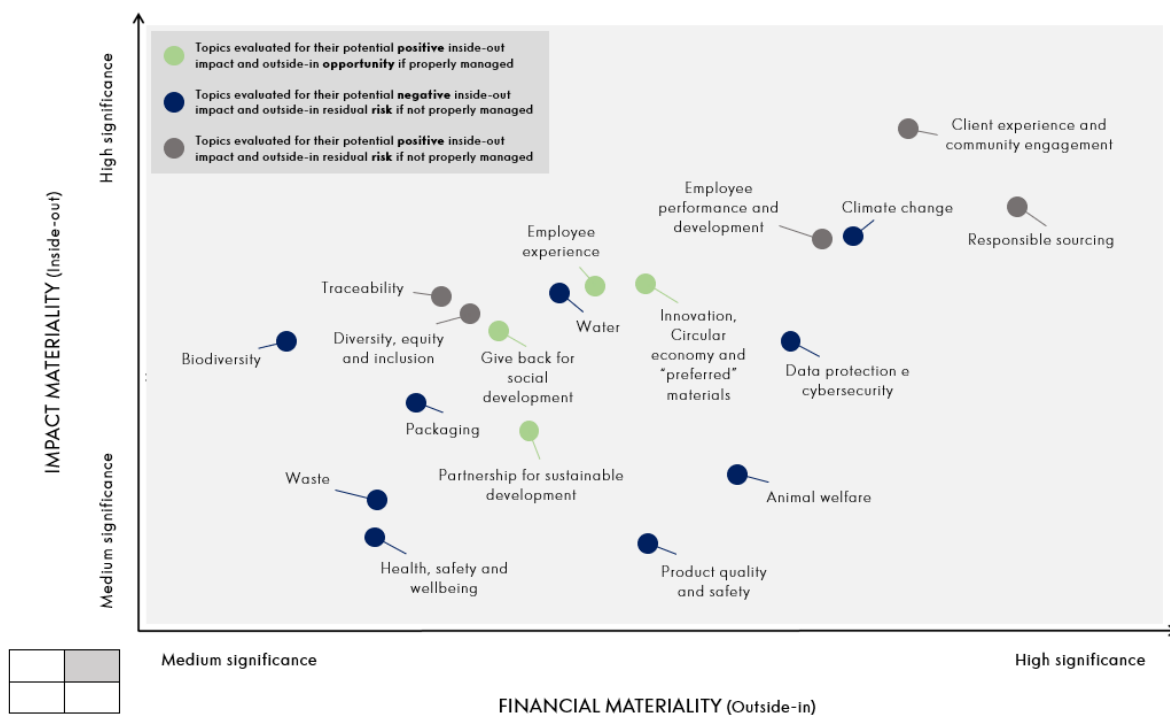


Double materiality

With the aim to continuously improve the process, even if clear official guidelines are not yet available, in the first half of 2023, the Group finalised a pilot project adopting an innovative approach, the so called 'double materiality', that considers both the impact materiality, in line with the analysis carried out for the 2023 Consolidated Non-Financial Statement, and the financial materiality, as well as their mutual interactions, thus considering:

- the "Outside-in" perspective, in which the company considers the risks and opportunities of a given ESG (Environmental, Social, Governance) topic for its economic and financial performance (financial materiality);
- the "Inside-out" perspective, in which the company focuses on the impacts, positive and negative, current and potential, that the management of a given ESG topic may create on stakeholders (impact materiality).

The process of assessing the topics through the double materiality approach led to the integration of the two perspectives within the matrix below:



The process included an engagement phase that, through one-to-one interviews, involved a panel of external and internal stakeholders, including members of the financial community with a knowledge in sustainability, as well as industry experts and specialists on sustainability topics.

The results of this analysis were integrated into the Enterprise Risk Management model. In particular, descriptions and assessments of the likelihood and severity of the risks identified in the Enterprise Risk Management (ERM) model were updated for risks related to material topics, on the basis of the findings of the double materiality analysis.

From the integration of inside-out and outside-in perspectives, the ESG topics that emerged as most relevant are *climate change* and *responsible sourcing*. During the discussion with external stakeholders, it emerged that these aspects. For the inside-out perspective, the topic *client experience and community involvement* resulted to be highly significant, in line with the Group's focus on creating an excellent shopping experience that meets its customers' expectations. For the outside-in perspective, the topics *animal welfare* and *product quality and safety* emerged as particularly relevant, since they are linked with potential risks for the Group.

The double materiality has been **approved by a selected number of Group's top managers**, and

the underlying process has been subjected to audit procedures in accordance with International Standard on Related Services (ISRS) 4400 (Revised) "Engagements to Perform Agreed-Upon Procedures" issued by the International Auditing and Assurance Standards Board ("IAASB") and Assirevi Research Paper No. 250 "Procedures requested by the company".

The analysis will be carried out annually in line with regulatory developments.