how the Body takes and implements decisions for the crimes to be prevented;
- identified how the financial resources suitable to prevent the crimes shall be managed;
- established the information obligations vis-à-vis the Supervisory Body;
- introduced a suitable disciplinary system to punish non-compliance with the measures set out in the Model (the “disciplinary system”).

The Decree provides for a regular check of the Model and its updating to ensure it is implemented efficiently. This check shall take place whenever significant violations of its provisions take place or there are changes in the Body's organization or business activities (article 7 of the Decree). In short, the Model shall provide for suitable measures, depending on the organization's size, nature and type of business, to ensure that it carries out its activities in compliance with the law. It shall also identify and promptly eliminate any risk situations.

## 1.9 CONFINDUSTRIA'S GUIDELINES

Article 6.3 of the Decree provides that “*The organisational and management models may be adopted, ensuring the requirements of point 2, based on codes of conduct drawn up by sector associations, communicated to the Ministry of Justice which, together with the competent ministries, may comment on the models' suitability to prevent crimes within 30 days*”.

Current regulations, the “*Guidelines for the development of organisational, management and control models as per Legislative decree no. 231/2001*” (also the “Guidelines”, set out in the next section) updated by Confindustria (General Confederation of Italian Industry) on March 2014, company procedures and court rulings of the past few years were taken into account in the drafting of the Model adopted by Esselunga S.p.A. (the “Company” or “Esselunga”).

Any differences between the Guidelines and the Model are the result of the need to adapt organization and management measures to specific business activities carried out by the Company and to the environment in which the Company operates.

This may require a deviation from instructions contained in the trade associations’ Guidelines that, by definition, are of a general character and do not have binding value.

The key points, set out herein and considered when preparing this Model, may be summarized as follows:

- identification of the areas at risk to identify those internal departments within which the adverse events covered by the Decree may take place;
- preparation of a control system able to prevent the risks through specific protocols. The most important components of this control system as identified by Confindustria are:
  - Code of Conduct;
  - organisational system;
  - manual and computer-based procedures;
  - authorisation and signatory powers;
  - integrated control system;
  - communication with personnel and training.

These components shall be based on the following principles:

- verifiability, traceability, consistency, and congruity of all transactions;
- application of the segregation principle (no one department shall independently manage an entire process);
- documentation of the controls;
- development of an appropriate disciplinary system for violations of the Code of Conduct and procedures provided for by the Model;
- agreement of the requirements to be met by the Supervisory Body, being:
  - independence;
  - professionalism;
  - continuity of action;
- reporting obligations.

## 1.10 WHISTLEBLOWING

The law no. 179 of November 30, 2017 “Provisions for the protection of whistleblowers who report offences or irregularities which have come to their attention in the context of a public or private employment relationship”, with effect

from 29 December 2017, amended the article no. 6 of Legislative Decree 231/2001, in order to harmonize provisions for public and private sector and to set protective measures for workers or collaborator who report offences or irregularities which have come to their attention in the context of the employment relationship.

In detail, into the article no. 6 of the Decree, three new paragraphs have been inserted, paragraph 2-bis, 2-ter and 2-quater, which introduced new requirements for the organizational, management and control models.

The Law, as also emphasized in the Illustrative Note by Confindustria on the subject, was intended to encourage the emergence of corrupt phenomena and to strengthen the action of preventing and combating them, as well as to protect the authors of reports with greater intensity.

The Legislative Decree No. 24 of 10 March 2023 on the "*Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on the protection of persons who report breaches of national laws*" has completely overhauled the Whistleblowing discipline, strengthening, even more, its founding principles. Specifically, the objective underlying the transposition of Legislative Decree 24/2023 was mainly to extend both the subjective scope of application, in terms of categories of possible Whistleblowers and/or Whistleblowers, and the objective scope of the report itself.

Therefore, Article 6 paragraph 2-bis of Legislative Decree 231/2001 requires that organisational models provide for internal reporting channels, the prohibition of retaliation and a consequent disciplinary system.

In order to ensure the effectiveness of its system for handling whistleblowing reports, the Company has updated the relevant internal procedure in accordance with the new legislation and adapted the IT platform used for handling the reports themselves, to meet the confidentiality measures required by the legislation in question.

## 2 THE ESSELUNGA GROUP

### 2.1 BRIEF BACKGROUND OF THE GROUP

In 1957, the company Supermarkets Italiani S.p.A was founded, and the first modern Italian supermarket opened in Milan, Viale Regina Giovanna.

Esselunga S.p.A. was set up in 1980. The steady development of its sales network was flanked by a logistics network and, in 1987, it opened the first automated goods warehouse in Limoto di Pioltello.

The constant trend towards innovation is also expressed on the commercial side. As early as the 1960s, Esselunga began the production of convenience food in its own factories.

Today Esselunga S.p.A., with a network of more than 190 shops in Northern and Central Italy, is one of the leading chains in the large-scale retail sector. With its factories

and processing centers in Limito di Pioltello (MI), Biandrate (NO) and Parma, the Group has become over time a true food company engaged in the production of food products within its production sites.

With a view to the continuous evolution of the business, the traditional, predominantly food supermarket has been joined over the last twenty years by the e-commerce service, the Atlantic Bars, the eb perfumeries, the parapharmacy, the Elisenda patisserie, and new types of shops such as the laESSE urban stores, located in strategic points in the city and perfect for everyday shopping.

The company is also active in the real estate sector, by researching, planning and realizing new initiatives as they are instrumental to the commercial activity.

## **2.2 ESSELUNGA GROUP**

As of 1 March 2021, Superit s.r.l. became the direct parent company of Esselunga.

Other companies that are part of Esselunga Group<sup>5</sup> are:

- Atlantic S.r.l., wholly owned by Esselunga, which manages 124 bars in the Company's main stores;
- EsserBella S.p.A., a wholly owned subsidiary of Esselunga S.p.A., which operates 47 perfumeries in Esselunga S.p.A.'s main shops;
- Orofin S.p.A., wholly owned by Esselunga, which is responsible for a significant part of the real estate development initiatives through specially established companies;
- Villata S.p.A. Immobiliare di Investimento e Sviluppo, a company wholly owned by Esselunga S.p.A., which owns approximately 80 shops leased to Esselunga.

In October 2017, Esselunga completed the placement of its first dual-tranche bond, each of €500 million, with expiry in 6 and 10 years. The placement was reserved for institutional investors. These bonds are listed on the Luxembourg Securities Exchange.

On 25 October 2023, the first tranche of the EUR 500m bond issued in 2017 was repaid.

## **2.3 ESSELUNGA'S ORGANISATION AND ACTIVITIES**

(omissis)

## **2.4 THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The Internal Control and Risk Management System (SCIGR) of Esselunga S.p.A. consists of the set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the

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<sup>5</sup> During 2022, the subsidiary Fidaty S.p.A was also merged into Esselunga S.p.A

main risks, in order to contribute to the Company's Sustainable Success. With a view to strengthening its Internal Control System, in 2024 the Company launched the Enterprise Risk & Crisis Management project, aimed at implementing a structured system for identifying, assessing and managing risks along the entire value chain in order to protect enterprise value.

This project sees the active involvement of the entire company management and is structured according to 4 main phases:

- mapping: mapping and classification of the main threats to which the company is exposed, through management input;
- rating: shared assessment with top management of the main risks and the possible impacts that their manifestation may have on business performance, continuity and long-term value generation;
- risks mitigation: definition of appropriate mitigation strategies for each priority risk;
- risks governance: assignment of responsibilities for the management of these risks.

## 2.5 THE ESSELUNGA MODEL

In order to comply with requirements about legality, correctness and transparency in carrying out its business activities, Esselunga decided to adopt and introduce a Model as per Legislative Decree no. 231.

This decision was based on its belief that adoption of such a Model (optional under the terms of the Decree) would be a valid tool to increase the awareness of the persons who work for or on behalf of the Company about the importance of their correct conduct to prevent the risk that the crimes covered by the Decree could be committed.

Specifically, the Company intends to achieve the following main objectives by adopting the Model:

- inform the employees, senior management and all those parties who work on behalf of or for Esselunga in the areas at risk that they could commit crimes if they violate the measures set out herein that might be punishable by fines which they would pay and administrative sanctions imposed on the Company in Criminal cases;
- emphasize that conduct contrary to the law and the ethical principles adopted by Esselunga in its Code of Conduct are strongly condemned by the Company;
- enable the Company to monitor the activities at risk so as to be able to intervene promptly to prevent or combat crimes.

Therefore, the Model is designed for the Company's entire workforce, which is required to be familiar and comply with its provisions.

The Model addressees are:

- directors and statutory auditors;
- members of senior management who act on behalf of and for the Company;

- managers;
- all other employees;
- contract workers.

The Company also ensures compliance with the law, the Code of Conduct, the Model and internal procedures, for the parts applicable to them, by third parties (contractors, consultants, suppliers, worker cooperatives, etc.) specified in contractual clauses which require compliance therewith and allow the Company to terminate the contract if it is violated (termination clauses).

The Model consists of a set of rules, tools and conduct guidance, designed to provide the Company with an effective organizational management system that is reasonably suitable to identify and prevent the 231 predicate crimes.

The Model's proper functioning depends on how well it adheres to the business reality in which it is intended to operate, which is why it is systematically updated.

## **2.6 APPROVAL, AMENDMENT AND IMPLEMENTATION OF THE 231 MODEL**

The Company's Board of Directors adopted the Model on 25 November 2010 pursuant to article 6.1.a) of the Decree.

It concurrently set up the Supervisory Body.

On 11 October 2011, the Board of Directors approved new special parts of the Model (Crimes against industry and commerce, Forgery of coins, public credit notes, duty stamps, Crimes related to violations of copyrights, Computer crimes and unlawful data processing, Corporate crimes, Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin) and updates to the existing special parts and Annexes.

Then, on 19 March 2013, the Board of Directors approved updates to the Model and specifically to the general part and the related Annexes 1 (Legislative decree no. 231 of 8 June 2001), 2 (List of the Legislative decree no. 231/2001 predicate crimes) and 3 (Code of Conduct) and all the existing special parts. During the same meeting, the Board of Directors also resolved to adopt four new special parts about transnational crimes, organized crime, the crime of employing third-country nationals residing without authorisation and crimes against the environment.

On November 2015, the Board of Directors resolved to approve other updates to the Model's general part and the special parts related to Crimes against the environment and Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin and including the self-laundering.

At the same time the other special parts were updated to comply with new controls resulting from the new procedures adopted by the Company.

On December 2017, the Board of Directors approved updates to the Model and specifically to the general part and the special parts related to crimes against individuals (due to the introduction of illegal intermediation and exploitation of labor) and to Organised crime and Transnational crimes - Induction not to make statements or to make untruthful statements to the judicial authorities parts that were unified in order to ensure greater uniformity. The Company has considered the crimes of Market abuse relevant and applicable after the bond placement.

The Company deleted Annex 1 - Legislative decree no. 231 of 8 June 2001 and 2- List of the Legislative decree no. 231/2001 predicate crimes, because these documents should become obsolete as a result of the continuous updating of the Decree and its scope of application.

The board of Directors approved also the updated Code of Conduct.

On 11 September 2018, the Board of Directors approved updates to the general part of the Model in compliance with the new regulation on whistleblowing which introduced a management system of reports in the Model. A review of areas at risk and related controls and the definition of new controls, if necessary, were done after the recent organizational changes.

On 26 March 2021, a new Special Part concerning Tax Crimes and Smuggling Crimes was approved by the Board of Directors. Other parts of the Model were also updated to consider the definition and formalization of new controls as a result of the adoption of new company procedures, as well as changes in the Group structure.

On July 10, 2024, the Board of Directors approved an update to the Model as a result of regulatory interventions by the Lawmaker in the time interval since the previous revision and following the rationalization of the third-party management process related to noncommercial purchases.

Also, on March 31, 2025, the Company approved a new version of the Model that takes into account newly introduced predicate crimes – among them, additional offenses against the Public Administration that had not yet been included by the legislator in the list of predicate offenses, as well as crimes against cultural heritage – and the organizational changes that have taken place.

This Model replaces the one adopted on July 10, 2024.

### **3 METHODS**

#### **3.1 DEVELOPMENT OF THE MODEL: THE PRELIMINARY ACTIVITIES TO DEFINE AND UPDATE THE MODEL**

Since its first adoption, Esselunga has built its own Model based on the indications contained in the Confindustria Guidelines by mapping the areas at risk pursuant to the Decree, identifying and assessing the risks relating to the types of offences covered by the regulations and the relative internal control system, and drafting the Model.

(omissis)

The company systematically updates risk assessment activities through meetings with company managers and analysis of company documentation:

- identifying any new crime risk areas;
- identifying any points for improvement of the Internal Control System;
- promptly adopting new controls to protect them;
- strengthening internal information flows in order to ensure timely "informed action" by all the resources involved.

The company approved a new version of its Model in July 2024, in light of the strengthening of the behavioral principles and control measures included respectively in Special Parts H, L and P, as a result of the streamlining of the third-party management process for non-commercial purchases.

Specifically, in 2023, the Company embarked on the process of strengthening its model for managing non-commercial suppliers. The renewed verification activities, preparatory to the qualification and contractualization of non-commercial suppliers, as well as the subsequent monitoring, had the purpose of rationalizing the control activities already in place, preparatory to the evaluation of suppliers (technical and compliance requirements), through the use of a risk-based approach, which allows the entire evaluation process to be objectivized and monitoring activities to be differentiated, depending on the riskiness attributed to the various suppliers analyzed.

This version of the Model has been updated in order to take note of the regulatory changes relating to the following offences and crime families recently introduced in D.Lgs. 231/2001, as well as following the development of new types of business:impaired freedom of public bidding and impaired freedom of the contracting procedure;

- fraudulent transfer of assets;
- crimes against cultural heritage, laundering of cultural assets and devastation and looting of cultural and landscape assets;
- crimes involving non-cash payment instruments;
- propaganda and incitement to delinquency on grounds of racial and religious discrimination;
- smuggling and evasion of the assessment and payment of excise duties.

### **3.2 THE MODEL'S STRUCTURE**

This Model consists of a general part and some special parts and one annex.

The general part set out the contents of the Decree, the Model's purpose, the Supervisory Body's duties, the applicable sanctions and, in general, its principles, logics

and structure.

The general part includes the following annex:

- Allegato 1: Componenti dell'Organismo di Vigilanza e relativi *curricula*.

The special parts cover the specific crimes listed below:

- Special part A: Crimes against the public administration;
- Special part B: Occupational health and safety crimes;
- Special part C: Crimes against industry and commerce and counterfeiting;
- Special part D: Crimes relating to forgery of coins, public credit notes and duty stamps;
- Special part E: Crimes related to violations of copyrights;
- Special part F: Computer crimes and unlawful data processing and crimes involving non-cash payment instruments ;
- Special part G: Corporate crimes;
- Special part H: Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin and self-laundering;
- Special part I: Organised crime, Transnational crimes, Induction not to make statements or to make untruthful statements to the judicial authorities;
- Special part L: Crimes against the individual and the equality;
- Special part M: Employment of third-country nationals residing without authorisation;
- Special part N: Crimes against the environment;
- Special part O: Market abuse;
- Special part P: tax crimes and smuggling crimes.
- Special part Q: Crimes against cultural heritage and Laundering of cultural property and devastation and looting of cultural property and landscape

The aim of each special part is to remind the identified addressees of their obligation to adopt rules of conduct that comply with those provided for by the internal procedures referred to by the Model, designed to prevent the commission of the crimes covered by the Decree and identified as relevant on the basis of the organisational structure and business operations.

The following are indicated for each special part:

- the areas at risk and the related sensitive activities;
- the units and/or offices that operate in each area at risk;
- the crimes that could be committed and how;
- the main existing controls for each area at risk;
- the conduct standards to be complied with to reduce the risk that crimes could be committed.

Based on the results of the risk assessment, at present, the Company has found the crimes mentioned by the article 25-quater of terrorism and subversion of democracy

not to be relevant although they are theoretically applicable. Based on the above findings, the Company didn't find necessary to draw up special parts for these crimes.

The crimes mentioned by articles 25-quater.1 - female genital mutilation practices–25-quaterdcies of the Decree - Sporting fraud, abusive game and gambling exercise and games of chance played on prohibited equipment – and 25-ter.1, letter s-ter)- False or omitted declarations for the issue of the preliminary certificate. - were considered not applicable to the Company's situation.

The Company based its evaluations on its current structure and activities and the type of crime in question.

The Company is committed to continuously monitoring its activities both in relation to these crimes and any legislative changes the Decree may be subjected to. If one or more of the above crimes becomes relevant, or new crimes are included in the Decree, the Company will decide whether to integrate this Model with new special parts.

### **3.3 THE MODEL'S MAIN COMPONENTS**

The Model is integrated by the measures and principles of the Code of Conduct and all the processes, procedures and systems.

Specifically, for the purposes of this Model, it includes all the tools already in place at the Company, comprising all the adopted policies, procedures and rules of conduct. These tools are an integral and substantial part of the Model.

Accordingly, the following documents are an integral and substantial part of the Model:

- the organisational structure designed to ensure the clear and organic assignment of duties, providing for their segregation where possible or, if not, compensating controls, and to check the correctness of the addressees' conduct;
- the “regulatory documents”<sup>6</sup> and “corporate communications”<sup>7</sup> as defined in the procedure on “Management of corporate documents”;
- internal procedures and controls that guarantee suitable transparency of and familiarity with the decision-making processes and regulate the operating models in place to take and implement decisions about the areas at risk;
- proxy and decision-making powers systems that reflect the responsibilities assigned to ensure the clear and transparent representation of how the Company takes and implements decisions;
- disciplinary system and related sanctions mechanism to be applied if the Model is not complied with;
- Whistleblowing system pursuant to Legislative Decree 24/2023 in order to foster cooperation, both internally and externally, for the reporting of the offence hypotheses contemplated by the reference legislation in the event of the

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<sup>6</sup> For example: policies, company procedures, operating instructions, operating manuals, recipes.

<sup>7</sup> For example, provisions, regulations and circulars.

conditions specified therein occurring. All this while protecting the reporting person and/or Whistleblower from possible retaliation related to what is reported.

It follows that the term Model should be understood as meaning not only this document, but also all further documents that will be subsequently adopted in accordance with its provisions and that pursue the purposes of risk mitigation and simultaneous prevention of the commission of the offences indicated therein.

## **4 MODEL ELEMENTS**

### **4.1 MAPPING OF AREAS AT RISK AND IDENTIFICATION OF THE RELATED CONTROLS - REFERRAL**

As mentioned earlier, mapping of the areas at risk and the related identification of the pertinent controls are carried out by area, based on a review of the internal context and interviews of personnel.

The Company identifies the areas in which offences identified by the Decree could be committed, based on nature and characteristics of the activities of the Company.

The assessment of the potential risks focused also on the different ways in which said crimes could be committed during the activities of the company's areas, in order to provide a complete picture of how the different types of crimes can be committed in the environment where the Company works.

In addition to the areas which are directly involved because they include activities which might integrate criminal conducts, the definition of area at risk also covers the areas which are indirectly involved in the perpetration of other crimes, in which they have an instrumental role.

Instrumental activities shall mean those activities where it is possible that certain conditions will occur such as to facilitate the perpetration of crimes in the context of the areas which are directly dedicated to the mentioned activities in relation to the species of crime.

With reference to all the areas at risk, including instrumental ones, the review covered any indirect relationships, such as those the Company has, or might have, through third parties.

The special parts of the model, split by crime, (to which reference should be made) provide details of the mapping of the areas at risk and a summary of the internal controls used by the Company.

### **4.2 DOCUMENTATION OF THE ACTIVITIES AND SEGREGATION OF THE DUTIES**

As part of its organisational system, the Company has fine-tuned and integrated a number of both manual and computer-based procedures, to regulate the performance

of its activities. These procedures ensure the best possible compliance with the segregation principle, whereby no one person can manage an entire process from its start to its completion.

Specifically, the procedures adopted by the Company represent the rules to be followed in the internal processes and define the controls to be performed to ensure the correctness, effectiveness and efficiency of its activities.

Therefore, the Company ensures compliance with the following principles:

- encourage the involvement of more than one party to guarantee the proper segregation of duties by the juxtaposition of functions;
- adoption of measures that provide that each transaction and action can be verified and documented, is consistent and appropriate;
- recommend adoption of measures to document the controls performed over the transactions and/or actions so that, at any time, it is possible to rerun controls.

#### **4.3 DESCRIPTION OF THE PROXY SYSTEM**

The Company has a clear-cut and formalized proxy system. Specifically, the allocation of powers and responsibilities is formalized in a proxy system, including proxies for occupational health and safety, hygiene and safety of food and the environment.

With respect to occupational health and safety, the Board of Directors has appointed one of its members as the “Employer” pursuant to Legislative decree no. 81/2008. Within the limits established by law and given the Company’s complex organisational structure, the Employer has delegated the related powers to the managers in charge of the areas at risk and they in turn may sub-delegate powers. These managers, empowered by the Employer, report solely and hierarchically to the Company’s managing director for organisational and business issues and to the Employer for any issues related to health and safety.

The Board of Directors has entrusted a director with the supervision of compliance with regulations on food hygiene, the production, processing, storage, transportation, and sale of food, including of third parties. This director is also responsible for ensuring compliance with all the laws about the promotion, purchase, and retail sale, including on-line, of food products. The director has delegated these powers to the food hygiene managers of the relevant departments.

In addition, the Board of Directors has entrusted one of its members with supervision of the issues related to the protection of the environment, especially with respect to the roll-out and maintenance of all the systems needed to ensure that all discharges and effluents comply with the standards of acceptability required by ruling legislation, compliance with all the regulations about pollution, protection of health and the environment to prevent any forms of pollution and protect the environment. The director has delegated these powers to the environmental managers of the relevant departments.

All proxies provide for the clear-cut and transparent identification of the activities performed by each delegated manager and are in line with their positions within the Company.

#### **4.4 INFORMATION SYSTEMS**

The main systems used to manage the administration, treasury, management accounts, marketing, personnel, procurement, sales, logistics and e-commerce areas are supported by top quality IT applications. They provide guidance about how to perform certain transactions and ensure a high level of standardization and *compliance*, as the processes managed by these applications are validated when the software is released.

The information systems are managed using procedures that guarantee the physical and logical safety of the systems and their data to ensure:

- the principle of the segregation of duties by the juxtaposition of functions;
- the mapping of transactions and documentation of controls.

#### **4.5 COMPANY's CERTIFICATION SYSTEM**

Esselunga has adopted specific certified Management Systems to oversee company processes and activities that impact on food safety, occupational health and safety and the environment.

All certifications are issued by an independent third-party certification body, following periodic surveillance audits to which the company is subjected.

##### ***4.5.1 Food Safety Certification***

Esselunga has implemented a Food Safety Management System that meets and integrates the requirements of both mandatory and voluntary regulations, thus defining a single methodological tool for assessing food risk and defining management and control procedures.

The quality management system for food safety has been certified according to the FSSC 22000 scheme based on international standards (ISO 22000) and integrated with technical specifications of the food sector (pre-requisites), so as to be recognized both by the *Global Food Safety Initiative* - an organization set up with the aim of establishing unambiguous food safety criteria - and by the *European Cooperation for Accreditation*.

The certifications were obtained for the production plants in Limito di Pioltello and Parma and for the Processing Centres in Limito di Pioltello (Meat Processing Centre) and Biandrate (Fish Processing Centre), and finally for the Pioltello, Biandrate and Florence Cedi regarding storage and transport activities.

In 2001 Esselunga obtained from the Ministry of Agriculture, Food and Forestry (MIPAAF), as the first chain in the large-scale retail trade, the authorisation of the Disciplinare di Etichettatura Facoltativa della bovina Aut. Min. IT012ET (according to EC Reg. 1760/2000 and subsequently DM 16/01/2015). The purpose of the specification is to allow the inclusion on beef labels, in addition to the compulsory information on origin (country of birth, rearing and slaughter), further optional information such as the indication of the breed (e.g. Piedmontese breed), the rearing system (e.g. guarantee of animal welfare on the farm according to the standard of the National Reference Centre for Animal Welfare) and the category of adult cattle (e.g. veal and rump), thus guaranteeing traceability throughout the supply chain and transparency of information.

Esselunga has been developing and marketing organic products under its own brand, Esselunga BIO, for over 20 years.

The correct application of the organic production method is verified by controls carried out during production and by laboratory analyses, and it is possible to trace the history of the products throughout the entire supply chain. In addition to the Esselunga Organic products made by third-party suppliers, as it is not only a retailer but also a food company, Esselunga has achieved Organic status for:

- the production plants in Limito di Pioltello and Parma and for the Processing Centres in Limito di Pioltello (Meat Processing Centre) and Biandrate (Fish Processing Centre);
- for the Pioltello, Florence Biandrate and Chiari distribution centers;
- the e-commerce platforms

#### ***4.5.2 Certification for Occupational Health and Safety, Environment and Energy***

Esselunga has an occupational health and safety management system that meets the international standard UNI EN ISO 45001:2023.

In 2012 Esselunga achieved certification with reference to all locations and all activities carried out (trading, production, processing, logistics, etc.).

Esselunga was the first large-scale retail company in Italy to be certified to the OHSAS 18001:2007 standard for all locations and activities carried out. The latter standard was replaced, as of March 2018, by UNI ISO 45001 "Occupational Health and Safety Management Systems" to which Esselunga promptly adapted during the same year 2018. The Company also achieved, in 2016, certification of its Environmental Management System in accordance with UNI EN ISO 14001:2015. The certification refers to all locations and activities carried out by Esselunga.

Esselunga has developed and implemented an Energy Management System, integrated with the Occupational Health and Safety and Environmental Management Systems, in line with the requirements of current laws and the international standard UNI CEI EN ISO 50001:2018, for which it obtained certification in January 2022. The certification

was achieved to reinforce the company's responsibility in the conscious use of energy resources.

#### **4.5.3 PCI-DSS Certification on Payment Card Data Protection**

Esse lunga has defined a management system for payment card data that complies with the international protection standards issued by the PCI Security Standards Council<sup>8</sup> in 2006 and subsequent amendments.

This system has been implemented and improved over the years through Gap Analysis and Remediation Plan activities that have led to the achievement of the PCI-DSS (Payment Card Industry - Data Security Standard) certification (hereinafter 'PCI-DSS') issued by a qualified auditor named QSA (Qualified Security Assessor) starting from the year 2022 with an annual review frequency.

The requirements for compliance with the PCI-DSS, , are distinguished according to the role and volume of transactions processed by the parties involved. In particular, Esse lunga, as a 'Merchant' subject that handles more than six million transactions per year, is required to comply with the highest level of compliance, i.e. certification with 'Level 1' Merchant standard requirements.

For this reason, the Company undergoes an Annual Onsite PCI Data Security Assessment and performs Network Scan activities on a quarterly basis.

Obtaining and maintaining that certification ensures the implementation of a system that protects user payment card data during all processing, storage and transmission phases, in compliance with the requirements of the PCI-DSS. Such requirements include, but are not limited to, the installation of firewalls to protect cardholder data, restriction of access to cardholder data, logging and monitoring of all access to network resources and cardholder data, and management of an information security policy.

### **4.6 GENERAL PRINCIPLES OF CONDUCT**

All activities included in the areas at risk of the special parts of the Model must be carried out in compliance with the prevailing laws, values, politics, and procedures approved by Esse lunga, as well as the regulations contained in this Model.

The organizational, management and control system of the Company should respect the principles of attribution of responsibilities and representative powers, segregation of roles and activities, and liability, transparency, and traceability of acts.

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<sup>8</sup> It's a global forum that brings together payment industry stakeholders (including major payment circuit brands American Express, MasterCard, Visa, etc.) in order to develop and promote the adoption of data security standards and resources for worldwide secure payments.

Performing the activities listed in each Special Part of the Model and carrying out their own duties, the Addresses of the Model involved in the activities must know and respect:

- applicable Italian and eventually foreign legislation;
- provisions contained in the Model;
- Code of Conduct;
- company procedures and guidelines, as well as all the documentation connected with the organizational, management and control Model of the company, and its specific controls.

In detail, the Addresses should comply with principles and rules of conduct avoiding:

- any behaviors that may expose the Company to one of the types of crimes included in the Decree;
- any behaviors which may involve the commission of types of crimes included in the Decree;
- any actions against professional ethics and good business practice;
- in the relationships with competitors and third parts in general, behaviors that don't respect the principles of loyalty, correctness, transparency, and legality with the aim of foster or encourage interests of the Company and or obtain unfair advantages.

#### **4.7 WHISTLEBLOWING PROCEDURE: SCOPE AND CHANNELS TO RAISE DISCLOSURES**

The Company, in line with the additions made to art. 6 of Legislative Decree 231/01 by Legislative Decree No. 24 of 10 March 2023, has provided for a system for managing reports of offences which allows the identity of the reporter, as well as that of the reported subject and third parties who might suffer retaliation because of the relationship with the reporter, to be protected, and the related right to confidentiality.

Esse lunga also ensures that all employees, individuals who collaborate with the same and employees/collaborators of companies/suppliers of goods or services or who carry out works on its behalf are promptly informed with reference to the knowledge, understanding and dissemination of the objectives and the spirit in which the report must be made.

Esse lunga has published on My Portal and on its institutional website the procedure for the "Handling of reports of violations", as well as further information (such as the user manual) concerning the procedures and prerequisites for making internal reports, as well as external reports.

The Company has set up several dedicated channels for reporting offences, such as:

- dedicated IT platform;

- ordinary mail (Esselunga SpA - Internal Audit Office - via Giambologna, 1 - 20096 Pioltello, Milan, Italy)
- meeting requested by the Whistleblower through the dedicated mailbox (segnalazioni@esselunga.it).

Reports entered the IT platform are analyzed by the Whistleblowing Manager, with the sole exception of any reports concerning the Manager himself.

The reports are processed anonymously, the communication flows adopted for the management of the reports themselves and the technical-organisational security measures applied are such as to allow compliance with the principle of confidentiality, including the use of encryption tools where possible.

Esselunga protects the person unfairly reported by means of unlawful reports, i.e. those made to the detriment of the image and reputation of a person, through the application of disciplinary sanctions against the person making the report in bad faith, if the latter is an employee. Provision is also made for the application of disciplinary sanctions against the persons responsible, as set out below, in the event that conduct violating the duty of confidentiality or retaliatory acts against the reported persons are ascertained.

The procedure adopted by the Company and published on the institutional website, to which reference should be made, regulates in detail the tasks and the verification activities carried out upon receipt of the report, aimed at verifying its justification.

## **4.8 DISCIPLINARY SYSTEM**

### **4.8.1 *Introduction***

Pursuant to article 6.2. e) of Legislative decree no. 231/2001, the 231 Model must include an adequate disciplinary system designed to punish non-compliance with:

- the Model's rules and internal procedures as well as the rules of conduct set out in the Company's Code of Conduct;
- the implementation of actions and behaviors that are not compliant with the Law no. 24/2023.

The disciplinary system set up in accordance with Legislative decree no. 231/2001 is an internal system integrating the current laws and regulations which acts as an independent sanction system applied in addition to the criminal sanctions system. Therefore, its application does not depend on the criminal liability of the person's conduct or the outcome of the related criminal proceeding (if any).

The Company's disciplinary system, adopted as per the Decree, is independent of the other procedures for infringements of the general disciplinary rules adopted by the Company pursuant to article 7 of Law no. 300 of 20 May 1970.

The current disciplinary system shall be properly circulated together with the Model as it is an integral and substantial part thereof.

Application of disciplinary measures does not in any way affect the Company's right to act against the liable party to obtain compensation for all the damage suffered as a result of the party's conduct.

#### ***4.8.2 Sanctions applicable to managers and other employees***

(omissis)

#### ***4.8.3 Sanctions applicable to directors and statutory auditors***

(omissis)

#### ***4.8.4 Sanctions applicable to Members of the Supervisory Board***

(omissis)

#### ***4.8.5 Sanctions applicable to temporary workers***

If temporary workers violate the Model, the internal procedures or the Code of Conduct, the HR and organization department informs the Supervisory Body of the Model's violation.

(omissis)

#### ***4.8.6 Sanctions applicable to suppliers, contractors and consultants***

The violation of the rules or principles provided for by the Model, the corporate Procedures and the Code of Ethics and Conduct - for the parts applicable from time to time and brought to the knowledge of third parties - by suppliers, collaborators and external consultants in general may determine, in accordance with the provisions of the specific contractual clauses included in the contractual agreements or in the letters of appointment, the termination of the contractual relationship, without prejudice to any claim for compensation if concrete damage to the Company derives from such conduct.

The Departments entrusted with the management of the contractual relationship with the supplier, collaborator and external consultant shall report in writing to the Supervisory Body the ascertainment of the violation of the Model and shall provide for the actual application of the sanction itself, with the support of the Legal and Corporate Affairs Department.

Furthermore, in all cases in which the Supervisory Body receives a report, not specifically configurable as a report under the Whistleblowing regulation pursuant to Legislative Decree no. 24/2023, or acquires, in the course of its supervisory and control activities, elements that may indicate the danger of a violation of the Model, the Supervisory Body is obliged to take action in order to carry out the checks and controls within the scope of its activity and deemed appropriate.

Once the verification and control activities have been completed, the SB assesses, on the basis of the elements collected, whether a violation of the Model has occurred.

If so, it reports the violation to the Departments entrusted with the management of the contractual relationship and to the Director of Legal and Corporate Affairs, for the effective application of the sanction itself, after prior communication and sharing with the Human Resources and Organization Department and, in more serious cases, with the Executive Chairman.

#### ***4.8.7 Sanctions against the recipients of whistleblowing pursuant to Legislative Decree 24/2023***

(omissis)

### **5 COMMUNICATION AND CIRCULATION OF THE 231 MODEL**

#### **5.1 GENERAL PRINCIPLES**

In order to effectively implement the Model, the Company intends to ensure that its content and principles are communicated in full both internally and externally.

The HR and organization department communicates such content and principles and provides the related training, identifying the best ways of benefitting from them.

The Supervisory Body monitors the communication and training activities and works with the HR and organization department for projects designed to spread familiarity with the Model, provide training on the Decree, the impact of legislation on the Company's activities and conduct standards as well as increase the employees' awareness of the importance of complying with the Model's principles.

The communication and training activities are tailored for the type of person/party involved but are always designed to comply with the principles of completeness, clarity, accessibility and continuity so that the recipients gain an understanding of the internal rules they are required to comply with and the ethical standards they shall base their conduct on.

#### **5.2 COMMUNICATION OF THE MODEL**

Employees can access and view the updated Model documentation in a special section of the company intranet and on "My Portal".

The updated version of the Model, approved by the Board of Directors, is emailed to all the office employees with a company e-mail address.

All employees are informed of the publication of the updated version of the Model.

New hires are also notified of the Company's adoption of the Model and Code of Conduct when they are taken on.

The Company publishes an abstract of the general part of the Model and the Code of Conduct on its website.

Suppliers, contractors, and consultants are usually required to comply with the Model for the parts applicable to them from time to time as per the specific contractual clauses and, if necessary, by reference to the Model as published on the company's website.

## 6 TRAINING

The training activity aimed at disseminating knowledge of the regulations pursuant to Legislative Decree No. 231/2001, as well as the principles contained in the Model adopted by the Company, is differentiated, in terms of content and delivery methods, according to the qualification of the recipients, the risk level of the area in which they operate and whether or not these persons have functions of representation of the Company.

The Human Resources and Organization Department draws up, with the support of the Internal Audit Function and under the supervision of the Supervisory Board, a training plan for employees operating in Offence Risk areas, and the relevant implementation methods.

Participation in the training courses is mandatory and is verified through a system for monitoring participation. This obligation constitutes a fundamental rule of this Model, the violation of which is associated with the sanctions provided for by the Disciplinary System. In particular, the training courses cover:

- the Decree and the alleged offences referred to therein;
- the Code of Ethics and Code of Conduct;
- the Supervisory Board;
- the Disciplinary System;
- the Reporting System pursuant to Legislative Decree 24/2023.

Training is provided through courses distributed in presence and/or in e-learning mode. The e-learning mode allows, through its graphic design and interaction mode, a timely and widespread dissemination of the contents to all employees.

The content of training activities is updated in relation to changes in legislation (e.g. the introduction of new predicate offences) and in the content of the Model (e.g. the adoption of new special sections).

The Supervisory Board, with the support of the Internal Audit Function, periodically checks the implementation status of the training plan.

Consistent with the principles and values expressed in the Model and in the Code of Ethics and Conduct, Esselunga recognizes the importance and centrality of the issues of the safety and health of workers in the workplace and is committed to improving safety performance in the workplace in the performance of its activities.

With this in mind, education, information and training initiatives are undertaken with reference to the prevention of accidents at work and risks to the health and safety of workers.

## 7 SUPERVISORY BODY

### 7.1 GENERAL CHARACTERISTICS AND ROLE

Article 6.1.b) of the Decree requires that a Supervisory Body be set up as part of the requirements for a Body not to be held liable for the crimes listed therein. This Supervisory Body shall be provided with independent powers for its activities and controls and its duties comprise monitoring the working of and compliance with the Model and to ensure it is up to date.

The Supervisory Body is internal to the Company but independent of the other company bodies, including the Board of Directors and internal control functions. Its duties are to monitor the effectiveness and updating of and compliance with the Model and its components inside the Company. Its role includes:

- monitoring the effectiveness of and compliance with the Model, which includes the ongoing supervision of the internal activities to ensure the Model is complied with and checking that the actual procedures comply with the Model;
- assessing the Model's adequacy and effectiveness by checking that it is suitable to prevent the crimes covered by the Decree and comply with the related laws given the Company's characteristics and type of operations;
- verifying that the Model maintains its characteristics and is updated to reflect changes in the Company's internal organization and in the relevant laws. The Supervisory Body proposes changes to the Board of Directors that approves them.

Given the Company's size and complex business activities, its Supervisory Body has three members. **Annex 1** provides their names and *curricula vitae*.

The Company's Supervisory Body, in order to acquire and share relevant information on the internal control system having a potential impact on the Company's Model 231, periodically meets with the following subjects:

- Supervisory Body of the Group Companies;
- Board of Statutory Auditors;
- Auditing Company.

### 7.2 REQUIREMENTS OF THE SUPERVISORY BODY

(omissis)

### 7.3 APPOINTMENT, REVOCATION AND TERM OF OFFICE

(omissis)

## 7.4 ACTIVITIES AND POWERS

In order to efficiently carry out its duties, the Supervisory Body has a number of powers and rights, including the following powers:

- independent activation of control procedures;
- duty of supervising addresses' compliance with the Model;
- performance of planned or random checks and inspections of operations or actions carried out in the critical areas, deemed appropriate to correctly carry out its duties, including through the Company's existing control units;
- collection and processing of relevant information about the Model's implementation;
- performance of internal investigations and inspections to check communications of possible violations and document any irregularities or violations of the Model identified from the analysis of the information flows and communications;
- communication of ascertained violations to the HR and organization department, the Board of Directors or the board of statutory auditors, depending on the case, so the appropriate actions can be taken;
- request information and work with the heads of the internal units and offices to carry out its activities, availing of their assistance for different aspects of the Model;
- unrestricted access to all the offices, files and documents to obtain all information, data or documentation deemed necessary;
- utilization of the services of third-party consultants with technical expertise in specialist areas, when necessary or appropriate;
- work with the HR and organization department to organize the annual training programmed on the Model and the Decree, to promote projects to circulate an understanding and knowledge of the Model principles and to prepare the organisational documentation necessary for the Model's working, including the related instructions, information, clarifications, and updates.

The Supervisory Body's powers to take decisions independently must be guaranteed, as without this it cannot be held to be independent.

It draws up an internal regulation covering its working, activities, and procedures for the correct and effective performance of its functions.

## 7.5 INFORMATION FLOWS FROM/TO THE SUPERVISORY BODY

The Supervisory Board, for the effective performance of its duties, must be promptly informed by the corporate functions of the most relevant events for the purposes of a potential breach pursuant to Legislative Decree No. 231/2001.

On this point, Article 6(2)(d) of the Decree provides that the organisational model must 'provide for obligations to inform the body responsible for supervising the functioning of and compliance with the models'.

The information provided to the SB is intended to improve the control activities of the SB itself but does not entail an obligation on the part of the latter to take action if, at its discretion, it is not deemed necessary or appropriate.

The Functions/Corporate Departments, on the other hand, have the duty to promptly report to the SB any news of violation of the Model and its constituent elements, also by subjects not belonging to the Esselunga Group, and any other aspect potentially relevant to the application of the Decree.

In 2011, the Company first adopted a procedure on 'Information Flows to the Supervisory Board', which describes the process for managing information flows and indicates a detailed list of flows in the hands of the Functional Managers.

This procedure is systematically updated to take account of regulatory changes and updates to the Model itself.

To date, the information flows coming from the Company Departments/Functions, periodical and 'event-driven', are conveyed to the Supervisory Board through the use of an information system, which is also accessed by the Internal Audit Function in order to monitor the completeness and timeliness of the flows themselves.

A methodology has also been defined that has allowed the identification of Key Risk Indicators to be attributed to individual Flows, in relation to the sensitive activities defined by the Company within the scope of the categories of offences provided for by the Decree.

During the periodic meetings, the Supervisory Board shall assess, with the support of the Internal Audit Function, the actions to be carried out related to the various Flows received.

(omissis)