

2020

# Integrated Report

The value of choice

DESPAR  
EUROSPAR  
INTERSPAR



# 2020 Integrated Report

+ 4.9%

€ **2** billion

Net sales.

+ 0.2%

**11.45%**

Market share.

-18.1%

**68.6** million

Receipts.

# Letter from the Chairman

**D**ear Stakeholders, 2020 has changed us: we are not the same people, we are not the same Company as one year ago.

Without realising it, all of a sudden, we found ourselves in an unexpected and shifting social, economic, and political environment.

And yet, we were not overwhelmed. The numbers, facts, and data you will find in the following pages present a Company made of people that never give up; of employees who, every day for the past year, tackled the challenges of an unexpected and unforeseeable situation in their work. The results you will read about have not only economic value: they have the value of courage.

In a year that we will all remember, we have tapped into strengths and energies that perhaps we did not know we had. We did it when we ensured the safety of our employees, our customers, and our stores in ways and time frames once thought unimaginable. We did it when it was not enough for us to remain standing, and decided to help others get back up: we think of our truck entering a deserted and incredulous Vo', we think of our stores that gave food to Padua's soup kitchens for Easter lunch, and we think of the funds raised for our initiatives that never stopped, even in such uncertain times.

Even in 2020, which severely tested all of us, we have never lost sight of our objectives. In spite of everything, we carried on with our journeys and projects, and continued to reach new milestones: an example is the ISO 45001 certification, which rewarded our commitment to meeting higher and higher safety standards - an issue that last year was more important than ever for all of us; or the ISO 14001 certification, confirming once again our commitment to sustainability. Despite the challenges and slowdowns,

we made the logistics of our perishable and highly perishable goods even more efficient, launching the new Agrologic logistics hub in Monselice and the new production centre dedicated to fresh and cured meat processing.

In such challenging times, work took on a new meaning as well. We know that opening 19 direct and franchise stores was invaluable to us all, and that in 2020 we grew even more in number: now we can rely on the valour and commitment of 8,517 brave women and men.

We are writing this at a particularly significant moment for our Aspiag Service: the passing of the baton between Chairmen. We are feeling all kinds of emotions, but chief among them are the sense of duty and pride. The duty of a new Chairman, who begins writing a new chapter in the history of our firm, at the helm of a valuable Company made of people that are not afraid of thinking big. And the pride of an outgoing Chairman: the pride of having led this great Company for twenty years and seen what great things we can accomplish when, together, we decide to make even what seems impossible possible.

I want to thank each one of you for the dedication and passion you have showed in this challenging year. In conclusion, I can only extend my heartfelt gratitude to Chairman Rudolf Staudinger, who, in his twenty years in this role, has led our Aspiag Service to triple its sales and double the number of employees, making it shine brighter every day.

To all of you,  
thank you

**Harald Antley**  
Chairman

+ 2.5%

**247**

Direct retail stores.

+ 3.4%

**8,517**

Employees.

+ 0.25%

**441,369** kWhLFL average daily energy  
consumption.

# About this report.

## About this report

The Integrated Report is the information tool intended to illustrate how the Company creates value in the short, medium, and long term in the context it operates in.

The Integrated Report allows representing, assessing, and monitoring in a consistent and interconnected manner the resources that the Company uses and reinvests to achieve its goals. The Integrated Report is not just a reporting tool, but rather a way to help coordinate internal units and collect information for decision making.

## Presentation

The CFO leads the preparation of the Integrated Report and presents it to the Board of Directors on the occasion of the approval of the Financial Statements.

## References

<IR> Framework of IIRC is the reference document for the Integrated Report. The sustainability indicators disclosed in this Report are reported according to the GRI Standards under the "in accordance-Core" option and are marked with an icon on the side of the body text. There are interactive links to external pages. For more details on the references used and the preparation of the Report, please see the Methodological Notes (page 90).

We thank all employees who make this document more and more comprehensive and accurate through their precious contribution.

## Enjoy your reading.

## Capitals

IIRC guidelines allow to show how Aspiag Service creates value over time by using its resources, that are the six capitals. In the Integrated Report, each capital is assigned a different colour, thus allowing to recognise them. Capitals consist of:

### Financial

The set of liquidity available to the Company for its operations.

### Manufactured

Owned or leased real estate, stores, administrative offices, platforms, machinery, equipment, and stocks of marketed products.

### Intellectual

Processes and operational procedures as well as activities intended to ensure quality and safety of the products sold.

### Human

Intangible asset of skills, abilities and knowledge of those who work in the Company.

### Social and relationship

Company relations with key external stakeholders necessary to enhance the corporate image, its reputation and customer satisfaction.

### Natural

The set of natural resources used as part of the Company's operations.

## Company pillars

The pillars are the principles underlying the Company's strategy and are detailed in dedicated chapters in the "Performance" section.



Market share increase



Generation of financial resources



New openings and renovations



Customer satisfaction



Enhancing employees



Attention to the environment and the territory

## Sustainable Development Goals (SDGs)

Aspiag Service's strategy is aligned with the UN 2030 Agenda's sustainable development goals. The objectives that are most relevant to the business are presented at the beginning of each chapter dedicated to the pillars and are aligned with the Company's indicators, initiatives, and prospects.



Good health and well-being



Decent work and economic growth



Sustainable cities and communities



Responsible consumption and production



Climate action

## GRI

Sustainability information is reported in accordance with the GRI Standards. An icon will tell you which indicators are GRI indicators.

## Material topics

They are the most important topics for the Company and stakeholders. The needs and priorities of both are captured in the materiality matrix (page 33). Throughout the Report, they are highlighted with the colour of the relevant capital.

# Integrated Report and sustainability



	2011	2012	2013	2014	2015	2016	2017
--	------	------	------	------	------	------	------

● **Rehabilitation of former industrial areas** in Verona with an Eurospar and in Padua with an Interspar

● **Launch of "Le Buone Abitudini" initiative**

○ **First integrated report**, created according to the principle that "integrated reporting is about good business" (ref. IIRC)

● **Restoration** of a historic building for the Eurospar in via Mancini, Trento

● **Finalisation of the environmental policy and ISO 14001** environmental certification

● **Agreement with Last Minute Market** to recover surplus products at direct stores

○ **Preparation of the Integrated Report according to the <IR> Framework of IIRC**

○ **Financial representation of intangible capital.**

● **First "Trainee Store Manager" programme**

● **Creation of the Gemma Verde line**

● **Despar Tribù App**

○ **Creation of a brief "Abstract" of the Integrated Report** to promote it among stakeholders

● **Energy clusterisation** to monitor consumption

○ **Alignment with the Sustainable Development Goals (SDGs) of the UN 2030 Agenda**

○ **Incorporation of activities and indicators for the Report** of the SPAR Austria Group (CSR Board)

- Key**
- Financial
  - Manufactured
  - Intellectual
  - Human
  - Social and relationship
  - Natural
  - No capital



	2018	2019	2020
--	------	------	------

● **Renovation** and opening of a Despar in Prato della Valle (Padua)

● **Caregiving programme** - support to employees and families

● **Renewed company-level agreement with welfare measures**

● **Expansion of quality controls**

● **Selling of organic fruit and vegetable products in bulk** at select Interspars

○ **Creation of an interactive web page** for the Integrated Report

For the Company, "sustainability" is a byword for "strategy", going beyond just the environment to take on a holistic meaning that applies to all levels within the company.

Aspiag Service pursues several sustainability initiatives focused on product innovation as well as social and environmental issues; in this sense, we serve as not only intermediaries between producers and consumers, but also as a source of information and education for the latter. The initiatives, innovations, and acknowledgements presented here as a timeline testify to 10 years of commitment to sustainability and transparent reporting. Our strategy and performance, in line with the Sustainable Development Goals (SDGs), show how, now more than ever, sustainability drives our mission, vision, and values.

Thanks to the business culture developed over time, environmental, social, and economic sustainability initiatives are considered material and have turned into a source of value, rather than a cost, for the Company, allowing to achieve efficiency throughout the value chain and generating income, jobs, and savings. Over the years, the link between sustainability and economic performance has become apparent, to the point of warranting financial and non-financial disclosures that have developed by identifying advantages and benefits as well as by looking for a connection between operations, accounting, and reporting. We managed to show the value generated thanks to the multi-capital and interconnected structure of the Integrated Report (IIRC) and the use of GRI metrics.

The 10-year journey of the Integrated Report has highlighted the Company's growth by meeting the expectations of stakeholders and building trust with them. The reported data and information have been certified right from the start and rule out any greenwashing, promoting the use of the Report to engage with our stakeholders and preventing any "rhetorical" use.

This was made possible thanks to the collaboration of a forward-thinking, innovative, and future-leaning team of people formed over the years and the general awareness that focusing on environmental and social topics promotes sound financial governance. We are happy that the acknowledgements obtained throughout the years have confirmed the benchmark attained in reporting, which over time has gone beyond being an informational tool to become also a process for the decisions of tomorrow.

The internal deep dives feature a selection of performance indicators from 2011 through 2020, showing how a strategy centred on customer satisfaction, enhancing employees, making innovative and sustainable investments, and the focus on the environment and local communities has enabled our success.

Raffaele Trivellato  
CFO

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# About us.

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Identity and operating context.

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Governance.

### Mission.

Aspiag Service operates in the modern retail industry, selling both wholesale and retail food and non-food products.

For this purpose we can count on a large and consolidated system consisting of retail stores and shopping centres for the management, promotion and sale of products.

### Vision.

We want to be the market leader in our trading area and rank among the top three retailers in each of the provinces we operate in.

### Values.

In order to achieve our vision, we refer to the values identified through the involvement of the entire management team and passed on to all employees: customer focus, innovation, employees' development and sustainability.

# Identity and operating context.

Aspiag Service pursues its business against a backdrop characterised by different trends, formats, and needs, ranking among the leading players in its trading area thanks to its focused and far-sighted decisions.

## The market.

**+4.3%**

Sales in Italy's modern retail industry.  
source: Nielsen

**-8.3%**

Italy's GDP growth.  
source: Eurostat

**50**

Potential competitors.



2020, the Covid-19 health emergency disrupted global economic activity, which was still down by the end of the year as infections continued to spread. In the euro area, the pandemic is affecting prices and business activity, with a recovery expected in the medium-long term. The ECB is providing adequate financial support, whereas employment, after rebounding in the summer, did not recover by the end of the year, especially among the young and women. In 2020, Italy's GDP was down 8.3% (source: Eurostat), because of the slump in domestic and foreign demand as well as the change in inventories. In response to the health emergency, the Government continues supporting businesses and households with additional measures. Overall, retail sales were affected by the health emergency, falling by 5.4% (source: Istat). Non-food products were hit the hardest because of the lockdowns imposed to curb the spread of the virus. On the other hand, e-commerce grew steadily, rising 33.8% (source: Istat).

As for the retail sector, in 2020 consumer goods in Italy were up 4.3% in terms of sales value (source: Nielsen). The pandemic has given rise to new

consumer trends that have positively affected the sector's results. The travel restrictions imposed by Covid-19 containment measures benefited well-positioned stores with a good range of products. The emphasis on price, which became even stronger in 2020 because of the health emergency, benefited the discount channel. In addition, please note that in March 2020 Italy's Antitrust authority approved Conad's acquisition of Auchan Italia's sales network, on the condition that Conad sells 33 local markets (4 small stores, 19 supermarkets, and 10 hypermarkets) to an independent third-party retailer of food and non-food products to safeguard competition. This reflects also on the Conad-Auchan-Finiper central purchasing group, as the Italian competition authority did not find excessive concentration given its 18.2% share. Another focus is e-commerce, which consumers prefer for its convenience and, now, safety. It was up 117% year-on-year (source: Nielsen) across all products segments, chief among them home and personal care products, followed by food. The start of the vaccination rollout towards the end of 2020 bodes well, even if for the medium-long term.

## Aspiag Service and local communities.

Aspiag Service stores are located in Veneto, Emilia Romagna, Friuli Venezia Giulia, and Trentino-Alto Adige, along with the Regional Headquarters, offices, and logistics platforms. Aspiag Service retail stores - either direct or franchise - operate under three brands, depending on the size and the offer, to provide the customer with a broader choice which meets their needs (page 28).

**247**

Direct retail stores.



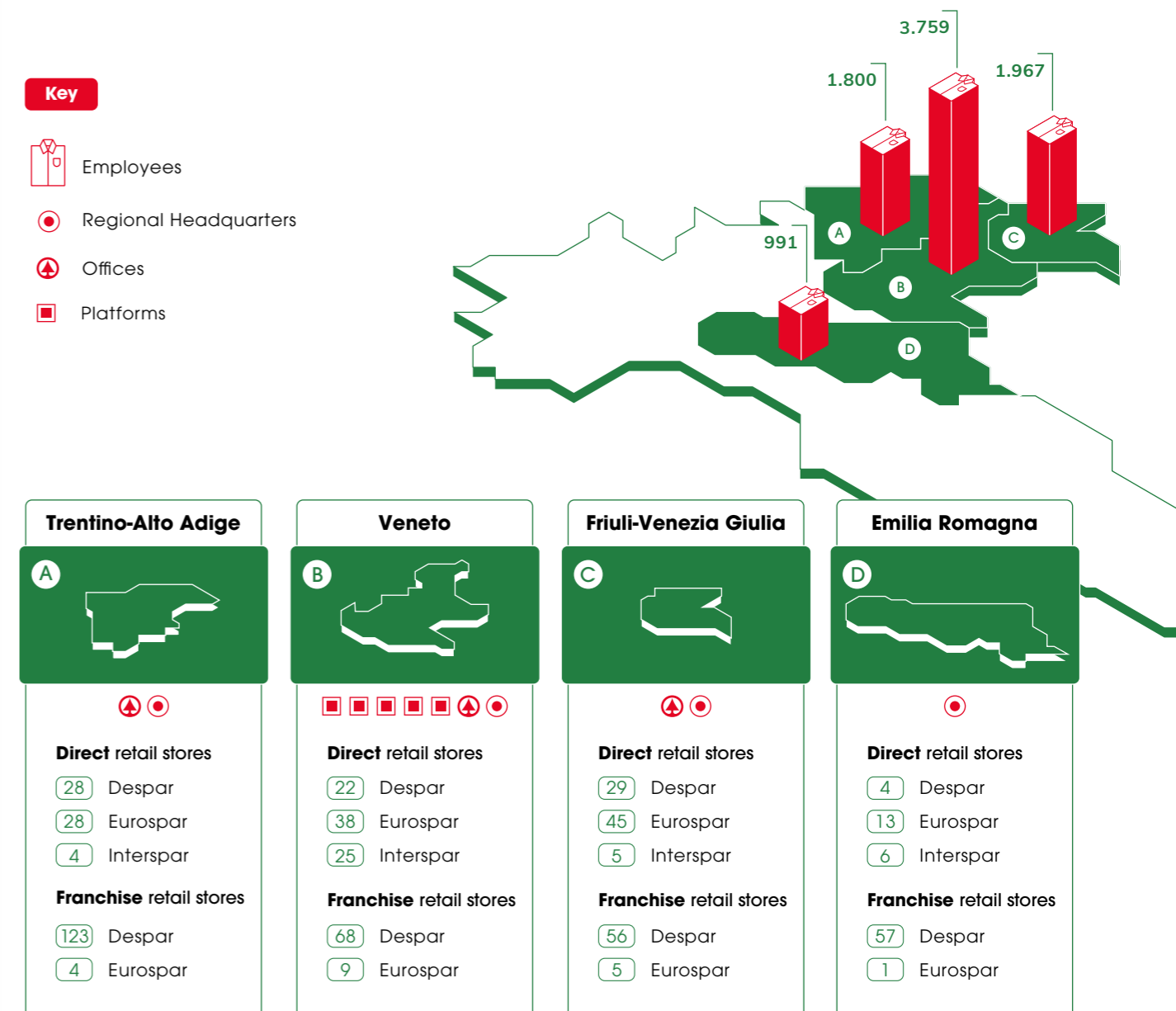
**323**

Franchise retail stores.

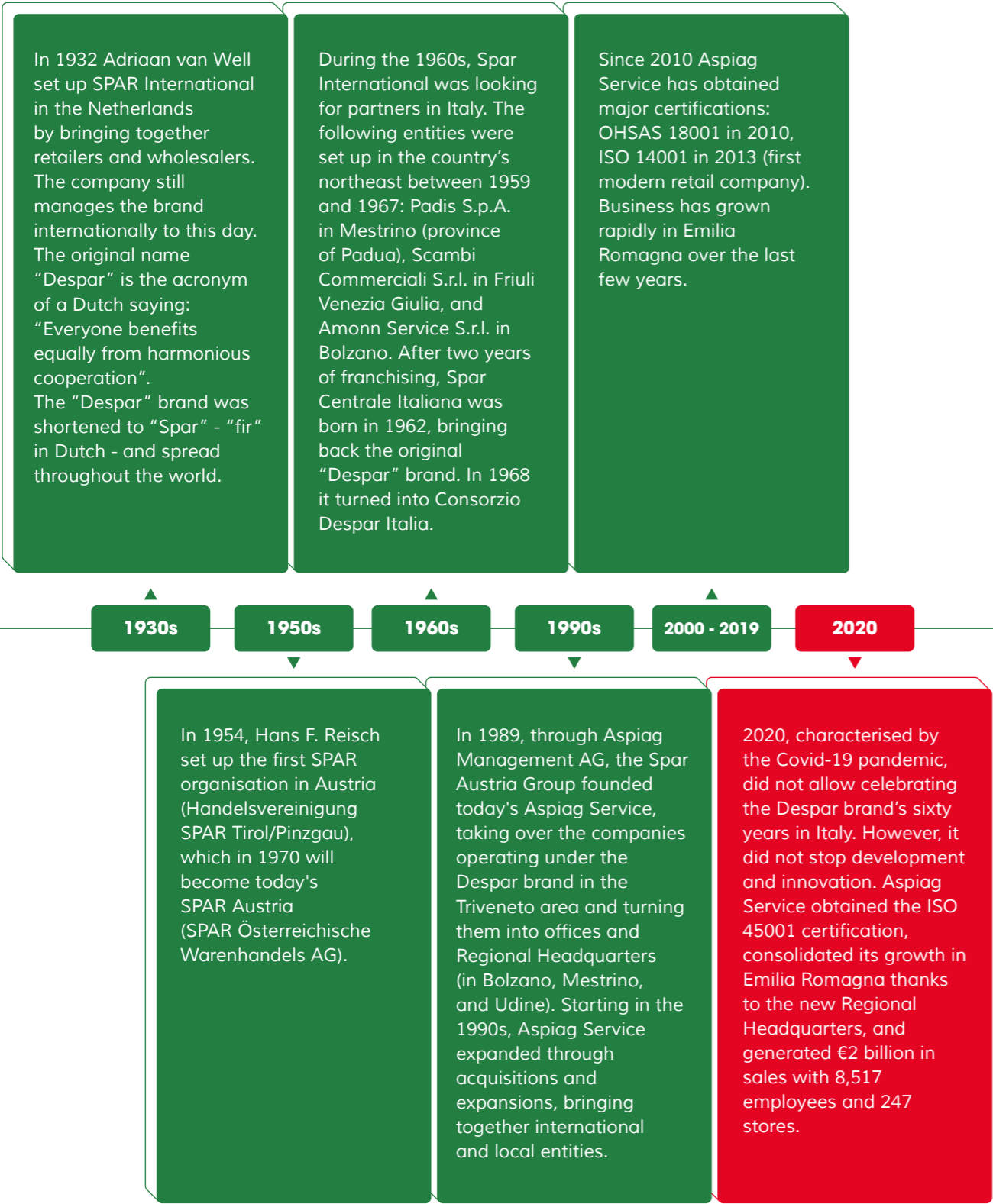


### Key

- Employees
- Regional Headquarters
- Offices
- Platforms

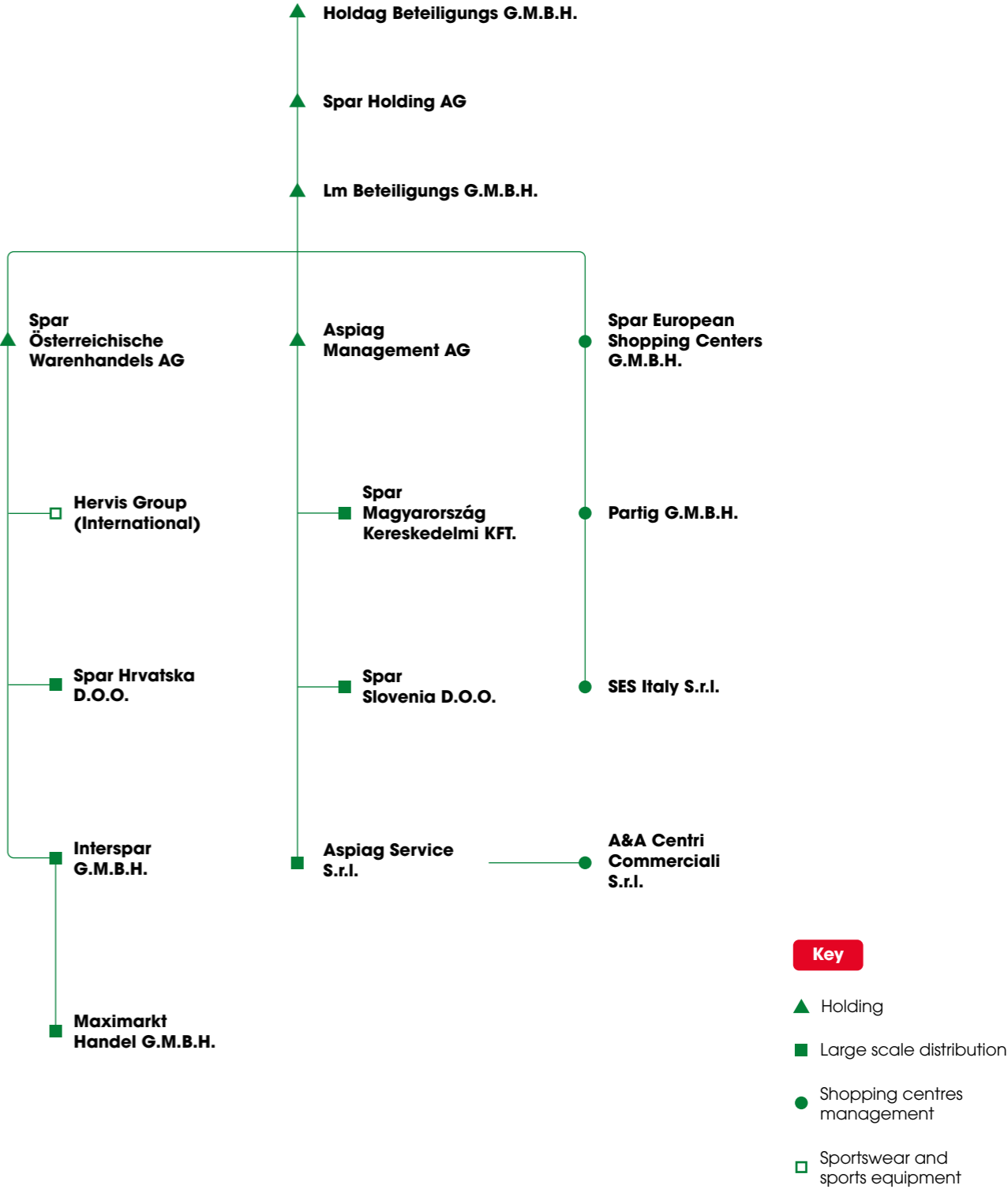


Our history.



Ownership.

Aspiag Service is managed and coordinated by the sole shareholder, Aspiag Management AG (into which Aspiag Finance Services AG was merged in 2020), which is headquartered in Widnau (Switzerland) and is part of Holdag Beteiligungs GMBH (SPAR Austria Group), whose registered office is in Salzburg. The ownership of the parent company has remained unchanged since 1970. The following chart shows the leading companies of the Group, with the relevant core business.



- Key**
- ▲ Holding
  - Large scale distribution
  - Shopping centres management
  - Sportswear and sports equipment

**SPAR Austria.**

+5.6%  
**€16.60** billion  
 Turnover

+5.8%  
**89,926**  
 Employees

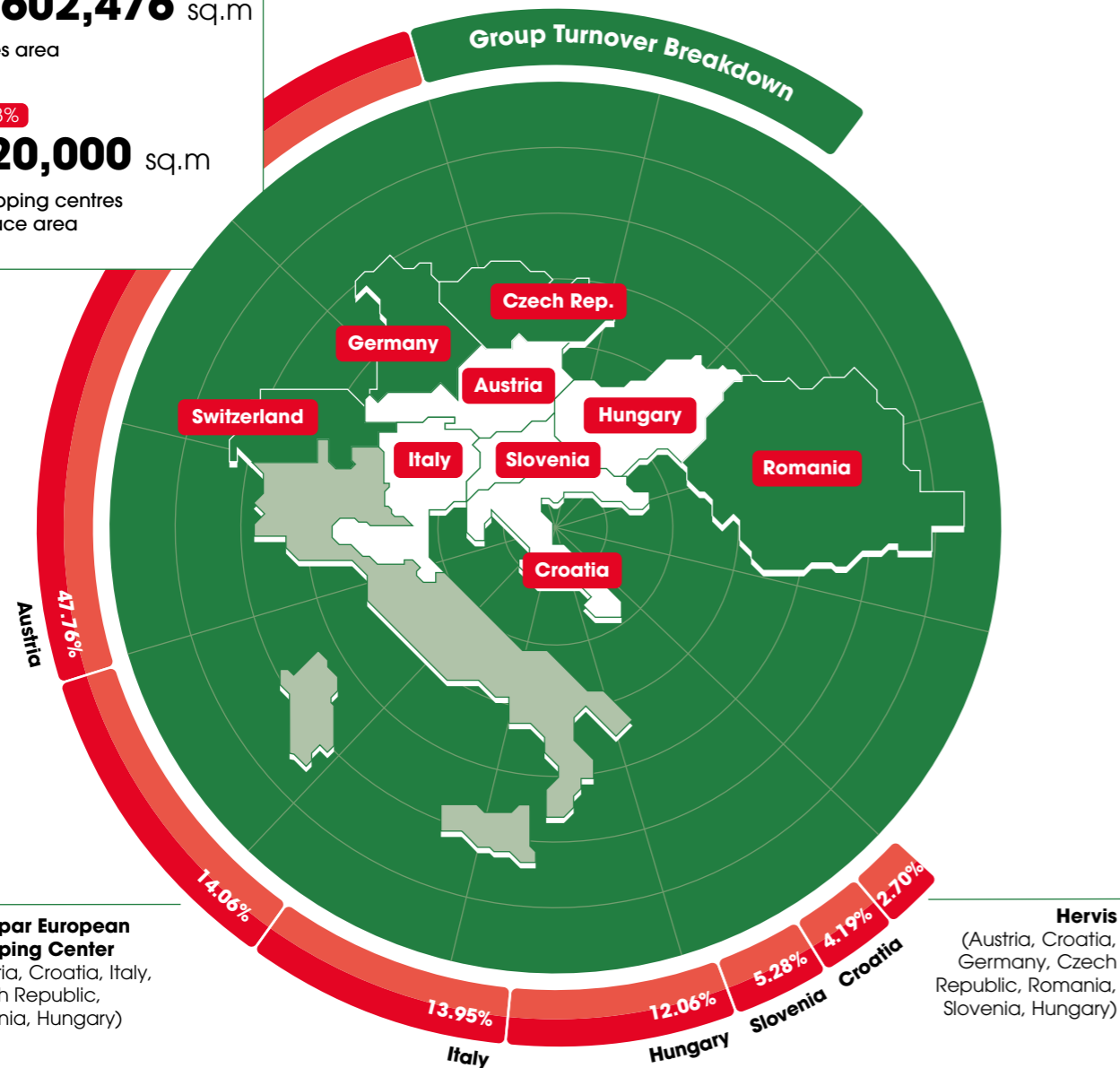
+1.1%  
**3,243**  
 Retail stores

+1.4%  
**2,602,476** sq.m  
 Sales area

+3.8%  
**820,000** sq.m  
 Shopping centres  
 surface area

The SPAR Austria Group is the largest of the SPAR organisations worldwide and, in addition to being leader on the domestic market, has also established itself in other European markets such as Slovenia, Croatia, Hungary and Italy. SPAR Austria has diversified its business by managing shopping centres through Spar European Shopping Center (Ses) and selling sportswear and sports equipment (Hervis), expanding its presence also in Germany, the Czech Republic and Romania.

SPAR Austria's sustainability strategy covers several fronts: products, energy, logistics, and community support. In 2020, the Company continued revising recipes - an initiative that has reduced the sugar content in products by 1,616 tonnes since 2017. The packaging was also reimagined to reduce the amount of plastic used or use recyclable plastic, while replacing it, where possible, with packaging made of other materials. With respect to energy, 2020 saw the installation of the 100th photovoltaic panel, whose number increases by 10-15 units per year. The Company is also stepping up its food donations as well as its campaigns to educate and raise awareness among employees and customers with respect to sustainability.



**SES Spar European Shopping Center**  
 (Austria, Croatia, Italy, Czech Republic, Slovenia, Hungary)

**Hervis**  
 (Austria, Croatia, Germany, Czech Republic, Slovenia, Hungary)

**SPAR International.**

Internationally, the SPAR brand is managed by SPAR International, with offices in 48 countries and headquartered in Amsterdam. SPAR International is based on values that combine an international outlook with quality and services close to several local communities.

Spar International's consolidated sustainable strategy has honoured the commitments made in this sense, continuing to work on food education, community programmes, and nutrition as well as retail sustainability campaigns. Meanwhile, it also embraced new projects. 2020 was the year of the agreement between SPAR and Too Good To Go, which put the Company on the front line of the fight against food waste with the option to purchase "Magic bags" of perishable goods that would otherwise be thrown out. 13 SPAR countries where 9,000 SPAR stores operate have signed on to the agreement.

+4.35%  
**€37.1** billion  
 Turnover

+1.6%  
**13,320**  
 Retail stores

=  
**48 SPAR**  
 countries worldwide

+0.1%  
**7.45** million sq.m  
 Sales area

2019 information

**Despar Italia.**

In Italy, the Despar brand is managed by 7 different independent members, the largest of which is Aspiag Service, united in the Consorzio a Responsabilità Limitata Despar Italia (a limited liability consortium), located in Casalecchio di Reno (province of Bologna). Members only operate their businesses in a pre-established geographical area, within which they hold a licence to use the Despar brand and manage their logistics platforms and retail stores in the area. The Despar Italia consortium protects the brand, direct contact with SPAR International and the development of the private label products and promotions.

Despar Italia pursues several sustainability projects focused on products, innovation, and social and environmental topics. Among many other projects, 2020 was the year of "Obiettivo Benessere" (Objective Well-being), a programme to revise the recipes for certain product lines to lower their sugar content. This revision was made in accordance with ministerial guidelines and contributed towards preventing obesity and cardiovascular risks. September 2020 saw the introduction of private-label fruit juices that resulted in a 105 tonne reduction in sugar content.

+4.4%  
**€3.9** billion  
 Turnover

+12.8%  
**1,399**  
 Retail stores

+7%  
**811,054** sq.m  
 Sales area

**Despar Brand** — In 2020, the Despar Brand was named Italy's favourite brand in the supermarket category. The survey featured responses from over 200 thousand Italians who were asked to choose their favourite brand.

# Governance.

The Governance system - aligned with both national and international best practices—is constantly strengthened in order to manage the complexity of the situations in which the Company operates and the challenges to be faced to implement a clear and sustainable development strategy.

**The meetings in 2020**

- 5 Retroplanning
- 11 Sales Committee
- 24 Executive coordination
- 16 Management Committee
- 5 Management Meeting
- 1 Review of the Safety and Environmental Management System
- 5 Itinerant meetings of the Board in 2020

**The Board is composed of:**

- 9 members, of which:
- 4 executives including the Chairman

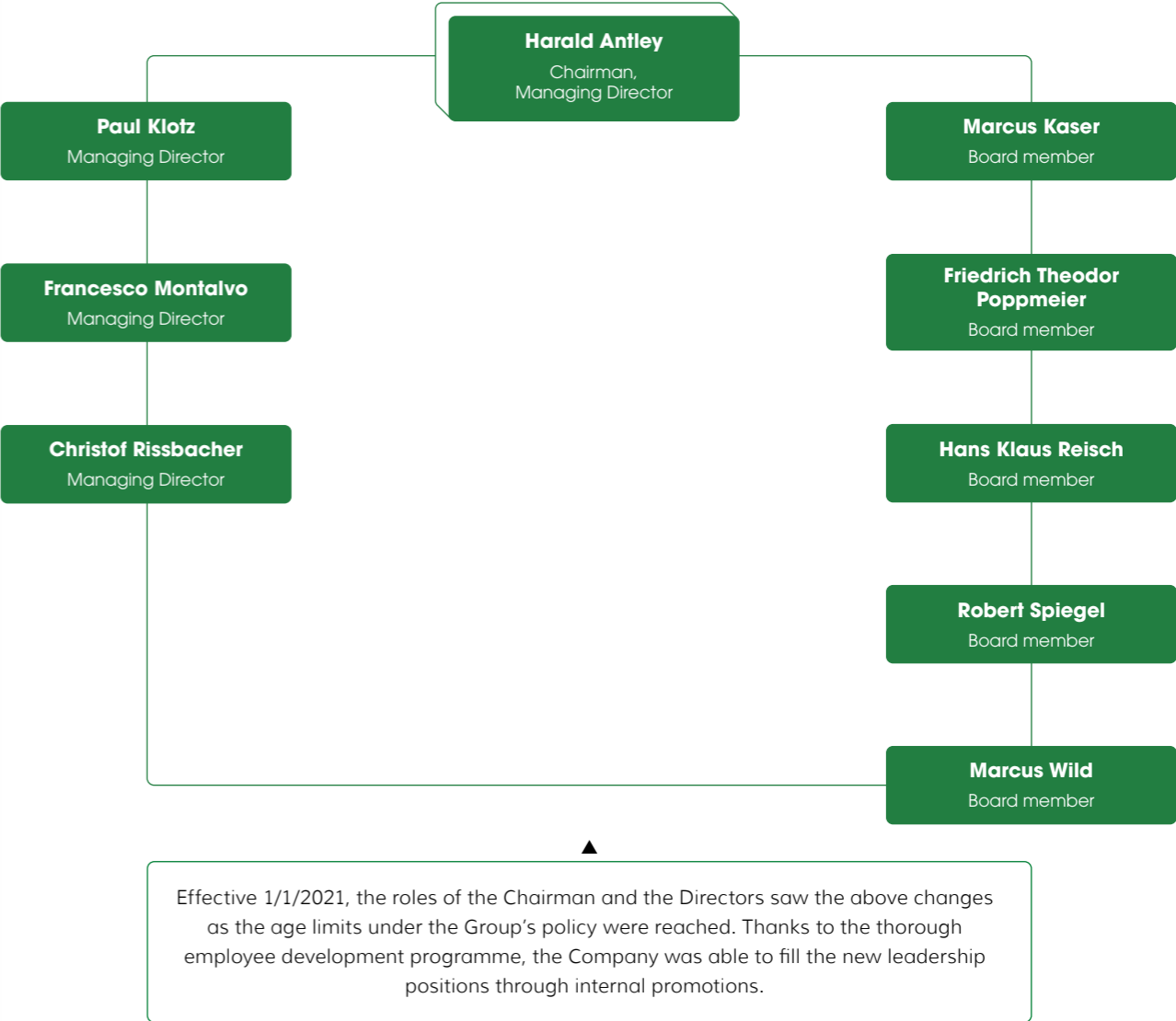
The Governance system of Aspiag Service is comprised of several governance bodies and tools. The entire system is geared towards ensuring the stability of the roles over time, allowing for long-term planning and making the Company more robust. In addition, besides regulatory compliance, the Governance system encourages adopting voluntary practices that further improve it, resulting in increasingly transparent and responsible business operations.

**Shareholders' Meeting and Board of Directors.**

The Shareholders' Meeting, chaired by the Chairman of the Board of Directors (Board) or by another person appointed by the Shareholders' Meeting itself by a simple majority, heads the Governance structure. The Board carries out its duties for both the ordinary and extraordinary management according to the law, the Company's Articles of Association and Organisational Model 231/01. Appointing several Managing Directors has not increased the cost of the corporate structure, given that the Directors receive no payment for the role they hold. In order to facilitate relations with local institutions and new areas of development, the Board meets in different locations in our trading area.

**Board of Statutory Auditors and Independent Auditor.**

The Shareholders appoint the Board of Statutory Auditors and the Independent Auditor with the role of supervising the Company's operation and its structure. The Board of Statutory Auditors, as well as having management control functions, has a term of office of three financial years and supervises compliance with the law, the Company's Articles of Association and the correctness of the management methods adopted, with particular focus on the organisational, management and accounting structure. With regard to accounting control, Aspiag Service appointed a leading audit firm as independent auditor, also with a term of three financial years expiring with the approval of the 2021 Financial Statements.



**Voluntary compliance.**

Compliance is crucial for companies, especially if they are large or engage in activities subject to multiple rules. Besides regulatory compliance, Aspiag Service has voluntarily put several auditing tools in place to ensure quality and safety. Aspiag Service has placed the areas dedicated to food safety, occupational safety, and environmental

safety under the Safety department. The coordination of these areas allows going above and beyond the highest standards required by law as well as to better control risks. The alignment of the voluntary standards has led to the occupational safety certification with the new ISO 45001.

Management Committee and Legal Representatives.

The Management Committee has propositional and preparatory responsibilities and the task of providing technical and managerial support to the Board of Directors; the Chairman and all the Managing Directors are part of it by right. The Board approves and supervises the economic and financial planning of business operations through the Management Committee. The Committee:

- annually and by November, it prepares the Company's budget proposal for the following financial year. The budget is updated usually half way through the year and in October forecasts are prepared that include implementation of any corrections deemed appropriate by the Management;
- it formulates a three-year business plan, which is approved by the Board in February;

- it informs the Board on the Company's performance during the financial year underway, reporting on any variations with respect to the budget and the previous period.

These stages require a continuous and effective communication among the various Company management teams, which allows them to rapidly monitor the performance of corporate management and investment decisions. The Board is supported by and appoints Legal Representatives. In 2020, Aspiag Service relied on 66 Legal Representatives with powers for the ordinary and extraordinary management of the Company in accordance with the duties delegated to them. Some of the Legal Representatives may appoint others ad acta or ad negotia with a limited mandate.

Privacy.

To comply with the new General Data Protection Regulation (Reg. (EU) 2016/679, GDPR for short), since 2018 the Company has appointed an external Data Protection Officer and a Privacy Committee, comprised of the heads of Legal Affairs, IT, and

Marketing as well as a Director. Also with respect to privacy - as in the case of the 231 Organisational Model - the Company regularly provides training to raise awareness among and update employees. In 2020, 8 employees received privacy training.

GRI 405-1

	Men	Women	Total	Between 30 and 50 years old	Over 50 years old
Board of Directors	8	-	8	-	8
Management Committee	4	-	4	-	4
Board of Directors*	9	-	9	2	7
Management Committee*	4	-	4	1	3
Board of Statutory Auditors	5	-	5	2	3
Legal Representatives	58	8	66	30	36
Supervisory Body	2	-	2	-	2
Privacy Committee	4	-	4	-	4

Note: the information on the bodies marked with an \* refers to 01/01/2021, following the organisational changes occurred.

Organisational Model 231/01.

Since 2005, Aspiag Service has been voluntarily adopting an Organisation, Management and Control Model prepared in accordance with Italian Legislative Decree 231/2001 and updated to reflect the latest regulatory developments. The Model encompasses the Supervisory Body, the Code of Ethics, the Internal Regulations and Mapping of Powers, the Protocol Manual and the Penalty System, which represent risk management tools. The Model, especially as far as the Code of Ethics is concerned, has paved the way for the best practices that the Company has been implementing for some time now, and goes towards the UN's Sustainable Development Goals (SDGs), which Aspiag Service uses as a reference (see page 37). At 31 December 2020, as in the previous two years, no lawsuits or other types of proceedings concerning anticompetitive practices or antitrust or monopoly violations had been initiated against the Company. This year, 10 employees received training on antitrust and the prevention of the main risks, and 557 activities on corruption risks were considered along with the relevant training and refresher courses. Starting from 2021, the Model will undergo another revision following the introduction of new offences under Italian law 231.

GRI 206-1

Supervisory Body - Compliance Office

The Compliance Office acts as Supervisory Body, regulating corporate liability for unlawful administrative acts connected with offences. The Body is composed of an internal and external member pursuant to Italian Legislative Decree 231/01 and is appointed by the Board of Directors every two years. The Compliance Officer oversees the operation and effectiveness of, as well as compliance with, the Model. The C.O. shall also adjust the Model according to the Company's operations and potential regulatory changes, reporting any problems on a regular basis, making preparations for the annual audits, and training employees on anti-corruption topics, with 47 employees receiving this type of training in 2020. Out of all employees concerned, each year the Company identifies one or multiple homogeneous groups to be formed, covering the entire total over the years. Specifically, in 2020 senior managers were the category that received training. With respect to updates or crime prevention efforts, the C.O. may perform risk assessments for individual areas or operations at risk. Aspiag Service's employees can report any criminal offences or request information through the e-mail address of the Supervisory Body: [co\\_aspiagservice@despar.it](mailto:co_aspiagservice@despar.it).

GRI 205-2

Code of Ethics [www.despar.it/it/node/17/codice-etico/](http://www.despar.it/it/node/17/codice-etico/)

The Code of Ethics sets out the rights, duties and responsibilities of any party, and represents a contractual prerequisite for working or dealing with Aspiag Service. Compliance with the Code of Ethics by all parties (Directors, Legal Representatives, employees, Auditors, suppliers, etc.) ensures the regularity of Company operations, as well as prevents any irregularities and conflicts of interests. In line with the principles set out in the Code of Ethics, the Company does not offer direct or indirect contributions, in any whatsoever form, to parties, movements, political and trade union organisations and committees, their members and candidates, unless permitted by specific regulations and in compliance with the principle of transparency.

Internal Regulations and Mapping of Powers

The Internal Regulations and Mapping of Powers govern the operations of the bodies vested with powers of management and representation. They are distributed to new hires and made available through all Company bulletin boards as well as the website.

GRI 415-1

Protocol Manual

The Protocol Manual plans the Company's decision-making process regarding activities that involve the potential risk of unlawful acts and monitors, under the supervision of the Compliance Office, the various functions in charge of sensitive activities.

Penalty System

The Penalty System monitors compliance with the Model, procedures and conduct. The violation of the obligations described therein constitutes a violation of terms of contract and disciplinary offence from which the Company does not intend to pursue any advantage.



# What we do.

**24 — 35**

Business model.

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Strategy.

**T**he efficient operation of Governance bodies and the Business Model drives the Company's mission, balancing the expectations of Shareholders and the other Stakeholders, the planning and fulfilment of strategic goals, the maximisation of opportunities, and risk mitigation.

# Business model.

Aspiag Service manages supermarkets with a purely food-based vocation, purchasing fast-moving consumer goods (both branded and non-branded products) from suppliers to resell them at its stores and to franchisees.

**T**o give our customers maximum value, we work with a variety of goods and services suppliers who meet established standards allowing them to offer high-quality products and a comprehensive choice. The various phases of our distribution system convey goods to the stores also

## Supply chain

Aspiag Service maintains its market position also thanks to the sound management of the supply chain, which encompasses all phases - from the selection of suppliers to procurement, and from distribution to retail sales - allowing the Company to effectively achieve its own goals as well as those of stakeholders. Synergies between the Company's employees and suppliers are achieved throughout the supply chain to maintain a robust professional relationship, curb costs, reduce impacts, and offer customers adequate prices as well as quality in the processing and transportation of the products. Aspiag Service takes a strategic approach to

with the help of the four Regional Headquarters in Bolzano, Mestrino (province of Padua), Udine, and Castel San Pietro Terme (province of Bologna), which oversee all stores and bring the Company even closer to the local community.

suppliers geared towards collaboration and innovation to ensure procurement operations are always constant and optimised. As part of an increasingly strong commitment to monitoring and containing the impacts of the supply chain, the Company has prepared a check-list for private label product manufacturers, in order to promote their environmental sustainability strategies. This check-list has become a well-established tool for managing new suppliers, as well as a contractual annex. The check-list is to be supplemented in the future with more specific information to promote increasingly synergistic business relationships.

## Purchases

Suppliers are selected according to a customer-oriented approach, pursuing quality products, competitive prices and transparency in commercial relationships. Procurement management is supported by processes that help sharing

information between the Company and the supplier, which streamline the flow between purchase orders and delivery of products to the store. To take advantage of reduced waiting times, greater programmability of supplies and delivery

discounts, we concentrate purchases by means of ESD Italia, a central purchasing and marketing group which negotiates supply contracts with domestic consumer goods industries on behalf of its shareholders.

At Aspiag Service, the items on sale in product categories that consumers perceive as correlated

## Private label products

<http://www.despar.it/it/prodotti-a-marchio-despar/>

Private label products, managed together with Despar Italia, include all main product categories and are created by a selection of the best producers to be sold under the Despar brand. They come in different lines or brands. The main changes seen in 2020 concerned the meat and convenience food segments, for which new brands were introduced - including to replace less effective ones. The goal of these changes is to create a clearer, more visible, and more comprehensive strategy for on-shelf offerings relative to new market trends. The Food Quality Department audits private label product suppliers to check items, labels, and the quality of the products. Private label products allow to convey values to our customers, such as quality, convenience, innovation and attention to the environment and health. An important sustainability-related initiative for private label products in 2020 was the revision of the packaging, which now includes clear disposal instructions in more and more product lines and for which, in certain cases, the packaging has been redesigned by using recycled plastics. In 2020, three Teatro Italia products were named as the year's most innovative products in three categories with the

or replaceable become an ecosystem of products that meet the various needs of the customer, who has turned more and more into a buyer free to pick and choose. Knowing how consumers behave and choose products is allowing to develop a new idea of category management focused on customer categories and the needs to be addressed.

Salute to Excellence Award, the award presented by the PLMA (Private Label Manufacturers Association), out of a selection of over 550 products from 70 retailers representing 23 countries at the trade fair held in Amsterdam.



\*Data from internal management source, turnover refers to the Company's total and the sales of private label products represent the totals by category of both the direct store channel and sales to franchisees.

**The Verde Vera project** — In 2020, the Company pursued an innovative project for 22 private label products. The project consisted in the revision of the Verde Vera line of cosmetics, giving it a more commercial as well as environmentally sustainable design. The line's packaging was reimaged by using 100% recycled plastics and sugar cane labels. The Company also conducted a study on the new bottles concerning CO<sub>2</sub> emissions: the new packaging not only slashes carbon dioxide emissions by 25%, but the remainder was offset by joining certified reforestation projects.

For more information on the project and the packaging: [verdevera.it](http://verdevera.it).

Logistics

+5%

242,946

Deliveries.

+5.8%

88,464

Distribution trips.

+10.5%

15,374,739

Reusable crates.

Logistics flows are optimised and subject to controls in each stage of the distribution process, ensuring daily freshness and product safety as well as steady supply to the retail stores. To transport our products, we use a fleet of Euro 5 and 6 vehicles equipped with the technology required to store the various items at the right temperature and optimise loads at all times. Aspiag Service can rely on 9 platforms - including 4 Regional Headquarters - across the areas it serves that help streamline transportation. The Regional Headquarters in Mestrino (province of Padua) is the management and administrative centre for all the group's business activities and the operational base for Veneto. Bolzano's Regional Headquarters is the registered office of the Company and manages the Trentino-Alto Adige commercial activities. The Udine Regional Headquarters oversees sales operations in Friuli Venezia Giulia. The Castel San Pietro Terme (province of Bologna) Regional Headquarters, operational since 2019,

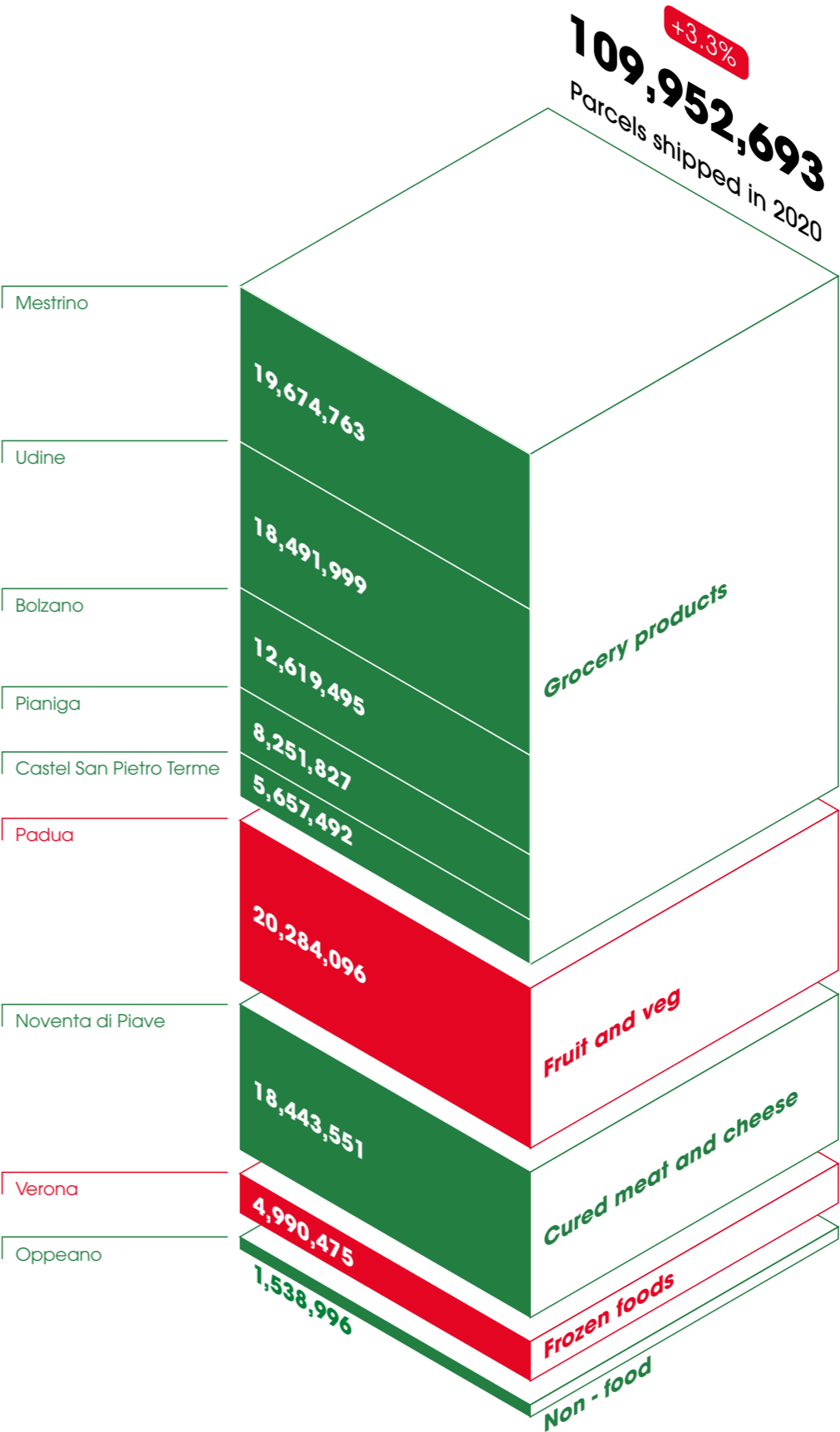
The Meat Centre

Aspiag Service includes the functions of the Meat Centre, which produces and handles fresh meat for all direct stores, several franchise stores, and the countries where we operate under the SPAR brand. Centralising the processing of red meat and cured meats ensures high food quality and safety standards. The label of all products sold features a tracking number that allows to trace their lifecycle, including information on the birth of the animal and

serves the Emilia Romagna region. Each Regional Headquarters also features a logistics platform for grocery products. We use 100% reusable plastic crates for various product categories as a partial replacement for conventional one-way cardboard, wood and plastic packaging. This led us to receive the sustainability certificate from IFCO Systems in 2020. Reusable crates ensure higher quality, fresher and more hygienic products, and their use is being extended to more and more product categories to reduce waste. The synergy between the various deliveries - which in some cases are made just in time - and the appropriate technologies implemented allow to restock shelves at a low cost and reduce inventories, striking a balance between expiration dates, customer demands, and promotional trends. Products are withdrawn a few days before they expire in order to be recovered and donated to local charitable organisations helping people in need.

its diet. The products on offer go hand in hand with consumer trends, replacing potentially allergenic ingredients with safer ones and promoting organic, sustainable and local food production. The entire supply chain of the main meat categories is audited and sold under the Passo dopo Passo brand. The meat production phases and the Production Centre are ISO 22000 and ISO 45001 certified, respectively.

The “Passo dopo Passo” supply chain — It is a control programme which informs about the origin of meat, fish, fruit and vegetables thanks to the traceability of the production chain. The stamp on the product guarantees food safety and quality through controls from production to sale.



Sales

Sales are made through different store formats that meet the various needs of customers but are similar in terms of product quality, widespread presence, and the offering of Despar-branded goods. Besides directly operating 247 direct retail stores, Aspiag Service supplies 323 franchise retailers, giving them the know-how required to operate under the Despar brand. The formats have the following features:



True to its original identity, the Despar brand identifies small neighbourhood supermarkets (100-800 sq. m) offering a range of everyday products in a typically familiar setting and specialising in perishable and highly perishable goods.



Eurospar identifies medium-sized stores (801-2499 sq. m) capable of serving a wider urban area with consumers who prefer weekly or bi-weekly grocery shopping trips, offering a broader range of goods that includes non-food products as well as some basic services.



Interspar identifies large stores (>2500 sq. m) featuring the broadest possible range of perishable and highly perishable goods as well as a wide range of services and non-food products - from electronics to gardening and household appliances.

The Covid-19 pandemic has led the Company to reorganise its sales processes in accordance with the restrictions while ensuring their continuity and safety for customers. In this sense, the pandemic has accelerated the multi-channel approach to sales, giving customers the products and services offered by the stores also through home delivery (e-commerce).

In 2020, the e-commerce channel, developed through partnerships, generated **€2.7 million** in sales from April through December at **34 participating stores**.

**The value of franchisees — Aspiag Service creates added value by promoting the local community in several ways: one of these is to affiliate local entrepreneurs with Despar. Besides the necessary technical aspects, franchising our brand involves constant engagement through shared activities, work groups and discussions, bringing franchisees more and more into line with the direct channel in terms of recognition and quality.**

The sales process across all channels is aimed at building relationships with customers by offering not only quality products but also an innovative and welcoming store with the technology and communication tools required to make it sustainable and accessible to customers and employees. 2020 saw new improvements in this sense. The Company continued developing the PDA, which now allows scanning also codes on packaging, consumables, and meat storage crates, with considerable savings on work hours. This year the Company also completely computerised communication with the stores, resulting in savings on work hours and the time required to receive communications, while also making these more accurate.

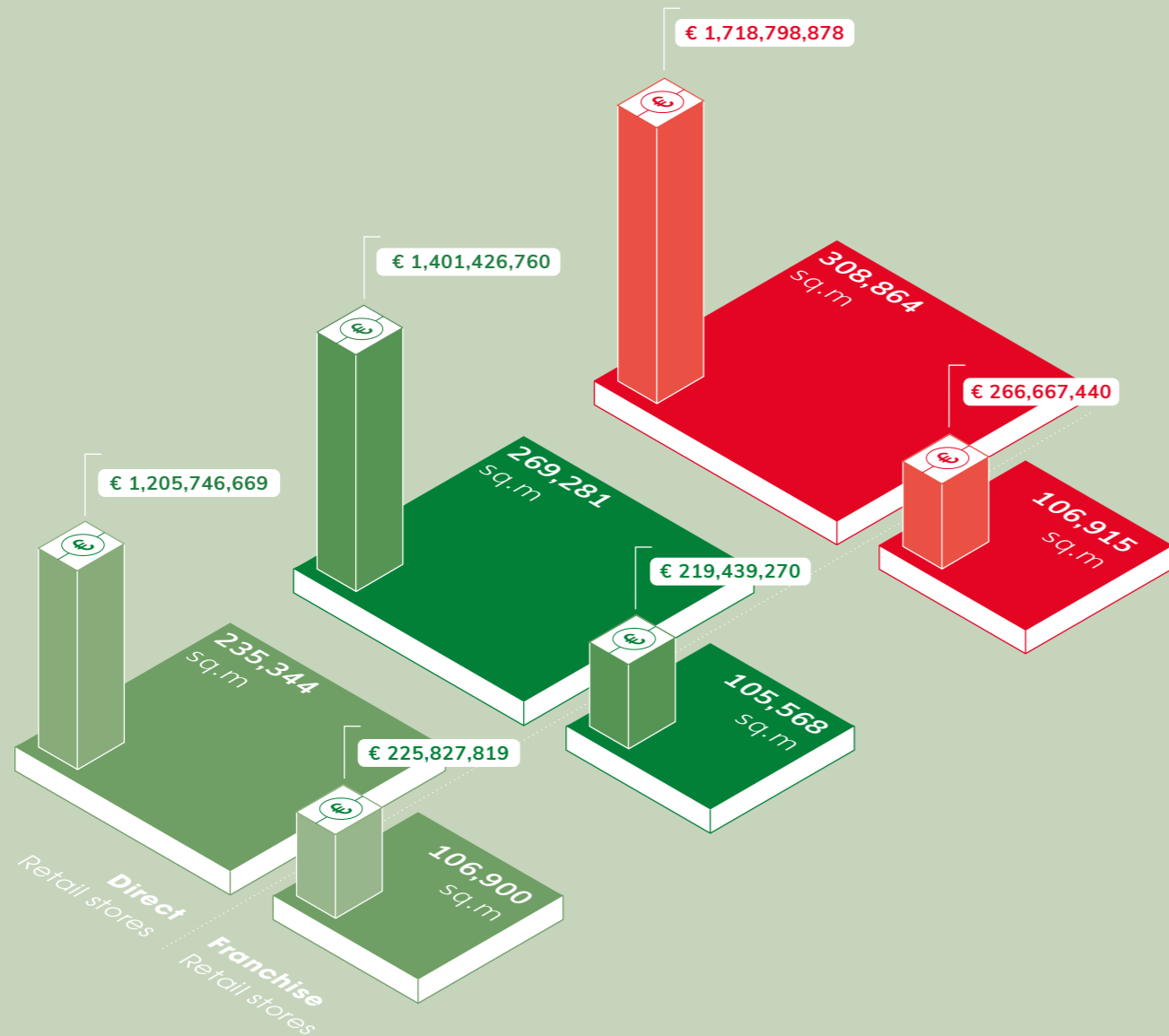
There was also a new development concerning weighing scales and their use. The scales are now connected to two applications, one dedicated to inventory surveys and the other to warehouse handling. Both functionalities have improved in-store work processes, allowing to update databases in real time thanks to the integration of the apps with the systems, reduce the use of paper for scale labels, and significantly reduce operating times.

Once again in 2020 development efforts focused especially on the Despar and Eurospar brands. Specifically, the latter boasts the largest surface areas - a testament to the success of the medium - sized format.

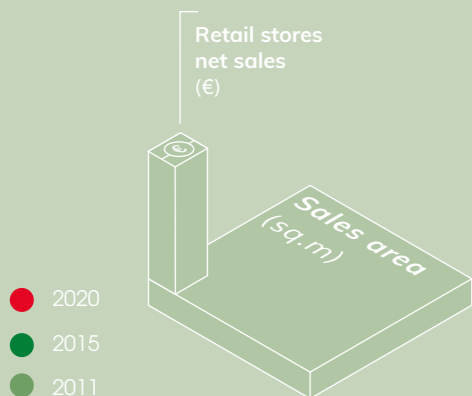
Sales area (sq. m)	Emilia Romagna	Friuli-Venezia Giulia	Trentino-Alto Adige	Veneto	Total
<b>Despar</b>					
Direct	2,377	13,915	13,125	10,946	40,363
Franchisees	16,776	13,861	33,584	21,032	85,253
<b>Eurospar</b>					
Direct	15,633	56,548	31,611	47,061	150,853
Franchisees	950	6,741	4,238	8,911	20,840
<b>Interspar</b>	13,159	15,780	13,639	75,070	117,648
<b>Independent</b>		622		200	822
<b>Total</b>	<b>48,895</b>	<b>107,467</b>	<b>96,197</b>	<b>163,220</b>	<b>415,779</b>
<b>Direct</b>	<b>31,169</b>	<b>86,243</b>	<b>58,375</b>	<b>133,077</b>	<b>308,864</b>
<b>Franchisees</b>	<b>17,726</b>	<b>21,224</b>	<b>37,822</b>	<b>30,143</b>	<b>106,915</b>

**The evolution of the Interspar format — The Interspar format continued evolving based on the analyses and improvements of Carpi's Interspar, which opened in June 2019. Following this revision of the format, in November 2020 the Interspar in Casier (province of Treviso) opened its doors. The new store seeks to further streamline the purchasing experience for customers by simplifying the arrangement of the sections as well as in-store communication. The top section is reserved for food, leaving non-food products near the checkouts. Customers will also find new aisles for the wine section. The in-store offer and product communication has been reimagined to help consumers make purchases, instead of being invasive. The hypermarket channel also underwent a revision: specifically, the store in Cassacco (province of Udine) saw an overhaul of the non-food and grocery product sectors, a seasonal non-food area focusing on textiles, household goods, cleaning, personal care, and stationery. Also in this case, the Company overhauled the in-store communication and advertising boards.**

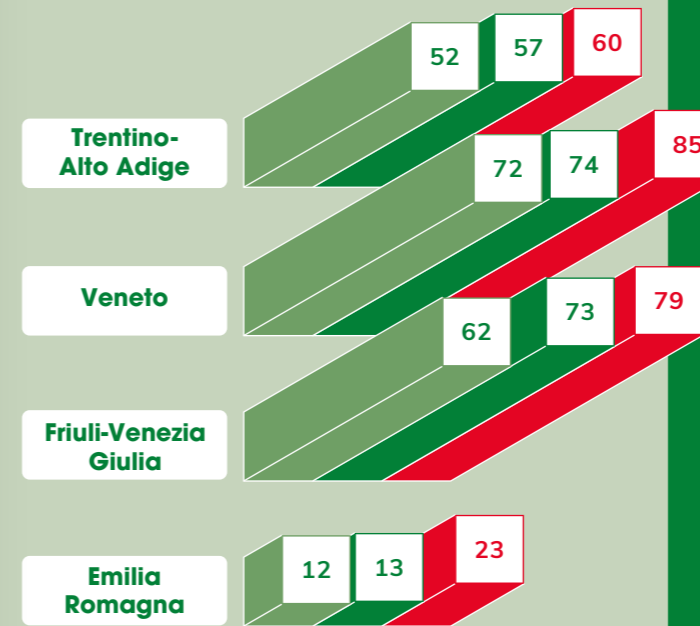
Sales area and net sales



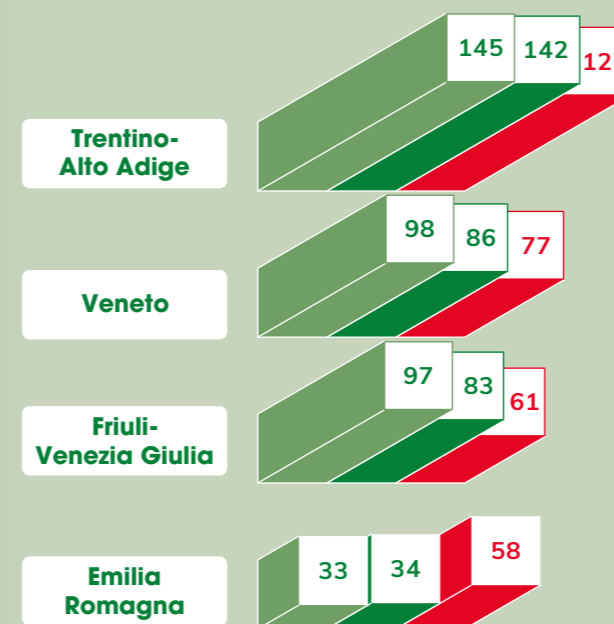
Key



Direct retail stores



Franchise retail stores



The data shows that the number of direct stores has been rising constantly over the last 10 years in all the regions where we operate, and specifically Emilia Romagna; sales areas have grown proportionately, while the relevant net sales have increased by nearly 40 percentage points - a testament to the satisfaction of our customers. In addition, besides the challenges associated with generational transitions between families of entrepreneurs, the franchise channel also continues to strongly support Aspiag Service, as it promotes the growth and awareness of the brand within the local community.

92

new direct stores in 10 years, including:

11

in Trentino-Alto Adige

34

in Veneto

33

in Friuli Venezia Giulia

14

in Emilia Romagna

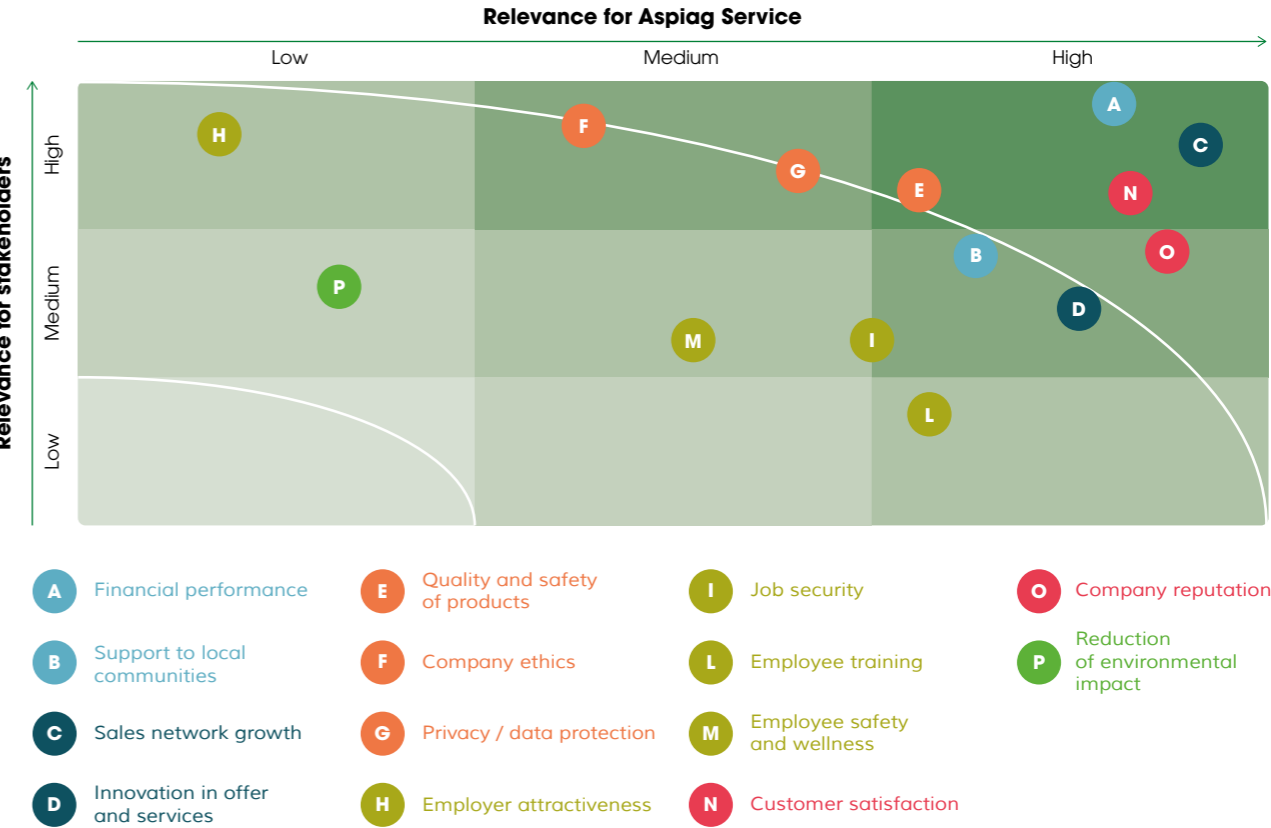
Stakeholder engagement

Aspiag Service considers it key to maintain relationships with stakeholders in order to meet their expectations. The dialogue with stakeholders brings the material topics that impact us and them the most to light. They are presented below along with the ways we engage stakeholders, including well-established and new initiatives and practices, and the indicators measuring the topics that have emerged for each stakeholder.

Our stakeholders	How we engage with them	Material topics emerged	How we measure
Management	<ul style="list-style-type: none"><li>Regular meetings with the heads of business functions.</li></ul>	<div>A C F L</div> <div>N O</div>	<ul style="list-style-type: none"><li>Market share, net sales</li><li>Sales network</li><li>ISO 14001 and 45001</li><li>Employee training hours</li><li>Customer satisfaction</li><li>Economic value distributed</li></ul>
Customers	<ul style="list-style-type: none"><li>Directly at the retail store, with the Despar Tribù App, advertising displays and LED walls, internal radios, beacons.</li><li>Through websites, blogs, social media, email (<a href="mailto:info@despar.it">info@despar.it</a>) and radio.</li><li>With periodic market surveys by external companies, telephonic and online quality surveys.</li></ul>	<div>C D E G</div> <div>L N O</div>	<ul style="list-style-type: none"><li>Sales network</li><li>Average no. of products offered</li><li>Voluntary analyses and checks</li><li>No. of customer data breaches</li><li>Employee training hours</li><li>Customer satisfaction</li><li>Press and web corporate image</li></ul>
Franchisees	<ul style="list-style-type: none"><li>Periodic meetings between representatives of franchisees and Company contact persons</li><li>Frequent visits by franchise channel managers to the reference retail stores</li></ul>	<div>A C</div>	<ul style="list-style-type: none"><li>Net sales</li><li>Sales network</li></ul>
Suppliers	<ul style="list-style-type: none"><li>Dialogue between the category manager and the individual supplier</li><li>Analysis of surveys conducted on a representative sample of the major companies</li></ul>	<div>A E F O</div> <div>P</div>	<ul style="list-style-type: none"><li>Net sales</li><li>Voluntary analyses and checks</li><li>ISO 14001 and 45001</li><li>Distributed value</li><li>Consumption and emissions</li></ul>
Employees	<ul style="list-style-type: none"><li>Internal climate surveys</li><li>Online house organ "InDespar" within the Despar Tribù App</li><li>Health project, Caregiving</li></ul>	<div>A B I L</div> <div>M O</div>	<ul style="list-style-type: none"><li>EBITDA %</li><li>Fines for non-compliance</li><li>Turnover</li><li>Employee training hours</li><li>Injury and disease rate</li><li>Distributed value</li></ul>
Banks	<ul style="list-style-type: none"><li>Periodic meetings at the Company and at their offices</li><li>Annual press conference for the presentation of company data</li></ul>	<div>A C O</div>	<ul style="list-style-type: none"><li>Cash flow</li><li>Sales network</li><li>Credit lines and uses</li></ul>
Representative associations	<ul style="list-style-type: none"><li>Obligatory and periodic exchange and sharing of information</li><li>Relations with Federdistribuzione</li></ul>	<div>A G H I</div> <div>O</div>	<ul style="list-style-type: none"><li>Market share</li><li>Injury and disease rate</li><li>Recruits in the new retail stores</li><li>Turnover</li><li>Economic value distributed</li></ul>

Our stakeholders	How we engage with them	Material topics emerged	How we measure
Competitors	<ul style="list-style-type: none"><li>Contacts via Federdistribuzione</li></ul>	<div>A O</div>	<ul style="list-style-type: none"><li>Market share</li><li>Press and web corporate image</li></ul>
Public Administration and Community	<ul style="list-style-type: none"><li>Periodic meetings of local authorities</li><li>Web and press monitoring</li><li>Activities with schools</li></ul>	<div>A B C F</div> <div>H O P</div>	<ul style="list-style-type: none"><li>Investments</li><li>Fines for non-compliance</li><li>Sales network</li><li>ISO 14001 and 45001</li><li>Geographical distribution of employees</li><li>No. of sponsored events</li><li>Consumption, emissions, waste</li></ul>
Universities	<ul style="list-style-type: none"><li>Curricular and extra-curricular internships</li><li>Academic meetings</li><li>Research and working groups</li></ul>	<div>H O</div>	<ul style="list-style-type: none"><li>Recruits in the new retail stores</li><li>Internships and recruiting</li></ul>

**The materiality matrix**  
The matrix below identifies the most material topics that emerge from the constant dialogue with stakeholders. Each topic is assigned a priority based on its materiality to stakeholders and the Company, represented by the position in the chart.



Risks and opportunities

While carrying out our activities we are exposed to both the risks associated with the external macroeconomic system and the risks arising from strategic choices within the Company, which can affect the creation of value over time. According to the World Economic Forum's Global Risks Report 2021, Covid-19 has had immediate consequences on the economy and society. The pandemic has made economies more fragile, undermining political stability and aggravating social divisions, and has allowed seizing the opportunities offered by digitisation while widening the digital divide. Compared to those who came before, the new generations face a gap in terms of education, job opportunities, and future economic prospects. Meanwhile, environmental issues can no longer be put off, requiring a shift to greener economies. The main global risks identified are concentrated in the environmental and social categories in terms of both impacts and likelihood. Aspiag Service maps and lays out measures to address the main

Risk	Stakeholder	Measures for mitigating the risk	Indicator
Risk class: <b>Compliance</b>			
1 Environmental	Community	<ul style="list-style-type: none"><li>Environmental Management System</li><li>ISO 14001 certification</li><li>Organisational Model 231/01</li></ul>	<ul style="list-style-type: none"><li>Consumption and emissions</li><li>Waste produced</li><li>Expenditure on environmental protection</li><li>Fines for environmental non-compliance</li></ul>
	Company		
2 Privacy	Customers	<ul style="list-style-type: none"><li>Privacy data controller</li><li>Privacy Committee</li></ul>	<ul style="list-style-type: none"><li>No. of customer data breaches</li></ul>
	Employees		
	Suppliers		
3 Food safety	Customers	<ul style="list-style-type: none"><li>Selection and careful management of suppliers</li><li>Monitoring of the quality of supplies, goods and customer service</li><li>Presence of an internal Food Safety office</li><li>Mapping of the supply chain</li></ul>	<ul style="list-style-type: none"><li>Quality analyses and controls</li><li>Fines for non-compliance in the supply and use of products and services</li></ul>
4 Compliance in outsourcing	Suppliers	<ul style="list-style-type: none"><li>Acquisition of documents certifying the regularity of social security and insurance contributions of contractors</li></ul>	<ul style="list-style-type: none"><li>Fines for non-compliance with laws and regulations</li><li>Fines for environmental non-compliance</li></ul>
5 Reporting	Public Administration	<ul style="list-style-type: none"><li>Supervision by the Board of Statutory Auditors and the Independent Auditor</li></ul>	<ul style="list-style-type: none"><li>Independent Auditor and Board of Statutory Auditor's reports*</li></ul>
6 Regulatory compliance	Public Administration	<ul style="list-style-type: none"><li>Upgrading and training</li><li>Presence of an internal legal office</li><li>Frequent relations with lawyers and consultants</li></ul>	<ul style="list-style-type: none"><li>Fines for non-compliance with laws and regulations</li><li>C.O.'s annual report*</li></ul>
7 Occupational safety	Employees	<ul style="list-style-type: none"><li>ISO 45001 certification for occupational health and safety management system</li><li>Ad hoc training of employees on safety in the workplace</li><li>Managers' inspections</li><li>Signing of ad hoc insurance contracts</li></ul>	<ul style="list-style-type: none"><li>No. of work-related injuries</li><li>Injury and disease rate</li><li>Absenteeism rate</li></ul>
8 Corruption/competition/anti-trust	Company	<ul style="list-style-type: none"><li>Organisational Model 231/01</li><li>Establishment of the Supervisory Body</li></ul>	<ul style="list-style-type: none"><li>No. of employees trained on Model 231/01</li><li>No. of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices</li></ul>
	Competitors		
Risk class: <b>Financial</b>			
9 Receivables from franchisees	Franchisees	<ul style="list-style-type: none"><li>Assessment of the customer when entering into a new contract and request of guarantee for the supply</li><li>Constant monitoring of receivables, monthly estimate of the allowance for doubtful accounts</li></ul>	<ul style="list-style-type: none"><li>Average net sales per franchisee</li><li>Performance of the allowance for doubtful accounts*</li></ul>

risks relevant to its business, tackling them in a manner that cuts across many disciplines and through targeted actions. The Directors, assisted by the Supervisory Body and the Internal Audit and Protection of Corporate Assets departments, monitor the risk factors in order to identify and prevent events that may adversely affect the corporate business. For each type of risk, the likelihood of occurrence of the event and, once taken the necessary measures to mitigate it, the potential impact on value creation for the Company, have been identified. The following table shows the stakeholders concerned, the measures taken to mitigate each risk, and the indicators used to measure them. We not only manage risks, but also seize the opportunities that may arise from external or internal factors and can be key to our growth (promoting healthy lifestyles, short supply chains, e-commerce, raising awareness on environmental issues, expanding into new areas, etc.).

Risk	Stakeholder	Measures for mitigating the risk	Indicator
10 Receivables from end consumers	Customers	<ul style="list-style-type: none"><li>Immediate takings from sales.</li></ul>	<ul style="list-style-type: none"><li>Cash differences*</li><li>Average receipt</li></ul>
11 Liquidity	Banks	<ul style="list-style-type: none"><li>Periodic evaluation by the management of the financial and economic balance (liquidity generated and financial need)</li></ul>	<ul style="list-style-type: none"><li>Credit lines and uses</li></ul>
12 Rate	Banks	<ul style="list-style-type: none"><li>Hedging transactions with derivative instruments</li><li>Large number of banks we rely on</li></ul>	<ul style="list-style-type: none"><li>% fixed rate debt and % variable rate debt*</li></ul>
Risk class: <b>Operation</b>			
13 Technological IT	Company	<ul style="list-style-type: none"><li>Best management of information systems</li><li>Technological innovation</li><li>Careful selection of hardware and systems suppliers and consultants</li><li>Widespread installation of the ERP system</li><li>Backup - disaster recovery measures</li></ul>	<ul style="list-style-type: none"><li>Costs for innovation / maintenance of IT systems</li></ul>
14 Strategic / Commercial	Company	<ul style="list-style-type: none"><li>Analysis of offer alignment with market demand</li><li>Monitoring of the costs incurred for the commercial policy over the results obtained</li></ul>	<ul style="list-style-type: none"><li>Market share trend</li><li>Trade payables/receivables*</li></ul>
	Suppliers		
15 Efficient human resources	Company	<ul style="list-style-type: none"><li>Ad hoc training</li><li>Division of labour</li><li>Adoption of a Code of Ethics</li><li>Care in recruiting</li><li>Starting internships and academic meetings</li></ul>	<ul style="list-style-type: none"><li>No. of training hours provided</li><li>Women-men salary ratio</li><li>Absenteeism rate</li><li>Employee turnover</li></ul>
Risk class: <b>Market</b>			
16 Price	Customers	<ul style="list-style-type: none"><li>Stakeholding in the central purchasing group</li><li>Careful selection of suppliers with better value for money</li><li>Marketing and development activities to cope with competition</li></ul>	<ul style="list-style-type: none"><li>Customer satisfaction</li><li>Market share trend</li><li>Average no. of products offered</li></ul>
	Competitors		
	Suppliers		
17 Asset evaluation	Company	<ul style="list-style-type: none"><li>Periodic impairment analysis</li></ul>	<ul style="list-style-type: none"><li>Write-down of fixed assets*</li></ul>
18 Theft	Company	<ul style="list-style-type: none"><li>Investments in anti-theft devices, internal/external surveillance service</li></ul>	<ul style="list-style-type: none"><li>Loss of receipts and theft*</li></ul>
19 Fraud	Company	<ul style="list-style-type: none"><li>Adoption of the Organisational Model 231/01</li><li>Establishment of the Supervisory Body</li></ul>	<ul style="list-style-type: none"><li>C.O.'s annual report*</li></ul>
20 Reputational	Company	<ul style="list-style-type: none"><li>Monitoring of the quality of supplies and goods and customer service</li><li>Continuous technological and process innovation to increase the efficiency of the offer</li></ul>	<ul style="list-style-type: none"><li>Economic value distributed</li><li>Value and no. of sponsorships</li><li>Market share trend</li></ul>
	Community		
	Competitors		

\*The indicators marked with an asterisk are detailed in the Annual Financial Statements.

# Strategy.

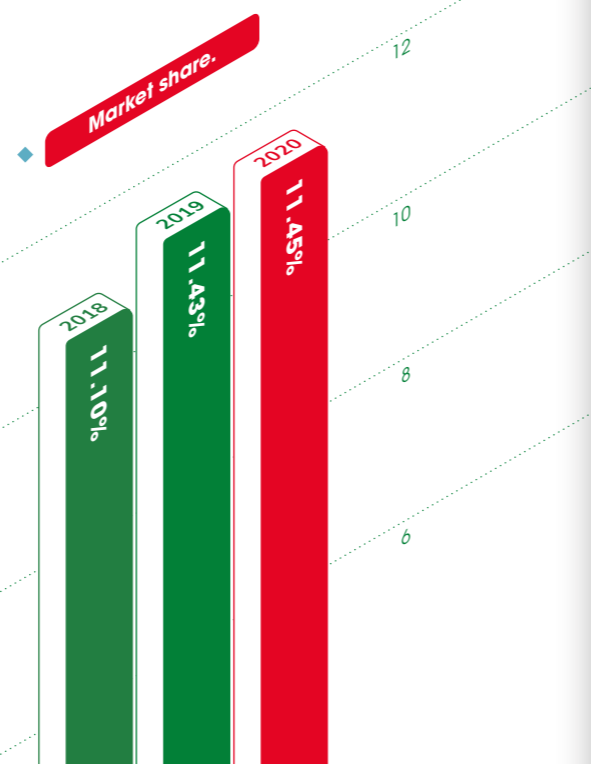
The primary strategic objective for Aspiag Service is to increase market share, whose stability over time ensures growth, brand recognition, quality of the Company and its offer.

**T**o achieve the strategic objective of increasing our market share, our business is based on 5 pillars: generation of financial resources, new openings and renovations, customer satisfaction, enhancing employees, attention to the environment and the territory. These pillars influence corporate decisions in a changing economic environment, fostering the most innovative solutions and the enhancement of all types of resources (human, environmental, technological). These pillars are mutually

interconnected and represent the main phases of the Company's operations: from hiring employees from the community we are part of and developing their professional skills, to satisfying our customers - who, thanks to their growing support, allow generating new resources and promoting the growth of our brands, as well as increasing our market share. The emphasis Aspiag Service places on each of these phases is the measure of the added value that we offer to the local community.

## Market share increase

Aspiag Service maintains its leadership in the Triveneto area. In the expanded trading area, which includes also Emilia Romagna, our market share amounts to approximately 11.45%, and remained stable at direct stores despite the consequences of Covid-19: Sunday closings, partial closings of non-food sections, and low traffic in tourist areas and historic town centres. On the other hand, franchise stores performed well



(estimated market share) thanks to the ability of their management and widespread distribution. Indeed, neighbourhood stores received a boost, whereas large retail centres were negatively affected by the restrictions placed on work hours and the movement of customers.

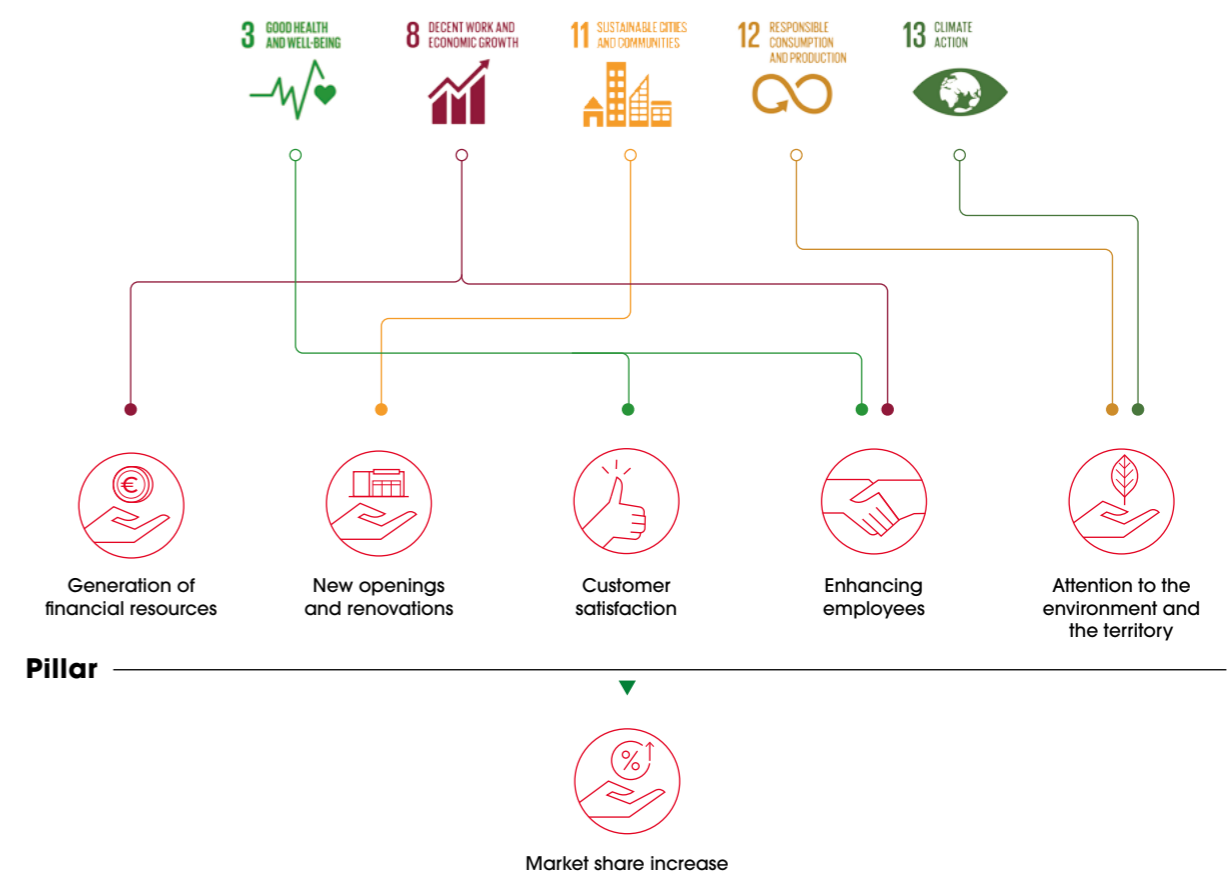
Considering Italy as a whole, the market share topics calculated by AC Nielsen remained unchanged from 2019 at 2.35%. In 2020, Aspiag Service saw its sales rise by 4.9%, whereas the Italian market was up 4.0% and the Nielsen 2 Area by 5.0%.

## Commitment to sustainable development

The UN 2030 Agenda sets out 17 goals (SDGs) - divided into 169 target - to promote fair and long-term global growth and was adopted by 193 countries, including Italy, which are committed to ensuring sustainable production and consumption patterns. In this sense, the initiatives put in place by companies over the years have showed this is possible as long as entities adopt business models inspired by sustainability, with a view to long-term profits and a focus on innovation to solve not only economic, but also social and environmental problems. Aspiag Service has been committed to sustainability for years now. Our strategy as well as our operating-financial and social-environmental performances disclosed in the Integrated Report show all stakeholders how the topics promoted by

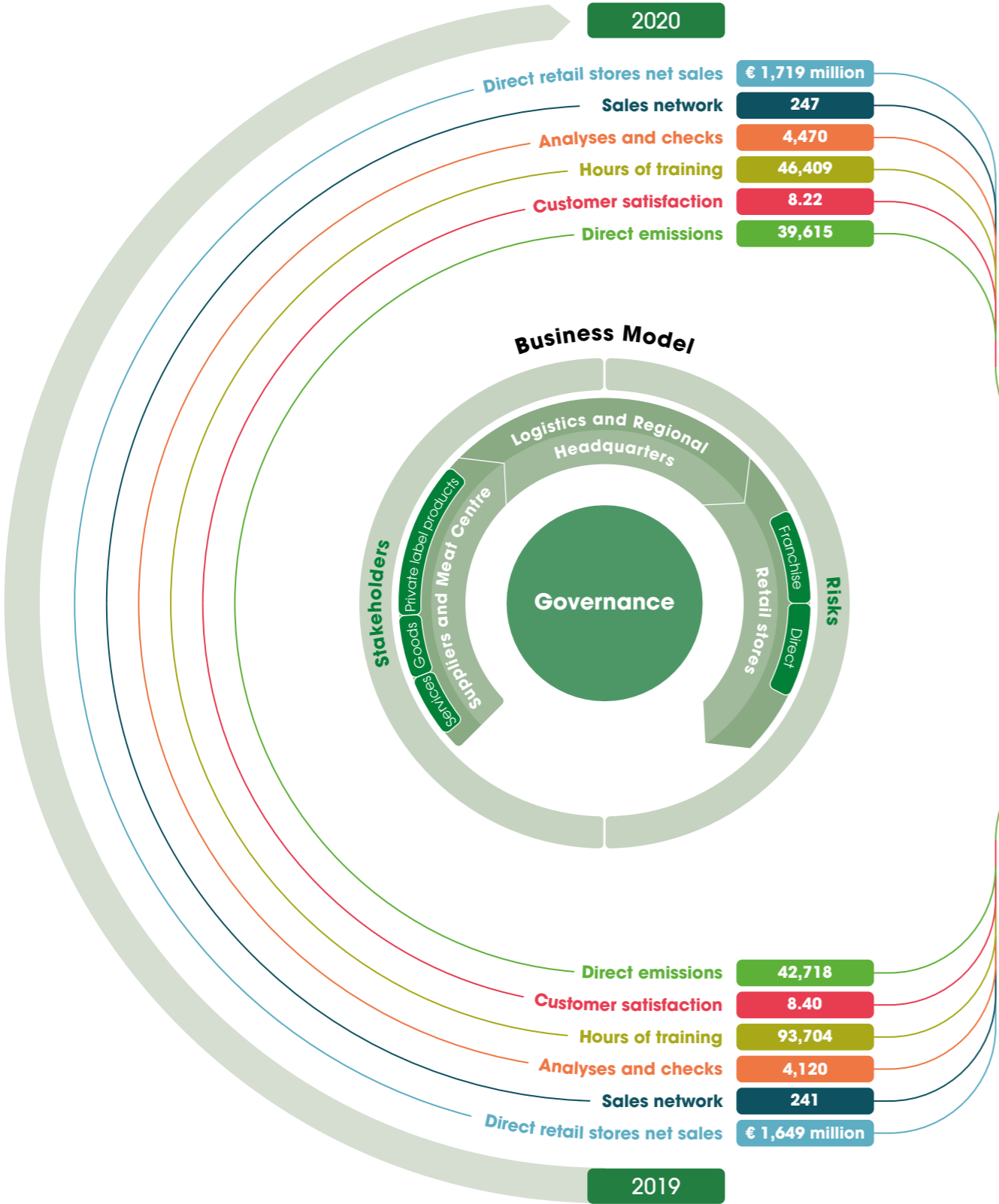
the SDGs are deeply rooted inside the Company and match its mission, vision, and values. Aspiag Service's deliberate decision to pursue the Sustainable Development Goals most relevant to its business has led it to prioritise 5 SDGs and the relevant targets, which guide the Company's approach to sustainability: Good health and well-being, Decent work and economic growth, Sustainable cities and communities, Responsible consumption and production, and Climate action. Business operations indirectly impact also the other SDGs. This is why the Company offers comprehensive disclosures in the Annexes section, which includes a table summarising and reconciling all 17 SDGs and the relevant references in this Report (page 96).

## SDGs

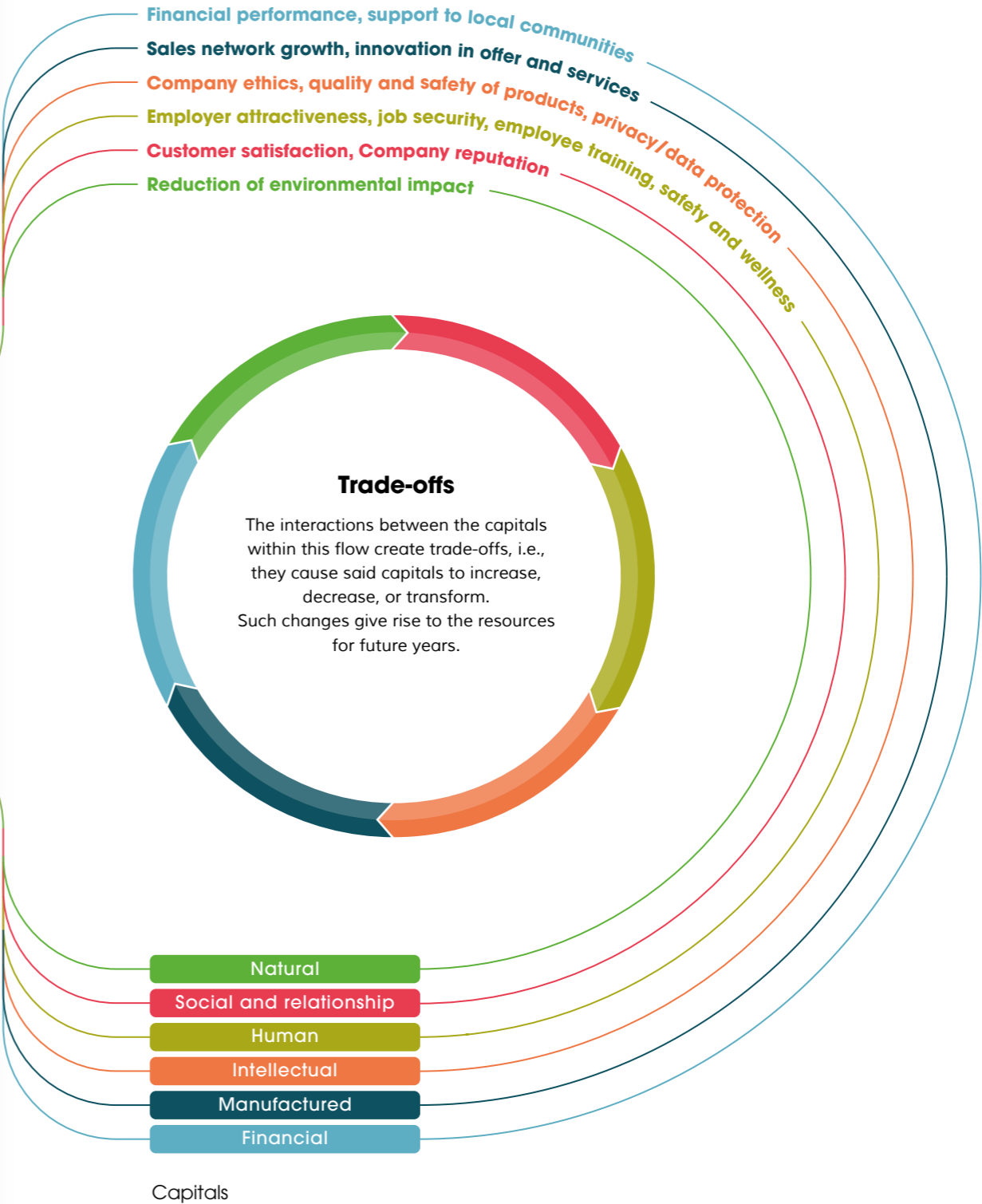


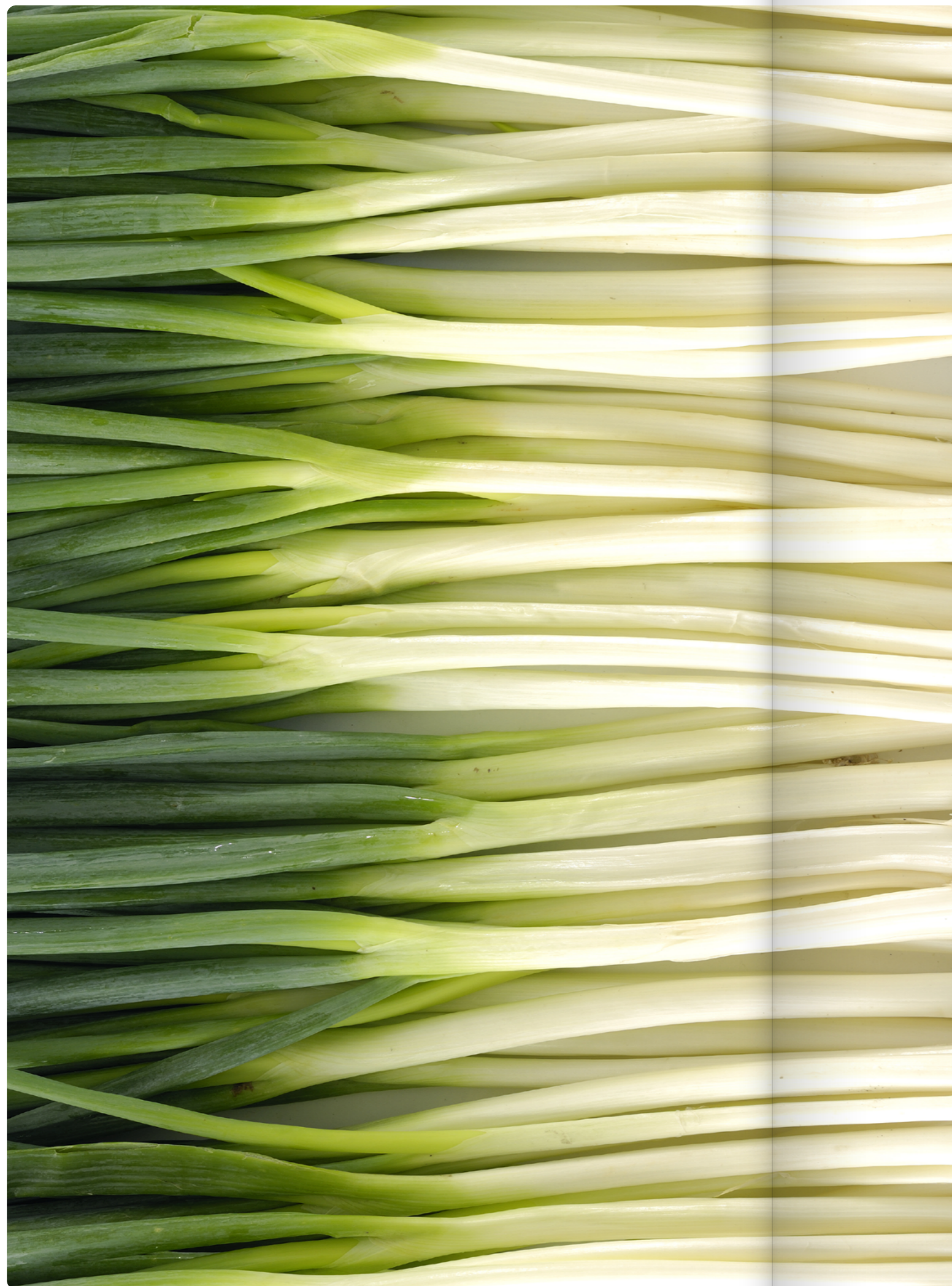
Value creation

The creation of value shows how the Company uses its capitals (inputs) and converts them into results (outputs) that can be measured and monitored through its Business Model. In addition, this process generates impacts that show how the Company creates value over time and which effects it has on its stakeholders.



Impacts





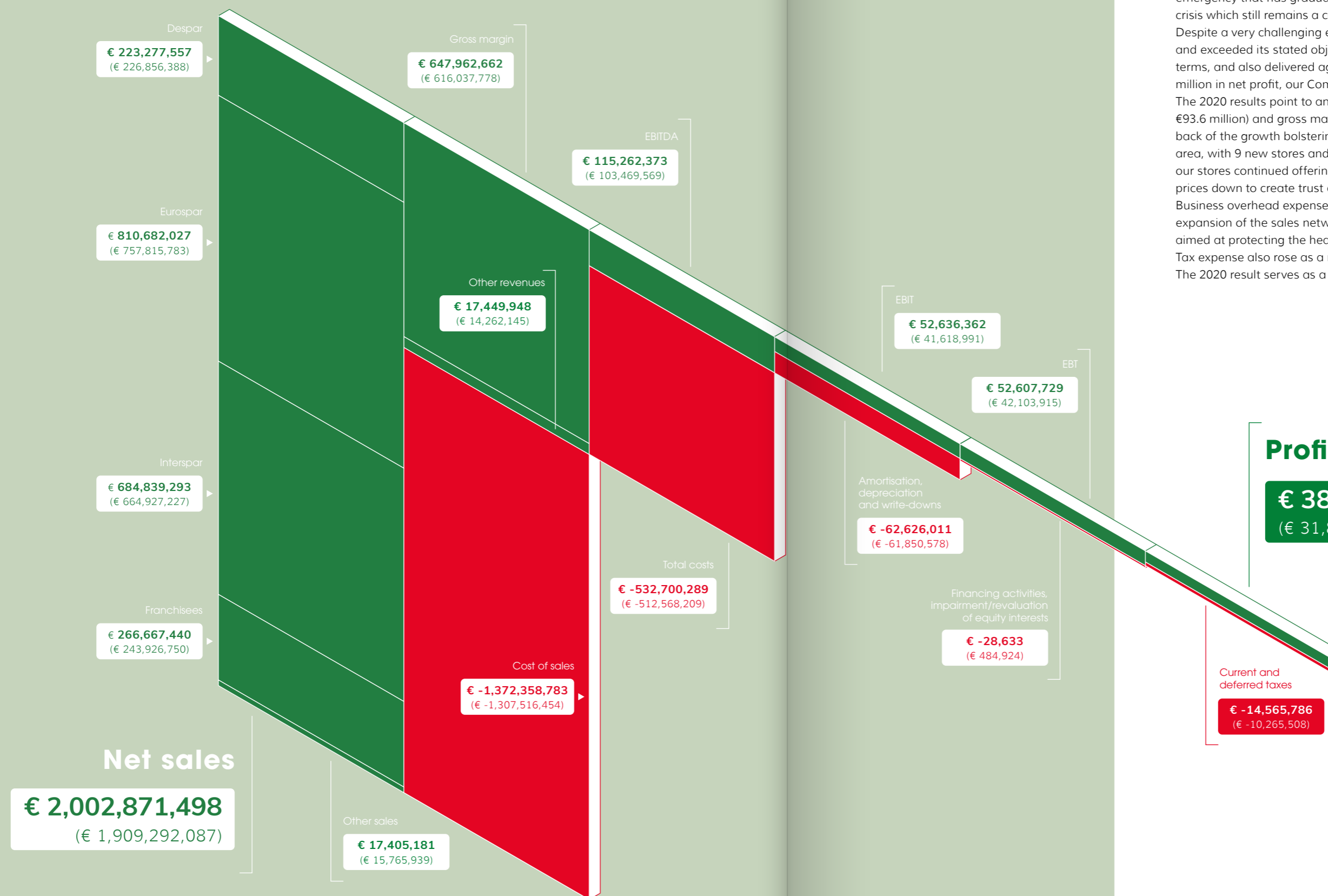
# What we did.

**42 — 83**

Performance.

**A** spiag Service's performances show what it has done in the past year in financial as well as social and environmental terms through certified qualitative and quantitative data that are consistent with the annual financial statements. The first part includes a graphical representation of the financial statements (income statement, balance sheet, and cash flow statement) representing the annual results. The following part presents the performances broken down by pillar through texts, three-year datasets, highlights, and focus boxes.

# Performance.



\*The amounts in brackets refer to 2019.

## CFO's comment on the results

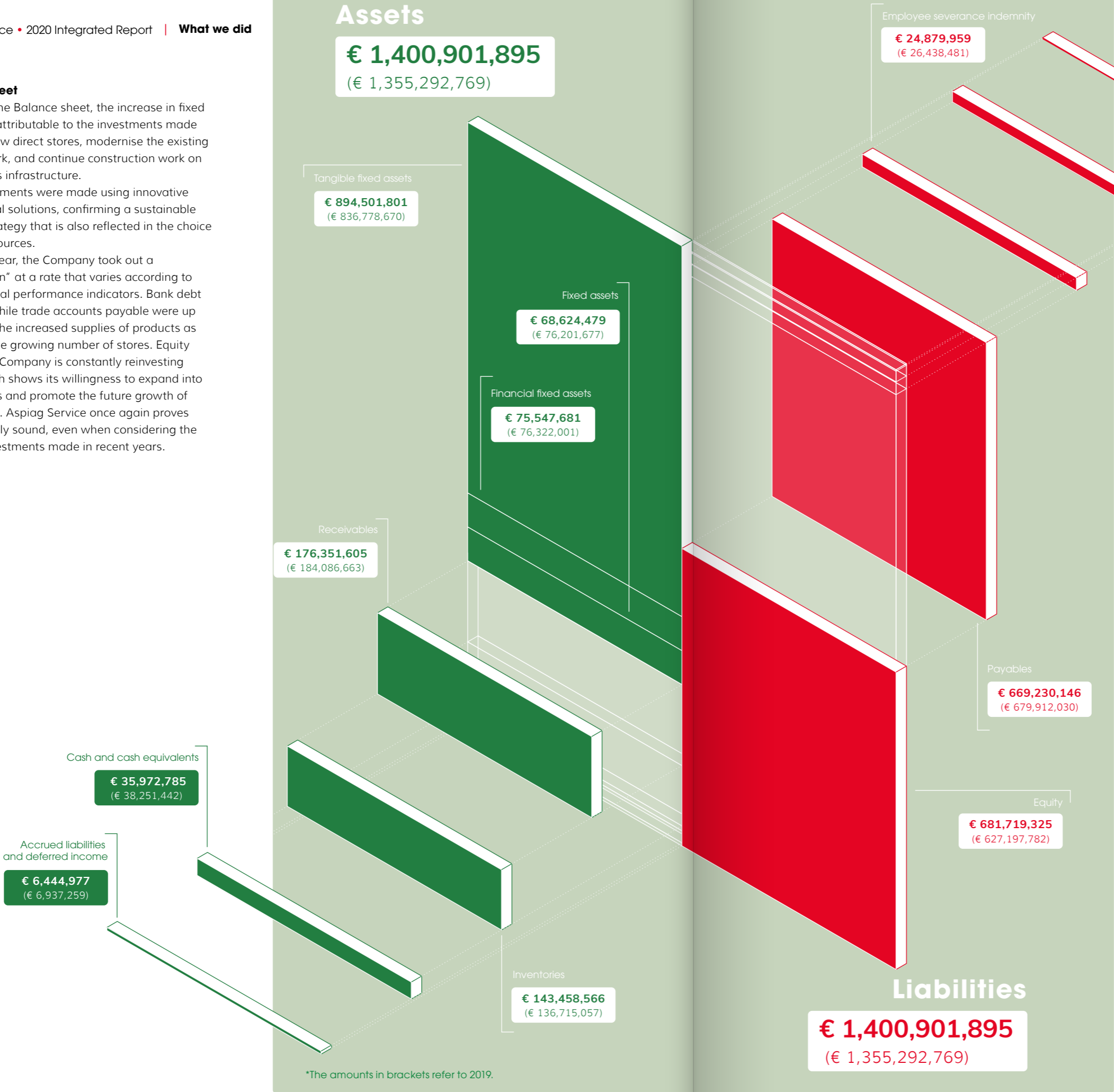
### Income Statement

2020 was a landmark year for Aspiag Service, with net sales exceeding €2 billion - but it was also challenging, due to the Covid-19 emergency. During the year, we had to face an unprecedented health emergency that has gradually turned into an economic and social crisis which still remains a cause for concern.

Despite a very challenging environment, the Company achieved and exceeded its stated objective in both absolute and percentage terms, and also delivered against its growth programme. With €38.04 million in net profit, our Company continues performing positively. The 2020 results point to an increase in both turnover (+4.9%, totalling €93.6 million) and gross margin (+5.2%, totalling €31.9 million) on the back of the growth bolstering our presence throughout the trading area, with 9 new stores and an average of 254 new jobs. In addition, our stores continued offering value for money by keeping selling prices down to create trust and a sense of security for our customers. Business overhead expenses were up overall because of the expansion of the sales network as well as the organisational effort aimed at protecting the health of employees and customers. Tax expense also rose as a result of the increased EBT. The 2020 result serves as a solid foundation to tackle 2021.

Balance sheet

Looking at the Balance sheet, the increase in fixed assets was attributable to the investments made to open 9 new direct stores, modernise the existing sales network, and continue construction work on new logistics infrastructure. These investments were made using innovative technological solutions, confirming a sustainable business strategy that is also reflected in the choice of funding sources. During the year, the Company took out a “positive loan” at a rate that varies according to environmental performance indicators. Bank debt improved, while trade accounts payable were up because of the increased supplies of products as a result of the growing number of stores. Equity grew as the Company is constantly reinvesting profits, which shows its willingness to expand into new markets and promote the future growth of the business. Aspiag Service once again proves it is financially sound, even when considering the massive investments made in recent years.



\*The amounts in brackets refer to 2019.

Opening cash and cash equivalents

€ 38,251,442  
(€ 59,356,483)

Profit for the year

€ 38,041,944  
(€ 31,838,407)

Non-cash changes

€ 87,742,859  
(€ 84,890,669)

Taxes, interest and capital gains from operating activities

€ 16,026,669  
(€ 13,097,420)

Closing cash and cash equivalents

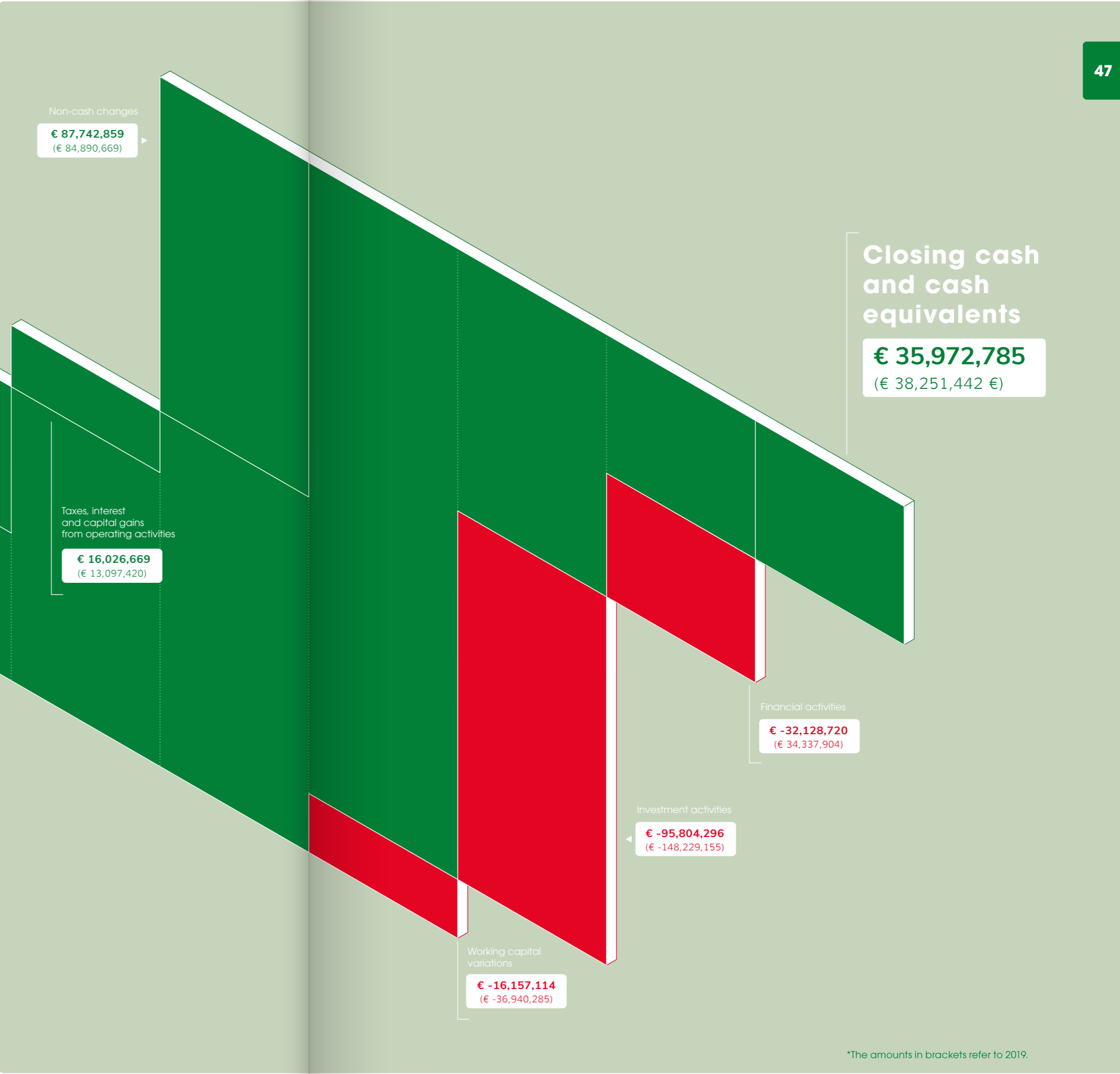
€ 35,972,785  
(€ 38,251,442 €)

Cash Flow Statement

Continuing operations saw a -€2.3 million decline in cash and cash equivalents, bringing the balance down to €36 million at the end of the period. During the year, the core business generated €125.7 million in operating cash flows and saw €95.8 million used in investing activities. Finally, financing activities generated a net -€32.1 million resulting from principal repayments and new loan agreements entered into during the year.

Overall, the Company is able to offset the cash outflows associated with its financial obligations and the investment programme with cash flows from operations, as well as to meet its growth needs. The following pages provide additional information to help understand the Company's results, while also correlating sustainability with economic performance.

Raffaele Trivellato  
CFO



\*The amounts in brackets refer to 2019.

# Generation of financial resources.

- Material topics
- A

Financial performance
- O

Company reputation
- F

Company ethics

SDGs

8 DECENT WORK AND ECONOMIC GROWTH

5.75%

EBITDA %

38.59%

Use of credit lines (%)

€ 2.2 billion

Direct economic value generated

The ability to generate financial resources allows to remain in the market and drives financial strength, in the sense of economic sustainability. Economic sustainability allows meeting the expectations of stakeholders, reducing environmental impacts, and committing to social sustainability through the Company's operations. The Company's financial resources consist of the result from operating activities, the funding received from the Parent Company, which has financial leverage of its own, and the surplus of loans received from banks - evidence of the trust placed in our Company. All this enables us to achieve the agreed goals and creates a virtuous cycle between the return on sales and investments. We are working on ways to make and receive payments together with credit institutions by leveraging the opportunities offered by digitisation. Electronic payments rose by approximately 25% during 2020. The Company holds regular meetings with credit institutions to discuss its financial performance, financial position and cash flows, and presents them with data from the financial statements, the business plan, the budget, and the Integrated Report on an annual basis. ♦

Aspiag Service remains consistent with its choices when it comes to sustainability also as part of its financing activities, and prefers working with credit institutions that have implemented policies and decisions in this sense. In 2020, the Company entered into a Positive Loan agreement at a reduced rate based on the achievement of environmental sustainability results as measured by specific indicators.

The Company reported a profit for 2020, despite the challenges posed by the Covid-19 pandemic. Net sales were up at both direct and franchise retail stores, rising +4.2% and +9.3%, respectively. In the wake of the pandemic and the Italian Prime Minister's decrees aimed at containing the outbreak, purchasing habits have changed, causing average spending to rise steadily. The number of receipts (page 56) was down, but this was offset by the increase in their amounts. The Despar brand, i.e., the neighbourhood supermarket format, saw the greatest increase.

The economic value distributed by Aspiag Service in 2020, which particularly affects the Company's suppliers and employees, grew by 4.7%. The value generated and distributed within our trading area promoted the growth of business operations as well as small- and medium-sized firms in our community, in line with the targets of SDG 8. ☼

	2020	2019	2018
EAT (Earnings after taxes) (€)	38,041,943	31,838,406	30,942,487
EBITDA %	5.75%	5.42%	5.51%
Cash flow (€)	141,811,473	129,726,496	123,968,507

♦ Credit lines and uses (€)	2020	2019	2018
Credit lines	598,144,407	527,982,418	455,371,155
Uses	230,811,346	290,982,407	256,821,716
Use of credit lines (%)	38.59%	55.11%	56.40%

♦ Direct retail stores net sales (€)	2020	2019	2018
Despar	223,277,557	226,856,388	223,179,197
Eurospar	810,682,027	757,815,783	712,726,065
Interspar	684,839,293	664,927,227	647,138,337
Total	1,718,798,878	1,649,599,398	1,583,043,599

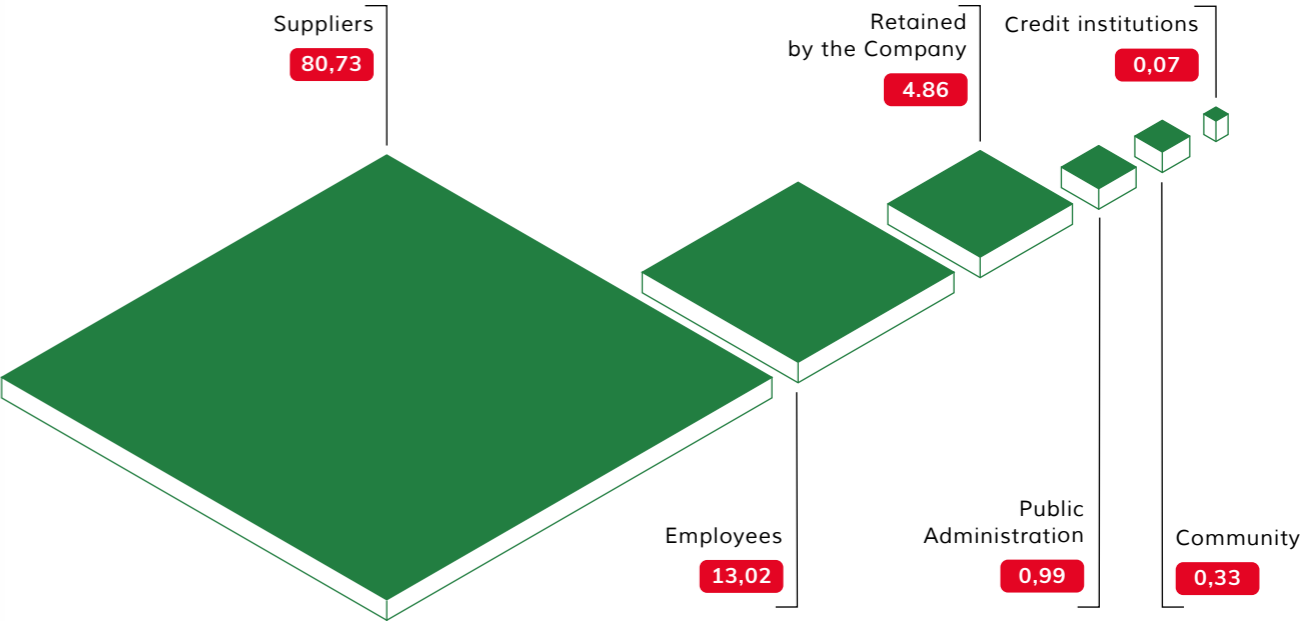
♦ Net sales to franchisees (€)	2020	2019	2018
Net sales to franchisees	266,667,440	243,926,750	233,293,306
Average net sales per franchisee	825,596	732,513	688,181

♦ Average receipt (€)	2020	2019	2018
Despar	16.13	11.12	11.23
Eurospar	26.88	19.33	19.11
Interspar	38.45	27.56	27.65

Direct economic value generated and distributed (€)	2020	2019	2018
♦ Direct economic value generated	2,199,645,073	2,095,602,284	2,003,755,820
a) Revenues	2,199,645,073	2,095,602,284	2,003,755,820
♦ Economic value distributed			
b) Operating costs	1,775,671,990	1,690,340,631	1,618,101,959
c) Remuneration and benefits*	286,431,738	276,870,450	264,855,078
d) Payments to capital providers	1,483,483	1,718,433	1,756,202
e) Payments to the Public Administration	21,863,115	16,005,456	16,095,039
f) Investments in the community	7,289,437	8,650,683	8,317,543
f) Dividends to shareholders	-	5,000,000	1,000,000
Economic value distributed	2,092,739,763	1,998,585,653	1,910,125,821
Economic value retained	106,905,310	97,016,631	93,629,999
of which profit for the year	38,041,944	31,838,407	30,942,487

\* The line item "Remuneration and benefits" differs from the staff costs reported on the Income Statement because it also accounts for the donations made to employees.

## Direct economic value generated and distributed. (%)



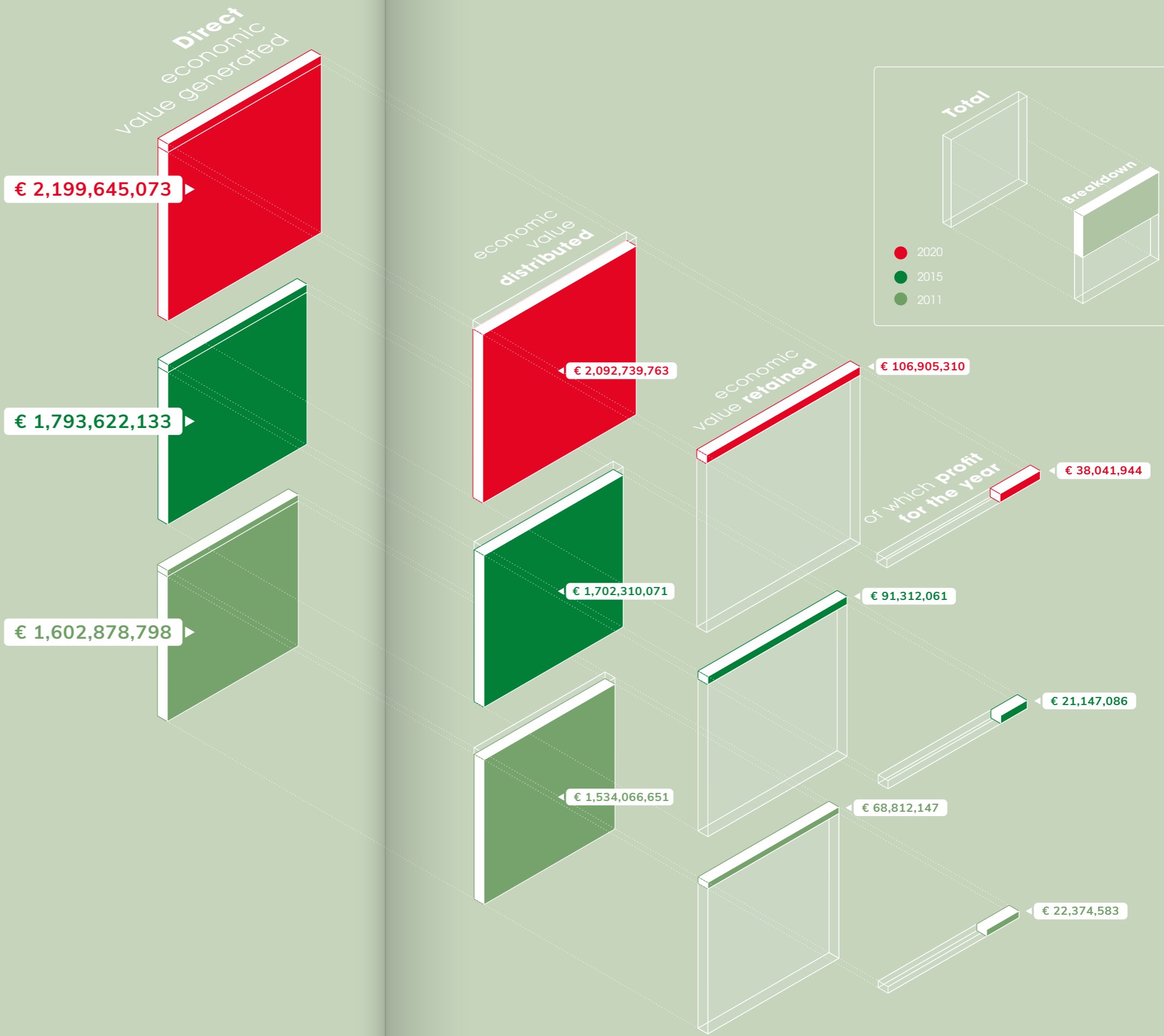
**F**or Aspiag Service, the opportunity to contribute to sustainable development begins necessarily with achieving commercial success, without which it would not be able to generate value for the local community it operates in, invest to protect the environment, offer its employees a secure career path, or adopt innovative and sustainable solutions.

The reported performance is to be intended as the operating and financial result, which is shared as part of an approach to growth compatible with social and environmental issues. Under this approach, the Company continues increasing the economic value it generates so as to boost also the economic value distributed, which mainly concerns suppliers and employees. Our Company ended 2020 with an overall economic value of over €2 billion, evidence of its continued growth year over year: specifically, there has been a steady increase in both the direct value generated (up 37 percentage points over a decade) and the value distributed between the Company and its stakeholders. Finally, please note that the Company reinvests the value it retains, which makes it more robust over the long term and enables it to implement growth programmes.

€ **18.6** billion  
of value generated in 10 years

€ **17.6** billion  
of value distributed in 10 years

of which € **15** billion to suppliers  
of which € **2.4** billion to employees



# New openings and renovations.



Material topics

- A Financial performance
- C Sales network growth
- H Employer attractiveness



SDGs



Direct retail stores

9

New openings

1

Renovations and modernisations

Franchise retail stores

10

New openings

3

Renovations and modernisations

For an effective strategy it is essential to maintain a high level of innovation and development. A big improvement effort is carried out in the stores, which are the meeting place between the Company and the customers, as well as the major example of our manufactured capital. Innovation gives our Company a competitive advantage: for this reason, innovative proposals from employees as well as from the outside are developed, since these are considered important for both the professional growth of everyone and corporate growth. Our growth activities, set out in a Three-Year Growth Plan, pursue this goal through the Company's expansion or the acquisition of other supermarket chains or individual stores. This involves analysing and measuring key indicators at the level of the community and each individual municipality - studying the resident population, tourist flows, and the purchasing power as well as any untapped potential of the local area, while accounting for the existing sales network (both Despar and the competition) and planned future openings. Relationships with entrepreneurs, the public administration, local authorities, brokers, and others drive the Company's expansion, acquisitions, or leases as well as the award of real estate construction contracts.

Another form of growth involves analysing existing stores to assess whether it is possible to improve their performance by renovating, expanding or moving them to a better location. Innovation often involves renovating historic properties in city centres and historical or cultural landmarks while respecting their surroundings. Similarly, we renovate urban areas or former industrial areas to enhance them by opening new stores. The spaces inside the stores are revised on a regular basis and seek to always provide a functional and comfortable environment without any obstacles, architectural barriers, and unpleasant architecture. The sales network continued expanding in 2020 as part of our sustainable strategy: the investment approval project already features the best solutions in terms of sustainability and rules out technological solutions that are unsustainable and not aligned with the Company's values.

2020 saw the opening of 9 direct stores, adding a combined 11,566 sq. m of new retail sales area:

DESPAR

- Crespellano (province of Bologna)
- Fogliano Redipuglia (province of Gorizia)
- Anguillara (province of Padua)

EUROSPAR

- Funo di Argelato (province of Bologna)
- Lonigo (province of Vicenza)
- Mestre (province of Venice)
- Bologna
- Limena (province of Padua)

INTERSPAR

- Casier (province of Treviso)

We continued consolidating our presence especially in Veneto and Emilia Romagna through intense communication, sponsorship and engagement efforts as well as by opening new stores. This did not mean leaving the other regions behind: all of them saw new openings as well as renovations or acquisitions - resulting in a proportionate increase in employment within the trading area and a type of growth in line with the Company's sustainability practices. A highlight in 2020 was the concession arrangement awarded to Consorzio Despar Italia for growing in Lombardy. Aspiag Service will be able to expand its presence to most provinces in the region, which represent an important destination in terms of sales potential, investment opportunities, and engagement of a large pool of

residents. Over a five-year period, the expansion of the network seeks to coordinate logistics, sales, recruiting, and technical development operations to promote the Despar brand in these new areas. In addition to developing its stores as usual, Aspiag Service continues making significant investment also to consolidate the future agri-food hub. It has also invested heavily in technology to innovate its stores.

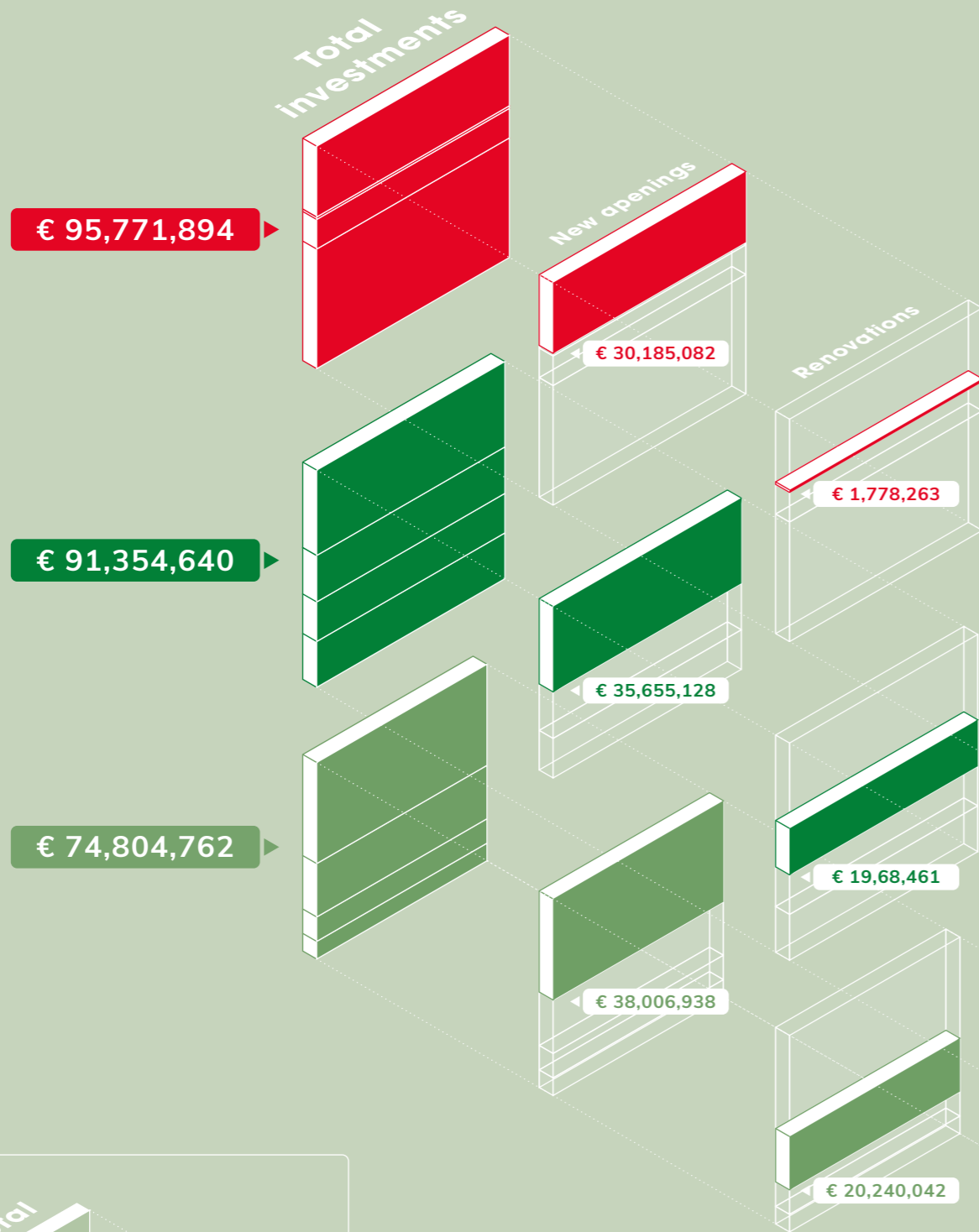
Our investing activities, which totalled €95.8 million in 2020, go towards meeting the targets 11.3 and 11.4 of the relevant SDG, as our stores are always intended to be part of urban centres in a sustainable and inclusive manner while protecting the existing cultural heritage.

Investments (€)	2020	2019	2018
New openings	30,185,082	20,744,128	26,226,142
Renovations	1,778,263	8,390,329	6,931,192
Investments in the upcoming opening of retail stores	12,879,291	31,078,864	24,483,114
Other types of investment*	50,929,258	74,352,881	73,249,451
Total investments	95,771,894	134,566,203	130,889,899
*of which costs for innovation and maintenance of IT systems	4,055,162	3,919,704	4,722,901

Sales network	2020	2019	2018
Despar	83	82	80
Eurospar	124	120	117
Interspar	40	39	37
Total direct	247	241	234
Franchisees	323	333	339
Total	570	574	573

	2020	2019	2018
Recruits in the new retail stores (headcount)	334	307	247

- 2020
- 2015
- 2011



**A** spiag Service has been expanding over the years while paying attention to preserving the historical, artistic, and industrial heritage of the sites while using innovative technologies. From 2011 through 2020, investments have continued rising year over year, totalling €1,081,475,572, thanks to a constant growth that has included, among others, new and upcoming stores, as well as the renovation of existing ones and the surrounding areas through restorations, regular maintenance work, and architectural rehabilitations. In 2011, this journey allowed restoring the industrial heritage of a building in Verona with an Eurospar and of the Padua area with an Interspar. 2013 saw the restoration of a historic building in Trento that currently houses the Eurospar in via Mancini, protecting and recovering an artistic heritage rife with exquisite architectural elements. Then, in 2014 the Eurospar in Vipiteno became the first store to receive an A rating from CasaClima. Two years later, we rehabilitated Teatro Italia (Venice), a liberty-style building. By opening a Despar supermarket inside the property, we were able to restore its frescos and bring it back from the state of complete disrepair it had fallen into. Since 2019, in Prato della Valle (province of Padua) there is a store sitting inside the former Foro Boario, which was restored and renovated thanks to – once again – a targeted architectural rehabilitation effort. In conclusion, the investment strategy will seek to promote growth with a low environmental impact and high energy efficiency, safeguarding stores in historic town centres.

**€ 1,081,475,572**  
total net investments

# Customer satisfaction.



Material topics

- B Support to local communities
- D Innovation in offer and services
- E Quality and safety of products
- N Customer satisfaction
- O Company reputation



SDGs



47,839

Products offered

4,470

Analyses and checks

8.22

Customer satisfaction

Offer

The offer of products and services is diversified in order to improve recognition and satisfy our customers’ demand. The assortment is qualified according to the brand, the type of community, the attention to customers looking for functional-healthy products or products for vegans or people with intolerances, while guaranteeing different price bands to safeguard the customers’ purchasing power. However, in addition to saving, more and more customers make their choice based on the sustainability of products, such as low environmental impact, recyclable or reusable products that are known for their production methods or provenance. These product categories are on the rise and increasingly aligned with other categories in terms of pricing and shelf positioning. 2020 saw yet another increase in the items on sale, with a growing emphasis on private label, organic and Free From products. The quality of the assortment choice remained consistent with previous years. Specialist staff supervise organic and Free Form products, which require more and more attention and care.

◆ Average no. of products offered	2020	2019	2018
Despar	16,231	14,578	14,552
Eurospar	27,155	25,321	25,358
Interspar	47,839	45,483	45,176

Note: The Interspar brand data were updated also for the previous years because of an adjustment to the calculation method.

◆	2020	2019	2018
Assortment choice	9.20	8.82	8.42

◆ No. of receipts	2020	2019	2018
Despar	15,252,402	20,407,892	19,875,772
Eurospar	33,424,187	39,210,213	37,302,069
Interspar	19,928,688	24,126,951	23,400,590
Total	68,605,277	83,745,056	80,578,431

Land of Venice — Always paying attention to protecting typical products and niche food sectors, Aspiag Service, together with the Veneto Regional Government and agricultural producers, has created the “Land of Venice” protocol, to protect the Veneto Region’s world-class products by offering promotional campaigns to boost their visibility and promote their quality. Some of the products carrying the “Land of Venice” regional brand are the radicchio from Treviso and Castelfranco, the radicchio from the Verona area and Chioggia, the PDO white asparagus of Bassano, the PDO fresh asiago and mezzano cheese, and many others.

Food quality and safety

To support the Procurement function and constantly improve the Company’s product offerings, the Food Quality Department audits suppliers and platforms, assessing the

requirements for the production, delivery, and final quality of the product. Audits at retail stores are carried out by the Food Safety function.

◆ Voluntary analyses and controls - Food quality	2020	2019	2018
Supplier audits	24	38	N.A.
Loads rejected	348	628	N.A.
Products audited	393	530	N.A.
Non-compliance	2	19	N.A.

Food safety and quality are guaranteed by a careful selection of suppliers and by the prior definition of their structural and management prerequisites. These prerequisites must ensure the utmost respect for the hygiene rules in the production, handling and storage of food throughout the supply chain. Perishable goods and the entire internal production of the butcher’s department (minced and ready-to-cook meat) are controlled through microbiological analysis and superficial swabs on equipment such as food slicers, tongs, cutting boards, knives and cleavers. Marketed products can be tracked through all stages of distribution, as required by art. 18 of Regulation (EC) 178/02. Rapid procurement and distribution ensure products stay fresh, as they are stored with state-of-the-art equipment. In addition to the several internal inspections, conducted also at the Meat Centre, there are also additional audits performed by external certification bodies. In 2020, as a result of the pandemic, control bodies stepped up the audits of compliance with the Italian Prime Minister’s decrees.

In 2020, 1,050 reports were issued at stores and 12 at offices/platforms, resulting in fines totalling €16,132, down year-on-year. During the year, there were no non-monetary sanctions or cases settled out of court. The audits performed during the pandemic paid more attention to health issues, raising awareness at the stores and more generally within the Company. The voluntary inspections to ensure the health and safety of our customers are in line with the target 3.d of SDG 3. A working group on Food Safety - Quality Control has been set up at Despar Italia’s office. This includes all Despar franchisees in Italy in order to coordinate operations and create benefits across the board for private label products. It is possible to manage all information about, and any non-compliance issues related to, said products from the Consortium’s portal. The Food Safety function has also worked together with Federdistribuzione on the manual on good hygienic practices for modern retail companies, which updates inspections as well as food storage practices.

◆ Voluntary analyses and controls - Food safety	Samples analysed	Non-compliant	% Non-compliant
2018			
Product analyses	905	161	18%
Superficial swabs	2,794	267	10%
Total	3,699	428	
2019			
Product analyses	1,605	179	11%
Superficial swabs	2,515	184	7%
Total	4,120	363	
2020			
Product analyses	1,687	94	6%
Superficial swabs	2,783	138	5%
Total	4,470	232	

◆ Current spending on food quality and safety (€)	2020	2019	2018
External	289,700	351,342	212,525
Internal	407,896	415,854	352,602
Total	697,596	767,196	565,126

GRI  
419-1

◆ Fines for non-compliance in the supply and use of products and services	2020	2019	2018
Monetary value of fines (€)	16,132	37,172	36,918
No. of fines	10	16	16
No. of inspections	616	463	573
% Non-compliance (fines/inspections)	1.62%	3.46%	2.79%

**Note:** fines refer to missing or incorrect information and labelling of the products being sold (related to ingredients, prices, unit of measurement, origin, etc.), expired goods, incorrect refrigerator temperatures.

Customer engagement

Over time, Aspiag Service has created a broad omnichannel ecosystem to engage the customer with the brand. By using more well-established channels such as radio, tv, and events, and by tapping the potential of digital media, it is possible to leverage edutainment and gamification, mixing them with the value-for-money proposition and promotion of products. Each channel - from social

media to in-store communication, paper and digital flyers, magazines, and many others - seeks to approach customers to offer them the best products, steer them towards more sustainable choices and good consumer habits, tell them about the value of the Company, inform them about corporate contents, and much more.

Social media

Aspiag Service's social channels generate traffic by publishing contents concerning products, offers, initiatives, and sustainability topics. In 2020 we achieved the following results on social media:



At Aspiag Service, we maintain our relationship with customers not only through communication tools and high-quality products, but also with several online and in-person events and classes chiefly intended to promote the suppliers and products we propose. The classes allow to create a food and wine culture as well as give space to local producers and promote their world-class products, including through tastings (through the Sapori del Nostro Territorio initiative). In 2020, the classes were held inside a truck for the first few months of the year, and then online during the pandemic, with 397 participants across 8 tasting classes and 1 cooking class. The classes touched upon topics including wine, cheese, beer, chocolate, coffee, and reusing in the kitchen.



2020 saw also **tasting classes held entirely online**. The 18 meetings involved **over 1,000 people** and featured whiskey, rum and chocolate, wine, and beer.

	2020	2019	2018
Customer satisfaction	8.22	8.40	8.34

◆ Press and web corporate image	2020	2019	2018
No. of Aspiag Service mentions	1,647	1,454	1,675
Daily average	4.50	3.98	4.59
Positive tone	53%	57%	35%
Neutral tone	45%	38%	59%
Negative tone	2%	5%	6%

With respect to the customer's perception of Aspiag Service, the analyses show that the Company stands out in terms of quality of the products and the wide range of items offered, including CDO and organic Italian products. The perception remains positive also with respect to the expertise of the staff, cleanliness, the attention paid to staffed counters, and checkout wait times - positive aspects emphasised also by those who regularly visit the store. The Company's media

image is well established, with 98% positive and neutral mentions. The main topics emerged from the media were our social initiatives, sponsorships, the opening of new stores, and the general retail scenario. End consumers can rely on a series of strict security protocols that Aspiag Service has put in place with respect to privacy. In 2020, as in the previous two years, these allowed to prevent any customer data breaches. ◆

GRI  
418-1

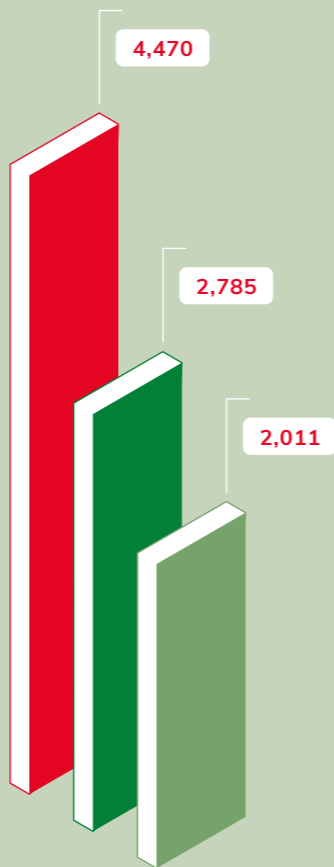
**Despar Tribù App** — The most effective channel to engage customers through edutainment and gamification is the Despar Tribù App. The App entertains customers with games while allowing to use discounts and informing about local products, initiatives, events, and sustainability. Among the various updates made in 2020, the App incorporated the InDespar house organ, which updates all employees about the Company's news, and the expansion of the App to include also franchise customers. 108 franchisees have already been able to use the App in 2020, with traffic amounting to 9,461 users.

327,680	2,749,719	24%
Active users at checkout	Coupons redeemed.	Tribù penetration

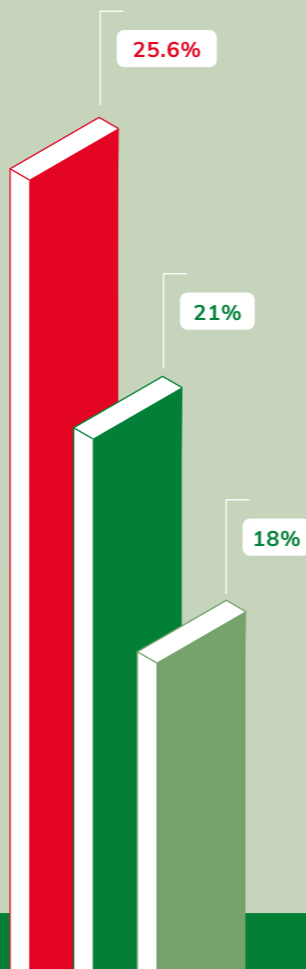
Between Despar, Eurospar, and Interspar, the number of products offered is on the rise - the sign of a broad and deep range of items - and the relevant safety analyses and controls have doubled over a decade; in 2019, the Company set up a dedicated food quality department, so as to give customers additional guarantees with respect to the products. In addition, the selection of private label products has been expanded with the revamp of the Verde Vera and Gemma Verde lines. We did all this to align our offerings with new market trends and product sustainability: some of the initiatives to this end include the growing attention paid to packaging and the communication of recipes with a green theme, as well as the adoption of the Despar Tribù app - designed to provide savings and updates on the Company's sustainability initiatives or products, among other things. What is the ultimate goal of this approach? To continue satisfying the customers of today and tomorrow.

over **30,000**  
Analyses and controls performed in 10 years

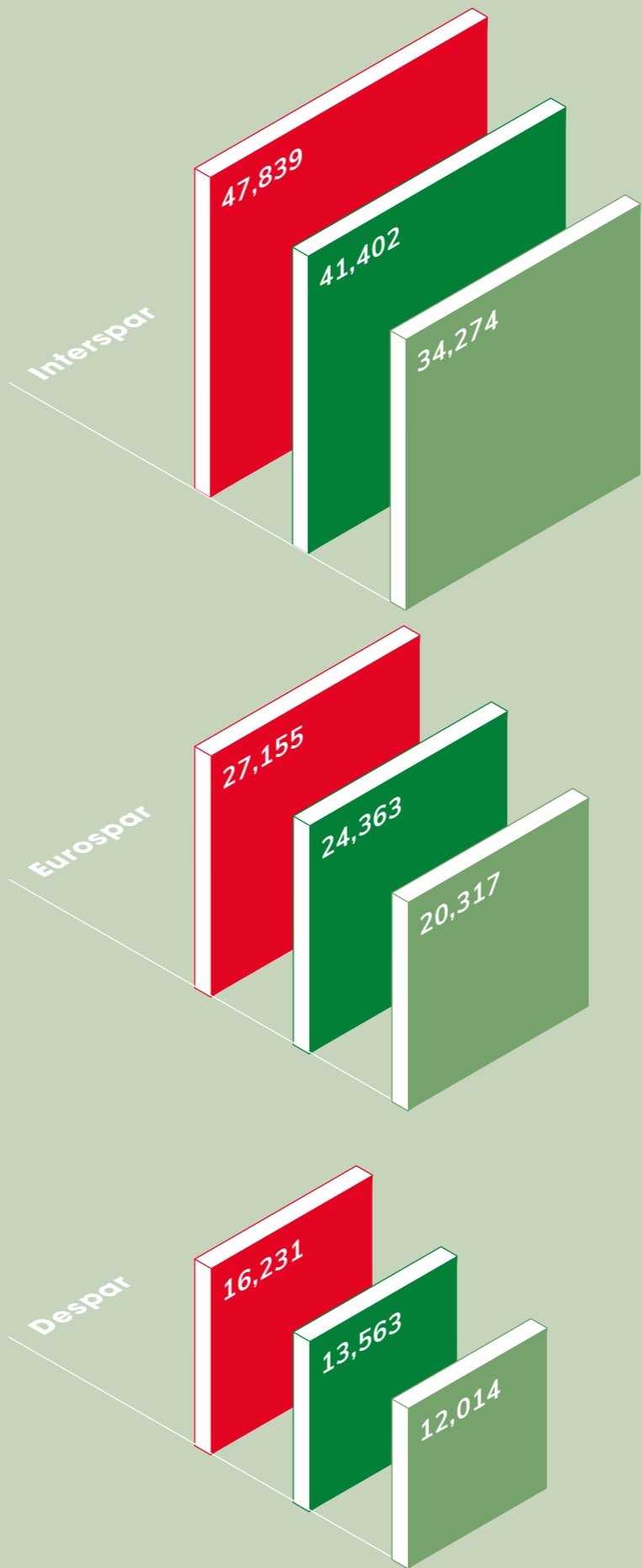
Food safety analyses and controls



Private Label turnover (as % of total)



Average no. of products offered



2020  
2015  
2011

Key

# Enhancing employees.



Material topics

- B** Support to local communities
- F** Company ethics
- O** Company reputation
- I** Job security
- L** Employee training
- M** Employee safety and wellness



SDGs



8,517

Employees.

€ 10.7 million

Incentives.

46,409

Training hours.

ISO 45001

The Human Resources and Staff Development Area in 2020 paid considerable attention to gradually aligning its operations with the Goals set by the UN 2030 Agenda for Sustainable Development. The Area's operations, described below, are illustrative of an effort aimed at constantly aligning the procedures performed within the Human Resources Function with the sustainability criteria proposed by the UN.

Recruiting, Training and Development

Faced with the Covid-19 pandemic and the restrictions associated with the need to limit gatherings and ensure social distancing, the area responsible for recruitment strengthened online job interviews, using them to recruit employees for the offices, stores, and production and logistics centres. Significantly, there was an increase in the number of applications submitted through the "Work with Us" portal by individuals with disabilities and beneficiaries under Italian Law 68/99, 83 of which actually met with the team for an interview. Besides those, the team assessed candidates from the SIL (Work Integration) service, in accordance with the targets 8.5 and 8.8 of the relevant SDG. ☺

◆ Recruiting	Online applications	Telephone and job interviews	Candidates interviewed
2020			
Offices/logistics	N.A.	3,443	1,560
Trentino-Alto Adige Sales	N.A.	1,360	850
Veneto Sales	N.A.	5,336	1,710
Emilia Romagna Sales	N.A.	5,321	1,049
Friuli Venezia Giulia Sales	N.A.	2,622	1,388
Total Despar Work with Us portal	148,298	18,082	6,557
Total other channels	6,500	N.A.	N.A.
Grand total	154,798	18,082	6,557
2019			
Offices	N.A.	2,031	1,007
Trentino-Alto Adige Sales	N.A.	1,715	800
Veneto Sales	N.A.	4,538	2,124
Emilia Romagna Sales	N.A.	3,618	1,908
Friuli Venezia Giulia Sales	N.A.	3,808	1,916
Total	106,393	15,710	7,755
2018			
Offices	N.A.	919	247
Trentino Alto Adige Sales	N.A.	1,503	579
Veneto Sales	N.A.	4,690	1,142
Emilia Romagna Sales	N.A.	1,786	1,103
Friuli Venezia Giulia Sales	N.A.	1,583	746
Total	51,000	10,481	3,817

In 2020, the entire recruiting procedure – from the interview outline to the candidate evaluation form – was formalised in a manual. This manual, which is constantly updated and refined, has allowed standardising recruiting methods, thus reducing the subjective opinions of recruiters – who also received counter-stereotype training – and making the recruitment process more consistent across the Company's various offices – no small feat, considering Aspiag Service's footprint. Please note also that the recruitment process and the relevant manual place special emphasis on the laws concerning privacy policies (Articles 9 and 13 of Regulation (EU) 2016/679 on data protection, GDPR). In the months prior to the pandemic, the Human Resources Area was able to use the truck as an innovative way to not only attend the opening of new stores, but also allow anyone to apply for a job. This enabled the Company to offer opportunities also to individuals from disadvantaged backgrounds without access to mass media, including young refugees. Another example of inclusion was the recruitment of young talents for the butcher's, delicatessen, fruit and vegetables, and fish departments. This process involved 228 young people under 25, selected from the many who applied through the Work with Us portal and following job interviews. Once recruited, they received specific in-class and practical training. In the end, 31 new hires were added to the butcher's, delicatessen, and Meat Centre departments, and an additional 14 to the fish and fruit and vegetables departments. In another example of the attention paid to the young, the Human Resources Area attended Career Days at university campuses, reaching out to young final-year students and graduates interested in a dissertation, internship, or work experience at the Company. ◆ The University Career Days held in 2020 included an event hosted by Venice's Ca' Foscari University, three events at the University of Padua, and the Becoming Manager event held by Jest (Junior Enterprise of the University of Padua – Vicenza branch). Because of the measures to contain Covid-19 and in order to prevent mass gatherings, in 2020 university Career Days were held online. By using online platforms that reproduced the classic in-person Career Day, the new setup allowed meeting with and interviewing 111 final-year students and graduates. Because of the Covid-19 health emergency, in 2020 Aspiag was not able to carry on with the usual training activities performed in person by university interns at the Company. In accordance with the safety measures

implemented by the National and Regional Governments, after adopting its own safety protocol in accordance with national and regional guidelines (Italian Prime Minister's decrees and regional orders), and in partnership with the relevant Universities, Aspiag saw the experiences already underway in 2020 through to completion by asking interns to prepare a summary paper of the work carried out and the skills they acquired. The Company was also able to offer job opportunities to its interns, allowing 6 out of the 12 hosted throughout the year to sign an agreement with the Company. With its 72 employees, the Meat Centre also hired a significant number of new candidates, contributing to a process that has generated wealth for the community of Monselice within an estimated radius of approximately 20km from the Centre. A major training objective is improving customer service. In line with the importance it attaches to enhancing employees, Aspiag Service has launched a series of initiatives to promote this value. Training activities concerned also leadership roles, specifically area managers, district managers, and store managers of the Sales Area operating in Veneto and Emilia Romagna. In particular, the project focused on promoting the values of actively listening to, and talking with, employees. This took place over two half-days of in-class training intended to promote a dialogue between manager and employee, improving well-being and optimising efficiency, as well as to bolster the image of the entire Company in the local area and community. Besides employees, Aspiag also pays attention to customers, as expressly stated by one of its 4 company values, i.e., customer focus. In this sense, the Company offered the "Checkout Excellence" class, intended to further focus on procedures aimed at improving customer service. Because of the pandemic, in 2020 total and average training hours per employee were down compared to previous years, as the restrictions did not allow the usual activities to take place. Training was provided in-person in the months where this was possible, and through online platforms in all other cases. Aspiag Service regularly carries out a corporate climate survey to listen to employees and bring potential improvements concerning them to light. The most recent survey was conducted in 2019 and saw participation increase by 10% over the previous edition. The main aspects considered concern whether employees would recommend the Company as an employer, operational performance, and staff training.

GRI  
404-1

◆ Training costs (€)	2020	2019	2018
External	688,725	635,633	614,593
Inside the Company	479,530	1,940,610	1,855,419
Grants received	-231,036	-432,414	-271,261
Annual training costs	937,219	2,143,829	2,198,751
Average training cost of full-time employees (FTE)	132,65	311,95	335,18

◆ Training hours	2020	2019	2018
Senior management	451	337	299
• of which women	46	-	-
Middle management	1,593	2,943	2,001
• of which women	368	820	657
Employees and manual workers	44,365	90,424	86,775
• of which women	23,643	48,772	40,628
Total hours of training	46,409	93,704	89,074
• of which women	24,057	49,592	41,285
• of which mandatory	35,782	40,954	N.A.
• of which eLearning	20,786	15,672	13,889
• workplace safety	30,295	34,143	N.A.
• food safety	5,020	5,992	N.A.
• environmental safety	467	806	N.A.

Note: the training provided includes on-the-job training hours.

◆ Average training hours per employee (headcount)	2020	2019	2018
Senior management	18.04	17.73	16.60
• of which women	15.44	-	-
Middle management	15.62	30.00	22.00
• of which women	26.27	58.60	50.50
Employees and manual workers	5.29	11.30	11.00
• of which women	4.39	9.30	8.00
Total average hours of training	5.45	11.40	11.30
• of which women	4.46	9.40	8.10

Staff management

People are the soul and engine of the Company. “Managing Staff” means listening to the needs of workers and the Company to strike the right balance between the personal needs of employees and organisational requirements, in accordance with regulations as well as collective bargaining and company-level agreements. The ultimate goal is to promote a positive working environment focused on delivering the best possible service to customers. All Staff Management operations seek to establish and cultivate healthy and positive relationships with all workers, taken both individually and as a group, day by day. Every day, Staff Management helps branches and workers by constantly providing support and discussing technical and regulatory issues to define the most appropriate organisational solutions through:

- prevention activities: preliminary assessments of organisational decisions in collaboration with the Sales Area, including in the event of corporate transactions, internal consulting on how to properly comply with labour laws, as well as discussions and dialogue with management at both the individual and group level (branch, community);
- contractual activities: discussions with the Sales Area and workers to define contracts as well as to handle individual concerns, requests, or needs and prepare appropriate contractual documents;
- training activities: addressing the roles of responsibility for proper staff management.

GRI  
402-1

The Company prefers maintaining healthy long-term relationships with its employees, based on trust and cooperation, and therefore prioritises permanent contracts. During 2020, temporary contracts accounted for about 10% of the Company's total workforce - which is completely normal when considering the new stores opened in 2020 and the resulting increase in the headcount.

The attention paid to staff became even more crucial in 2020, as the health emergency disrupted social habits, the personal and family needs and schedules of our workers and customers, as well as market conditions and, therefore, the requirements of our stores.

The Company promptly rose to the challenge by ensuring the safety of employees at work and allowing them to reconcile their unexpected personal obligations (including, for instance, caring for their children at home from school, their elderly parents, and protecting relatives with disabilities) with the stringent need to staff the departments, so as to ensure food supplies - also in light of the social and travel restrictions imposed where customers live. To this end, in 2020 the Company provided employees with multiple tools, including frequent smart working, facilitating the use of annual leave and leaves of absence, assistance with - advice on, and management of, the new paid and unpaid parental leave for child care, assistance with - advice on, and management of, the additional paid leaves of absence under Italian law no. 104/92, putting employees stranded abroad on leave to allow them to keep their job, and activating staff-leasing agreements to staff the departments when employees unexpectedly could not come to work for various reasons.

Aspiag Service did all this to ensure job continuity and promote work-life balance.

In addition, to reward the valuable and crucial dedication showed by store employees, the Company decided to award each worker an extra €150.00 bonus on top of a €150.00 gift card, which were paid out as soon as in April 2020 to thank them for being there in person and serving on the front line. In addition, the Company decided to pay out the net €100 amount envisaged under the "Cura Italia" Decree with the April 2020 pay packet. Moreover, the constant dialogue with the social

partners played a crucial role, allowing to reaffirm our close relationship with workers during the challenging months of the health emergency - also thanks to the creation of a Safety Committee in partnership with the national Secretaries of the most representative Trade Unions, which promoted a dialogue between the Company, employees, and the social partners on the measures to combat and contain the spread of the Covid-19 virus.

As a result, this constant engagement with employees and the social partners allowed maintaining a low level of conflict. 2020 saw a limited number of legal disputes (4 new lawsuits filed during the year) when considering the number of employees. This figure is well below the national average. Meanwhile, there was a rise in the number of labour disputes settled voluntarily (18 out-of-court settlements). One again in 2020, there were no judicial rulings associated with discriminatory incidents and no cases of corruption, human rights abuses or discrimination were reported through the Company's whistleblowing channel. Since 1st January 2019, Aspiag Services has been applying the new collective bargaining agreement for the modern retail industry, entered into by Federdistribuzione and Trade Unions. It establishes collective contractual rights, including with respect to remuneration, and ensures equal opportunities, in line with the Code of Ethics.

In addition, the supplemental company-level agreement, which offers better terms compared to the collective bargaining agreement, still applies. It is divided into four types of contract that are very similar to each other and refer to the branches in the Veneto and Emilia Romagna regions, Friuli Venezia Giulia, the autonomous province of Trento, and the autonomous province of Bolzano, respectively. To reward the dedication of our store employees, these four company-level agreements include also a specific incentive scheme under which all workers receive collective annual bonuses upon the achievement of certain results in terms of hourly productivity, the reduction in inventory differences, and the financial performance of the branch they belong to. Finally, there is an M.B.O. (Management By Objectives) scheme for executives and sales managers that is intended to boost the Company's performance by aligning individual and corporate goals.

► GRI  
406-1

► GRI  
102-41

**The “Idem” initiative — In 2020, the Vite Vere Down Dadi Cooperative created the “Idem” project and pursued it with the support of Aspiag Service. The project has considerable social value and translates into a job opportunity for two young people with disabilities, who will be able to make 1,000 cotton shopping bags for the Interspar customers of Sarneola and Albignasego.**

GRI 102-8	◀	◆ No. of employees			
			Average headcount	Headcount	FTE
		2020			
		Women	5,323	5,397	4,162
		Men	3,031	3,120	2,904
		Total	8,354	8,517	7,065
		2019			
		Women	5,177	5,288	4,105
		Men	2,922	2,948	2,767
		Total	8,100	8,236	6,872
		2018			
		Women	5,024	5,087	3,927
		Men	2,764	2,816	2,633
		Total	7,788	7,903	6,560
GRI 102-8	◀	◆ No. of employees by employment contract (average headcount)			
			2020	2019	2018
		Permanent	7,588	7,276	6,526
		• of which women	4,887	4,705	4,295
		Temporary	766	824	1,262
		• of which women	436	472	729
		Total	8,354	8,100	7,788
		• of which women	5,323	5,177	5,024
GRI 102-8	◀	◆ No. of part-time employees (average headcount)			
			2020	2019	2018
		Employees with a part-time contract	3,233	3,087	3,035
		• of which women	2,824	2,718	2,677
		% Employees with a part-time contract	38.69%	38.11%	38.97%
		• of which women	33.80%	33.56%	34.37%

	2020	2019	2018
Amounts allocated for incentives (€)	8,262,313	5,949,528	5,300,650
Incidence of incentives on staff costs (%)	2.89%	2.16%	2.01%
Number of employees who received an incentive	5,078	5,406	5,694
Amounts allocated for Covid-19 bonuses (€)	2,423,172	N.A.	N.A.
Number of employees who received the Covid-19 bonus	7,033	N.A.	N.A.

**Note:** the incentives budgeted for include employee benefits, one-off bonuses, and the M.B.O. The number of employees who have received an incentive is calculated on the same basis.

◆ Workplace costs (€)	2020	2019	2018
Offices and warehouses	54,446,392	48,918,258	42,480,141
Direct retail stores	231,715,543	227,646,309	221,604,204
Total staff costs	286,161,935	276,564,567	264,084,345

**Note:** the 2019 data was aligned with the Annual Financial Statements.

◆ Fines for non-compliance with laws and regulations	2020	2019	2018
Monetary value of fines (€)	13,759	24,086	31,901

**Note:** all fines were incurred for administrative and management violations in relation to retail stores. With respect to social and economic issues, there were no non-monetary penalties or out-of-court settlements associated with legal or regulatory non-compliance.

◆ New employee hires and employee turnover (%)	2020	2019	2018
New employee hires	14.23%	15.48%	15.01%
• of which women	7.47%	8.94%	8.14%
• of which temporary	6.72%	3.63%	4.49%
• of which permanent	7.52%	11.85%	10.52%
Employee turnover	10.87%	12.58%	12.58%
• of which women	6.15%	6.64%	6.72%
• of which temporary	7.91%	8.36%	9.84%
• of which permanent	2.96%	4.22%	2.75%
Total turnover	25.10%	28.06%	27.59%
• of which women	13.62%	15.58%	14.86%
• of which temporary	14.63%	11.99%	14.33%
• of which permanent	10.47%	16.07%	13.26%

**Note:** the rate of new employee hires was calculated as the number of people hired and the number of people switched to another type of contract during the year divided by the average headcount for the year. Employee turnover was calculated as the number of people who were terminated or resigned during the year divided by the average headcount for the year. Total turnover was calculated as the sum of people hired, switched to another type of contract and who were terminated or resigned during the year divided by the average headcount for the year. In 2018, employee turnover was calculated without considering employees who had been terminated or resigned at 31/12/2019, since they were included in the headcount;

Welfare and corporate diversity

Aspiag Service strives to create the best possible working conditions, putting itself on the line to achieve the 8.8 and 8.5 targets of the SDGs ☹️ by providing equal opportunities for all categories of employees as well as full and productive employment. It does so by paying the same basic salaries to men and women as well as promoting work-life balance by offering part-time work. In the wake of the pandemic, where possible the Company has implemented smart-working for office employees. The Work-Life Balance helps employees get back to work, including at the end of their parental leave, with more than 90% of employees coming back once their leave has ended. This proportion slightly declines

12 months later. Aspiag Service promotes and takes responsibility for the well-being of all its employees through the Health Project, which seeks to raise awareness about the benefits of the contractual health insurance policy by encouraging check-ups, specialist examinations, and maternity leaves. This project was expanded to include also the franchise channel, in line with target 3.8 of the relevant SDG. ☹️ Under the collective bargaining agreement for the modern retail industry, employees (excluding senior and middle managers) are eligible for medical benefits guaranteed by Fondo Est, Italy's largest supplemental health fund, which provides the employees enrolled in it multiple benefits, in the form of either direct services or insurance.

GRI  
405-1

In response to the health emergency, Fondo Est reacted promptly with a series of extraordinary measures to support businesses and members. The employees of Aspiag Service enrolled during 2020 numbered 8,626, with women accounting for 64%. The services for which most reimbursements were claimed concern the Covid-19 sick leave, implantology/dentistry, and prevention packages. Among the most recent company welfare projects, Caregiving seeks to raise awareness about the tools available to care for children and relatives with disabilities, supporting the employees concerned with targeted organisational approaches. The Company gave information booklets to employees, proposed meetings with experts or, in the case of leadership roles, courses on how to manage employees with caregiving requirements. The Company's workforce is also very diverse. 21% of employees are under 30; 53% between 30 and 50, and the remaining 26% over 50 years old. When onboarding new

employees, we promote the integration of disabled or disadvantaged individuals into the workplace in collaboration with Employment Integration Services (SIL). During the Covid-19 epidemic, in line with its culture of attention to employees, Aspiag Service provided these with information on the law governing extraordinary parental leave with respect to the following: length, potential beneficiaries, timing, and operational procedures to use the benefits under the regulation. By using the Company's e-mail system and posting on the notice boards dedicated to internal communications, Aspiag Service informed all employees about the changes introduced under Article 72 of Italian Decree Law 34/2020, supplementing the previous Decree Law 18/2020. Thanks to the above communication policy, Aspiag Service was able to give access to 337 relief measures for employees whose children were at home because of remote learning and school quarantine measures.

GRI  
405-1

◆ No. of employees by professional qualification and gender (average headcount)				
	2020	2019	2018	
Senior management	24	19	18	
• of which women	3	-	-	
Middle management	99	96	87	
• of which women	12	13	12	
Employees	8,169	7,918	7,683	
• of which women	5,301	5,157	5,012	
Manual workers	62	66	N.A.	
• of which women	6	7	N.A.	
Total	8,354	8,100	7,788	
• of which women	5,323	5,177	5,024	

◆ No. of employees belonging to protected categories and employees with disabilities (average headcount)				
	2020	2019	2018	
Senior management	-	-	-	
• of which women	-	-	-	
Middle management	1	1	1	
• of which women	-	-	-	
Employees	389	389	361	
• of which women	236	237	224	
Manual workers	4	4	N.A.	
• of which women	-	-	N.A.	
Total	394	394	362	
• of which women	236	237	224	

◆ Parental leave (headcount)	2020		2019		2018	
	men	women	men	women	men	women
Employees entitled to parental leave	452	895	447	903	418	886
Employees that took parental leave	17	251	31	264	33	290
Employees that returned to work in the reporting period after parental leave ended	12	177	20	195	25	210
Employees that returned to work after parental leave ended	11	169	19	186	20	206
% of employees that returned to work after parental leave ended	92%	95%	95%	95%	80%	98%
Employees still employed 12 months after their return to work	8	150	14	165	14	194
% retention after 12 months	73%	89%	74%	89%	70%	94%

Note: the eligibility was taken from the knowledge of the children's date of birth and without taking into account the possible fruition of the parental leave by the spouse. Employees still working after 12 months of parental leave were estimated as the difference between employees returning from leave and those who left in the year having taken parental leave in the previous 12 months.

◆ Ratio of basic salary and remuneration of women to men			Basic salary	Remuneration
2020	In retail stores			
	Middle management		88.78%	98.77%
	Employees		94.14%	93.54%
	In offices and warehouses			
	Senior management		59.64%	57.54%
	Middle management		91.19%	87.92%
	Employees		88.24%	86.34%
	Manual workers		91.40%	89.89%
	2019			
	In retail stores			
2019	Middle management		85.09%	97.53%
	Employees		93.88%	93.20%
	In offices and warehouses			
	Senior management		N.A.	N.A.
	Middle management		102.80%	102.84%
	Employees		86.29%	83.80%
	Manual workers		91.88%	91.32%
	2018			
	In retail stores			
	Middle management		88.11%	88.69%
2018	Employees		93.92%	93.31%
	In offices and warehouses			
	Senior management		N.A.	N.A.
	Middle management		102.39%	103.54%
	Employees		88.06%	86.16%
	Manual workers		N.A.	N.A.

Note: the ratios of the basic salary and remuneration of women to men are partially affected by the higher proportion of women who work part-time than men within the same pay grade. The remuneration of each employee is calculated by adding the basic remuneration and the amounts associated with seniority increases and bonuses. The data for 2019 and 2018 were restated compared to the 2019 Integrated Report as the method for calculating the indicator was updated.

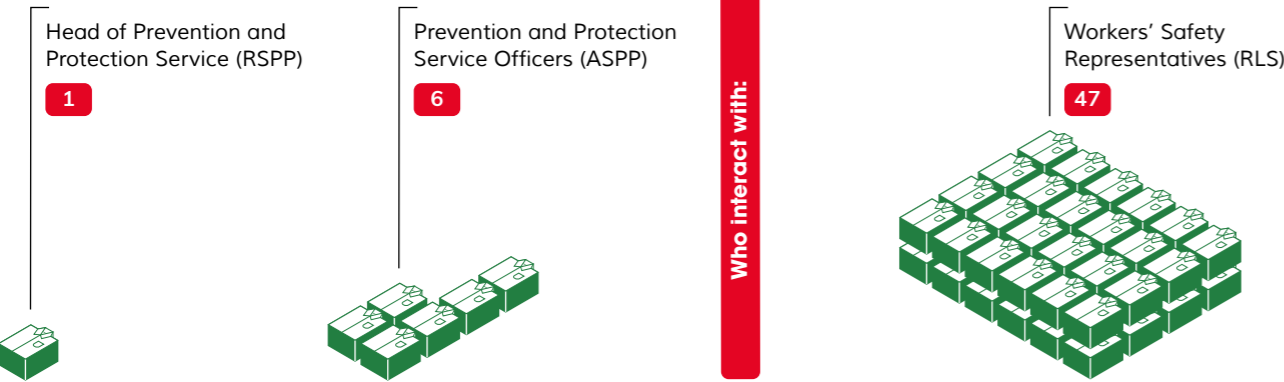
GRI  
401-3

GRI  
405-2

Occupational safety

Aspiag Service maintains a high standard of safety for its employees, customers and independent contractors, preventing the occurrence of incidents and mitigating any damage. The safety of stores, offices, warehouses, and the Meat Centre, as well as machinery and

equipment, is constantly being assessed and improved - also thanks to the synergies between the different business functions. The Company's Internal Prevention and Protection Service is constantly working for these objectives, interacting with Workers' Safety Representatives.



GRI 403-1/5

The Company's Prevention and Protection Service constantly analyses health and safety hazards, defining the most appropriate prevention and protection measures for each one of them (e.g. operating procedures, refresher training, new or different Personal Protective Equipment). The findings of such analysis are formally presented in the Risk Assessment Documents prepared by each individual operating unit. Each year begins with an analysis of the results achieved in the previous one, starting with the analysis of injuries and close calls (including also outsourced operations), and then of non-compliance cases, regular audits, and any other information deemed relevant to occupational health and safety. In addition, as part of this exercise the Company also sets goals for improvement, establishing for each one of them the available financial and organisational resources as well as the relevant timetable. In 2020, injury statistics saw an improvement in the injury rate, three injuries lasting more than 180 days, and no deaths, bringing Aspiag Service into line with target 3.d of the relevant SDG. The occupational disease rate was down compared to the previous year, and so was the number of

suspected occupational diseases reported. Every three months, all stores are briefed on the trend in injuries through statistical data showing the causes, place of occurrence, frequency, and equipment most commonly involved in these events. Throughout the year, the Company conducted specific audits inside the stores where issues were found, with the direct support of store managers as well as department heads. Occupational health and safety training is constantly monitored through the company's ERP and provided on the basis of the duties assigned to the specific roles (e.g. emergency response team member) and, in any case, in accordance with applicable laws. Since 2020, all Aspiag Service's organisational units are ISO 45001 certified . This certification is the result of the evolution of the Company's Policy for the continuous improvement of occupational safety in accordance with the ISO system, already adopted for the ISO 14001 certification. The certification audit was successfully completed in June 2020, after 19 stores, 2 logistics units, 1 office, and the Meat Centre were audited and no cases of non-compliance were found.

GRI 403-8

**Occupational safety and Covid-19** — To promptly manage the issues associated with the Covid-19 pandemic, the Occupational Safety function acted immediately to ensure the offices and stores met the high standards required to curb the spread of the virus. The Company set up an Emergency Prevention Group on 24/2/2020 involving Top Management, some leadership roles, and an occupational physician as coordinator. The Group informed employees about the directives and allowed adopting the relevant measures: ensuring distancing, providing masks, gloves, visors, and disinfectant for employees, spreading repeat messages on safety measures through the radio, notice boards, and e-mail, installing plexiglass barriers, boosting sanitisation efforts, managing store access points, and much more.

◆ Injury and occupational disease rate	2020	2019	2018	▶	GRI 403-9
No. of recordable work-related injuries	251	287	282		
of which women	149	167	167		
No. of high-consequence work-related injuries	3	1	1		
of which women	3	1	1		
Injury rate	4.36	4.99	5.00		
High consequence injury rate	0.05	0.02	0.02		
No. of hours worked	11,660,740	11,538,074	11,313,147		
No. of suspected occupational diseases reported	8	25	23	▶	GRI 403-10
of which recognised	1	7	8		
Occupational disease rate	0.02	0.12	0.16		

**Note:** Injury rate = (No. of high-consequence and recordable work-related injuries/hours worked)x200,000  
Occupational disease rate = (No. of recognised occupational diseases/hours worked)x200,000  
Hours worked = No. of hours worked as shown on the time card  
Data relating to injuries refer both to stores and to offices and warehouses.  
The high-consequence work-related injuries that occurred in 2019 and 2 out of the 3 serious injuries in 2020 were classified as such based on the information available in early 2020 and 2021, respectively. With respect to the suspected occupational diseases reported, 3 are still to be confirmed. Please note that Covid-19 infections recognised by INAIL, Italy's National Institute for Insurance Against Accidents at Work (3 cases in 2020), were not considered when counting injuries.

◆ Absenteeism rate	2020	2019	2018	
% hours lost due to illness/regular gross working hours	3.98%	3.36%	3.30%	
% hours lost due to injury/regular gross working hours	0.33%	0.33%	0.34%	
As a % of the total	4.31%	3.69%	3.64%	

**Note:** Absenteeism rate = ((hours lost due to injury + hours lost due to illness)/workable hours)x100  
Workable hours = gross workable hours - hours of leave taken

◆ Injury rate of outsourcers	2020	2019	2018	▶	GRI 403-9
No. of recordable work-related injuries	32	33	61		
No. of high-consequence work-related injuries	0	N.A.	N.A.		
Hours worked	1,568,841	N.A.	N.A.		
Injury rate	4.08	5.25	8.05		

**Note:** The injury rate at outsourcers does not include the platforms in Verona (frozen food) and Camin (Padua) (fruit and vegetables). The injury rate at outsourcers was restated for 2018 and 2019 based on the data available as at 31/12/2020.

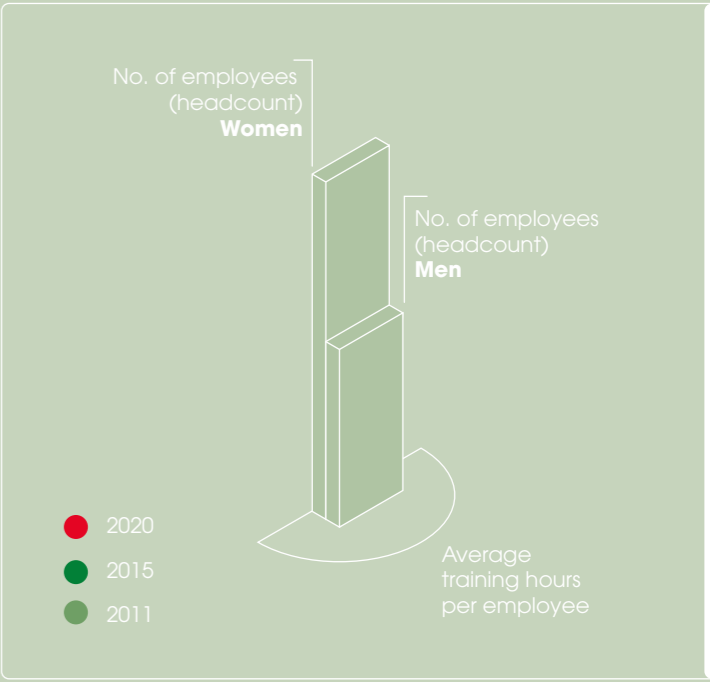
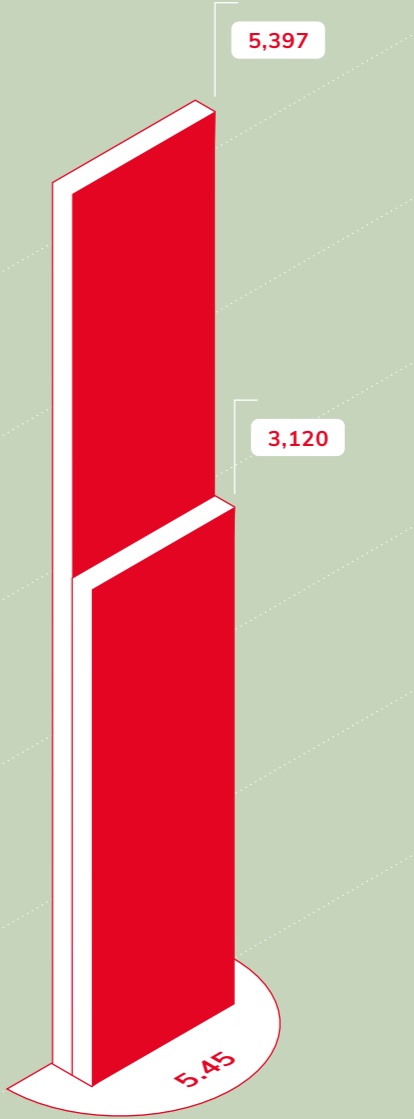
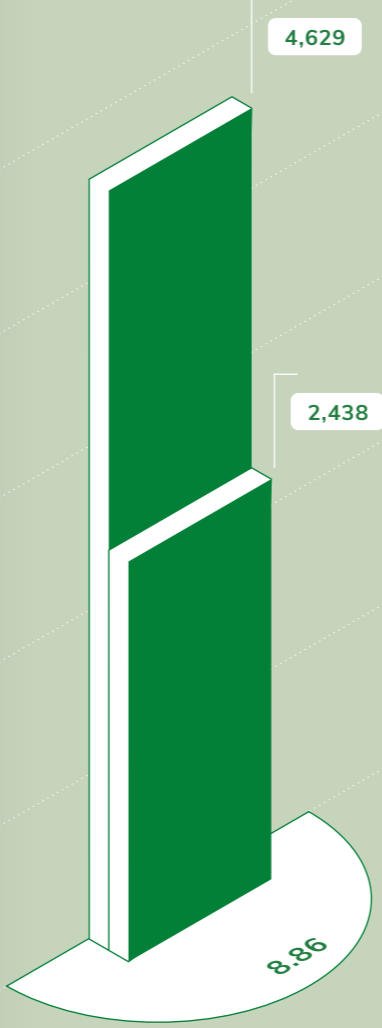
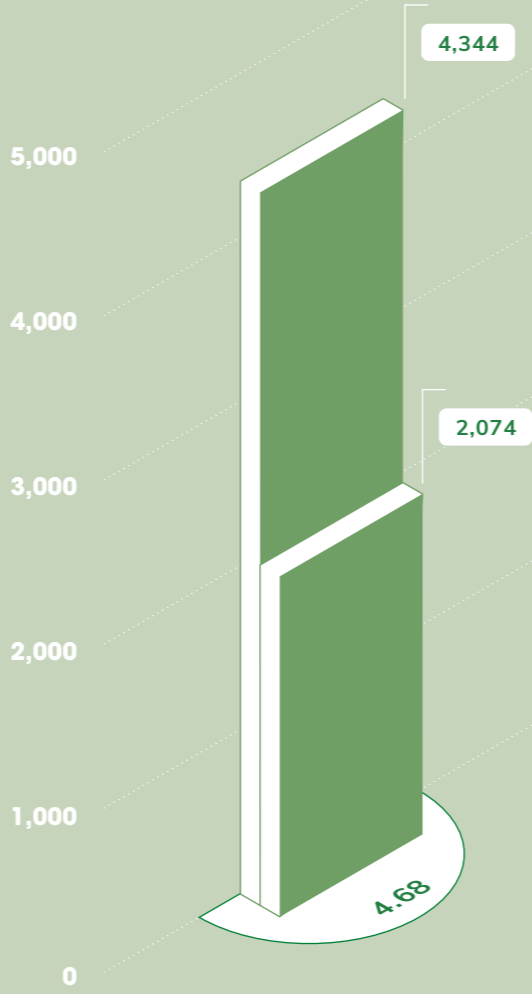


ten years, the overall number of employees has risen by over 30 percentage points, i.e., 2,099 employees (1,053 women and 1,046 men). The average training hours provided to employees every year have also increased steadily and nearly tripled between 2011 and 2019 - confirming the importance that the Company attaches to constant learning (with a setback in 2020 because of the restrictions associated with the Covid-19 pandemic). This pillar is just as crucial as the safety of employees: in this regard, 2020 saw the transition of the Occupational Safety Management System implemented across all operating units from the OHSAS 18001 scheme to the new ISO 45001 standard. Also key is empowering employees – from the recruitment stage to their day-to-day job – and promoting their well-being through ad hoc welfare initiatives.

OHSAS 18001

ISO 45001

Number of employees and average hours of training



# Attention to the environment and the territory.

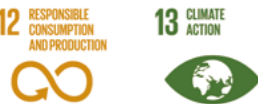


Material topics

- B** Support to local communities
- F** Company ethics
- O** Company reputation
- H** Employer attractiveness
- P** Reduction of environmental impact



SDGs



76.8%

Waste recycled.

€ 810,910

Sponsorships.

90%

certified green energy.

Environment

[www.despar.it/it/node/30/politica-ambientale](http://www.despar.it/it/node/30/politica-ambientale)

The “Environmental and Occupational Safety Policy” of Aspiag Service, signed by the Directors, ensures the protection of the environment and people’s health as part of an integrated system in accordance with the standards ISO 14001 and ISO 45001. Thanks to our efforts on this front, we were Italy’s first modern retail company to achieve the ISO 14001 certification, which we are gradually extending to our entire corporate network. The certification was renewed also for 2020 and now covers 46 stores as well as 2 offices. The Certification Body TÜV highlighted the good condition of the facilities and the highly competent staff involved in implementing and overseeing the Environmental Management System, as well as the focus on sustainability of both newly opened stores and renovation efforts.

	2020	2019	2018
New ISO 14001 certified stores	3	3	17

Environmental Management System

Aspiag Service’s Environmental Management System, set up in accordance with the international standard ISO 14001, ensures compliance with environmental laws and regulations to minimise the relevant risks while also training and raising awareness among employees about issues associated with the environment, such as waste management, energy savings, CO<sub>2</sub> emissions, and many others, in line with SDG 13.2 which seeks to integrate climate change measures into policies and strategies. We foster responsible practices by providing training and information as well as raising awareness among employees about the environmental impact of our operations, and these efforts in 2020 were supported by the greater use of corporate communication channels with respect to the environmental strategy. We ensure compliance with environmental laws and regulations - in order to minimise the relevant penalties, which are normal when considering the number of our stores - as well as allocate enough resources to guarantee the Environmental Management System (EMS) remains operational at all times and the resulting actions are implemented. With respect to the responsible management of environmental resources, Aspiag Service carefully manages also water, which is taken primarily from Italy’s water grid.

Energy

To monitor and manage energy consumption, once again in 2020 the Company monitored the energy use of the ISO 14001 stores to detect any increases and act promptly to address the anomaly. In 2020, Aspiag Service also introduced procedures to increase ventilation so as to effectively comply with anti-Covid-19 protocols. This caused a slight increase in LFL consumption (estimated at € 147,815 ♦), but this was offset by mild seasonal temperatures that kept consumption in line with the prior years. As for the energy consumption of non-ISO 14001 stores, the Company monitored monthly energy consumption by comparing it with

2017, 2018, and 2019 to assess any anomalies not justified by improvements made to the stores. From a technological perspective, considering the share of the energy used for food refrigeration, the Company emphasises the reduced energy impact achieved by equipping all refrigeration units with a floating condensation system. This consists in a set of equipment (hardware, software, electronic valves, etc.) that allow modulating the operation of the refrigeration unit according to climatic and environmental conditions, reducing consumption as well as maintenance costs.

GRI 302-4

	2020	2019	2018
No. of stores with LEDs	134	123	117

GRI 302-1

◆ Direct and indirect energy consumption (GJ)	2020	2019	2018
Direct energy consumption from purchased natural gas	98,943	98,142	91,548
Direct energy consumption from purchased LPG	702	704	726
Direct energy consumption from purchased heating oil	2,952	4,805	5,085
Direct energy consumption from purchased diesel and gasoline for automotive use	17,376	19,018	17,648
<b>Annual direct consumption</b>	<b>119,973</b>	<b>122,669</b>	<b>115,008</b>
Indirect energy consumption from electricity	665,566	632,294	600,196
Indirect energy consumption from purchased thermal energy - district heating	23,555	21,323	21,913
Indirect energy consumption from photovoltaic	3,535	2,767	1,960
<b>Annual indirect consumption</b>	<b>692,656</b>	<b>656,384</b>	<b>624,069</b>

Note: to better align with the GHG Protocol, the Company decided to include logistics operations performed with its own vehicles in direct energy consumption, restating also the data for 2018 and 2019 accordingly.

GRI 302-3

◆ Electricity consumption (kWh)	2020	2019	2018
Total consumption	185,861,463	176,405,762	167,265,678
LFL consumption in retail stores	152,244,069	156,023,525	158,174,810
LFL average daily consumption	441,369	440,260	446,891
Change in average daily consumption	0.25%	-1.48%	4.73%

Note: the consumption shown was calculated on a like-for-like basis over the 3-year reporting period. Since the basis is not homogeneous from one year to the next, the data for previous years differ from those presented in previous Reports. Total consumption was updated also for the previous years as the Company considered also the energy from photovoltaic systems.

GRI  
305-1

Emissions

Aspiag Service is reducing emissions through several innovations that concern the entire store, most of which already have an A3 or A4 rating. Heating and air conditioning units at the stores are always set based on outdoor temperatures. By recovering cooking fumes, it is possible to heat up the air intake from outside and use less energy

for heating purposes. The heat generated by refrigeration systems is also recycled to heat up water for sanitary purposes as well as for space heating. The refrigeration systems use low-impact refrigerant fluids, and the oldest systems are replaced with new CO<sub>2</sub>-based ones, where possible.

Source	2020	2019	2018
Natural gas for heating	5,596	5,567	5,198
LPG for heating	45	45	46
Diesel for heating	213	347	372
Diesel and gasoline for the Company fleet	1,234	1,375	1,292
Release of refrigerant gases	32,527	35,384	39,696
Total	39,615	42,718	46,604

GRI  
305-2

Source	2020	2019	2018
Electricity - location based	62,119	63,054	60,020
Heat from district heating	1,129	1,043	1,141
Total	63,249	64,097	61,161

Source	2020	2019	2018
Electricity - market based	8,416	13,483	6,356
Heat from district heating	1,129	1,043	1,141
Total	9,545	14,526	7,497

**Note:** all the values in the table are expressed in tonnes of CO<sub>2</sub> equivalent, with the exception of emissions from electricity consumption which are expressed in tonnes of CO<sub>2</sub>. The factors used to calculate emissions are taken from the "2020 UK Government GHG Conversion Factors for Company Reporting" tables published by DEFRA (Department for Environment, Food & Rural Affairs). As for indirect emissions related to the electricity purchased from Italy's national power grid, we used the emission factor developed by Terna (updated in 2018). As for indirect emissions related to the electricity purchased calculated with the market-based method, we used the emission factor developed by AIB (updated in 2019).

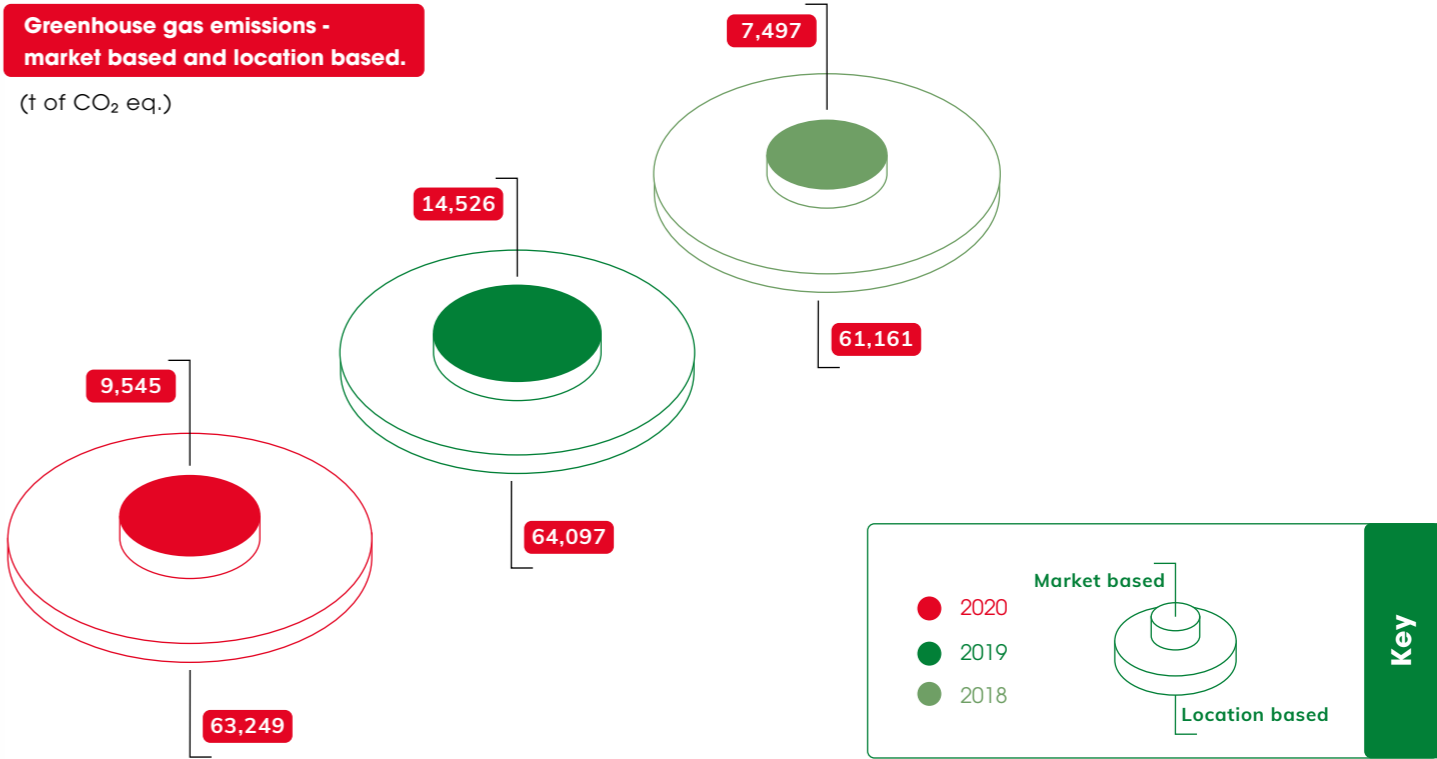
GRI  
305-3

Indirect (Scope 3) emissions related to logistics' transport	2020	2019	2018
	14,963	14,586	14,775

**Note:** the Scope 3 CO<sub>2</sub> equivalent emissions deriving from outbound logistics (freight transport from distribution centres to stores) were calculated using the number of km travelled by each vehicle (net of the litres of fuel used by the Company's own vehicles, included in Scope 1) as the primary data and using the emission factors expressed in kg of CO<sub>2</sub> equivalent per km as indicated in the "2020 UK Government GHG Conversion Factors for Company Reporting" tables published by DEFRA (Department for Environment, Food & Rural Affairs). The choice of conversion factor depended on the type of vehicle (articulated, rigid) and weight (> 3.5 - 7.5 tonnes; > 7.5 tonnes - 17 tonnes; >17 tonnes), and considered an average load per vehicle. To better align with the GHG Protocol, the Company decided to include logistics operations performed with its own vehicles in Scope 1 (reclassifying them out of Scope 3), as they are under the Company's direct control. The data for 2018 and 2019 were also restated accordingly.

The data on indirect emissions (Scope 2) is reported by using two different methods. The Location Based method reflects the amount of emissions generated specifically where energy is consumed. This is multiplied by a conversion rate (Terna, last updated in 2018) that considers the country's total energy mix, accounting for both fossil and renewable energy volumes fed into Italy's grid in a given year. The Market Based method measures how virtuous the Company's energy policy is through the purchases of guarantees of origin. In this case, emissions are calculated by multiplying the energy

use, less the amount of guarantees of origin, by the Residual Mix factor provided by the AIB (Association of Issuing Bodies). As certified green energy accounted for 90% of the total in 2020, emissions saw a 85% decline in real terms (ratio of 63,249 tonnes of CO<sub>2</sub> eq. to the remaining 9,545 tonnes of CO<sub>2</sub> eq. net of the green energy purchased. The 5% difference arises from the calculation of the total amounts, which also account for district heating without guarantees of origin and for different emission factors).



Waste

In our business operations we strive to curb, recover, and recycle waste, as well as to dispose any hazardous waste. The waste generated by the offices and stores is managed, collected, handled, stored, and transferred to third parties in accordance with applicable laws as well as best practices, and these operations fall within the scope of the ISO 14001 certification. The types of waste produced derive from the processing and management of products at stores and warehouses - and, to a lesser extent, offices. They essentially are special waste qualifying as municipal waste, packaging, and, to a

lesser extent, hazardous special waste and WEEE. All employees are responsible for properly sorting and managing the waste generated in the discharge of their duties. Suppliers and customers are also directly involved to mitigate any potential negative impacts from waste management operations. Suppliers are involved through check-lists on environmental topics, the relevant audits, and packaging revisions, while customers are involved with information on how to properly dispose of packaging and several awareness-raising initiatives carried out through the Company's main channels.

GRI  
306-1/2



For the transportation and disposal of waste, we rely on public- or private-sector independent specialist entities that must first pass the qualification and approval process. Private-sector waste disposal entities regularly share summary reports of the waste transferred to them and the copies of the relevant documentation. As for

the public waste removal service, the relevant information can be found in the Consolidated Environmental Declaration Form. The data are validated annually when preparing the Integrated Report and, with respect to the share covered by the ISO 14001 certification, also the independent certification body.

◆ Waste produced (t)	2020	2019	2018
Non-hazardous waste			
1) F.O.R.S.U. (Organic Fraction of Municipal Solid Waste)	16,529	15,170	14,394
2) R.S.U. (Unsorted Fraction of Municipal Solid Waste)	10,538	10,428	10,306
3) Cardboard	13,150	13,012	12,644
4) Mixed packaging	5,274	5,451	5,427
Hazardous waste	5	2	3
Total	45,496	44,063	42,774
Percentage of waste recycled	76.84%	76.33%	75.91%
Production/sales area (t/sq. m)	0.15	0.16	0.15

**Note:** Aspiag Service manages the collection of sorted waste at all stores. This is mainly for paper, cardboard, plastic, wood or glass packaging, mixed packaging, hazardous waste, F.O.R.S.U. (Organic Fraction of Municipal Solid Waste) and R.S.U. (Unsorted Fraction of Municipal Solid Waste). Since sorted waste is collected by municipal companies that do not measure the production of each user but only the total quantity collected, data on the dry and wet fractions are calculated empirically using:

- the number of weekly collections;
- the number of dumpsters/bins in use;
- a filling coefficient of the dumpsters/bins.

In cases where the reference municipalities do not collect certain types of waste, the Company relies on private disposers. For R.S.U. collection containers (average volume of 1100 l), an average fill weight of 88 kg was assumed; for F.O.R.S.U. collection bins (average volume of 240 l), an average fill weight of 120 kg was assumed. Method of disposal: Items referred to in points 1) and 2) public service waste collection - composting; landfill/waste-to-energy plant. Item referred to in point 3), 4) authorised private disposal companies - composting - recycling. Item 4) covers polyethylene, wood, glass, iron and steel, waste vegetable oil, materials unsuitable for consumption or processing and animal by-products.

2020 saw a considerable increase in the weight of consumables, attributable to the personal protective equipment provided to customers

and employees at the stores to contain the spread of the pandemic, in accordance with the Italian Prime Minister's decrees.



◆ Weight of the packaging materials used	2020	2019	2018
Weight of renewable materials	1,530,320	1,495,440	1,555,907
• of which paper	720,667	654,945	687,198
• of which Mater-Bi	742,854	772,488	795,177
Weight of non-renewable materials	3,846,825	950,809	1,006,012
• of which plastic	3,764,726	860,613	912,822
Cost of materials (€)	11,162,368	10,795,717	11,628,025
Impact of cost on turnover (%)	0.65%	0.65%	0.73%

**Note:** renewable materials are considered as such because they derive from abundant resources that are rapidly replenished through ecological cycles or agricultural processes, so that the services provided by these and other resources associated with them are not compromised and remain available to future generations. Aspiag Service was not able to determine the material concerned for less than 3% of the materials. The relevant amount was deducted from the cost of materials.

◆ Expenditures on environmental protection (€)	2020	2019	2018
Decontamination costs	129,584	234,516	-
Expenses for waste treatment and disposal and environmental management costs	6,297,189	6,018,648	5,348,330
Total	6,426,772	6,253,164	5,348,330

◆ Fines for non-compliance with environmental laws and regulations	2020	2019	2018
Monetary value of fines (€)	3,185	1,168	370



Local communities

Aspiag Service has always actively supported local communities - a focus that goes hand-in-hand with the Company's development and growth. It pursues this Corporate Social Responsibility (CSR) strategy through several initiatives, including:

- fund-raising campaigns, which this year consisted in selling Easter eggs, the Sambonet collection, and initiatives such as "Il mondo ha bisogno delle donne" (The World Needs Women), which allowed supporting several entities that help people in need or associations. A highlight was the "Vini di Vo'" (Vo' Wines) initiative, that saw us work together with wine producers in Vo' by featuring some of their products in 70 of our stores. For each bottle sold, the Company donated €1 to the University of Padua to fund research on Covid-19;
- donations, through which we support projects for the common good. In 2020, the Company donated to healthcare assistants and nurses, to the Robert Hollman Foundation for the inclusive park, and to the residents of Vo' who were severely affected by the pandemic;
- sponsorships, which allow supporting sporting and cultural events such as the Venice Carnival,

the Pink Run (dedicated to women), the exhibition of the Macchiaioli art movement and Belzoni's Egypt in Padua, the TedX events in Padua and Modena, and much more.

Through this kind of efforts, Aspiag Service not only provides an economic benefit to various initiatives and associations, but also helps raise awareness about them. These themes and activities also involve and develop our employees, creating a sensibility and awareness that spreads throughout the Company. The restrictions aimed at containing the pandemic caused the number of sponsorships and events to decline. Conversely, there was an increase in fund-raising activities and donations. The positive impacts on the local community can be measured in different ways: thanks to the value distributed to stakeholders, including the amounts invested in infrastructure, donated, and paid in terms of indirect taxes, the Company supports not only the store, but also the entire community that uses it. Our close relationship with the community also translates into job opportunities for new hires in the areas where we set up our operations and that further foster the growth of the community.

**Le Buone Abitudini — It is a free food education programme that Aspiag Service offers to local primary schools in order to raise awareness about eating healthy. "Le Buone Abitudini" provides for training meetings, exchanges with experts and specific programmes for the different age groups of pupils.**

84

Schools involved.

12.000

Pupils.

464

Teaching programmes.

	2020	2019	2018
Value of sponsorships (€)	810,910	1,451,456	1,199,317
Donations and fundraising (€)	766,251	429,337	454,263
Donated food (€)	5,620,463	6,687,499	6,714,766

	2020	2019	2018
No. of sponsored events	110	176	188

<div> <div>GRI</div> <div>102-8</div> </div>	◀	◆ <b>Geographical distribution of employees (headcount)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
		Emilia Romagna	991	867	791
		Friuli Venezia Giulia	1,967	1,921	1,992
		Trentino Alto Adige	1,800	1,871	1,645
		Veneto	3,759	3,577	3,475
		<b>Total</b>	<b>8,517</b>	<b>8,236</b>	<b>7,903</b>

	2020	2019	2018
Indirect taxes (€)	90,511,368	81,170,259	85,439,656

203-1		2020	2019	2018
	Infrastructure investments	1 525 962	1 794 680	2 247 270

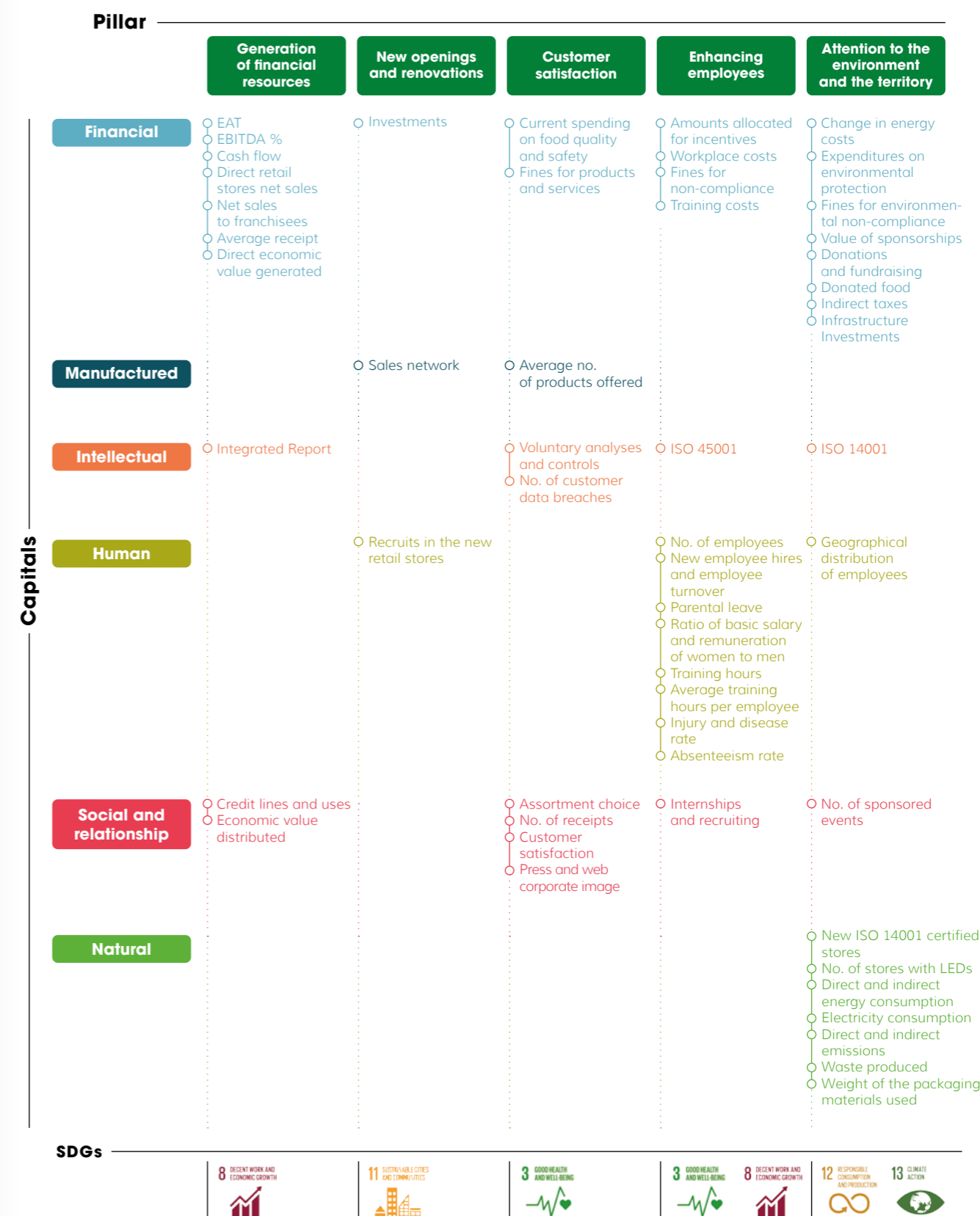
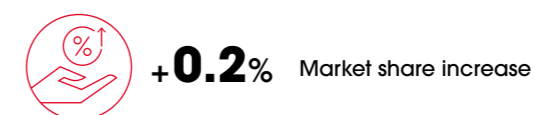
**Food donations to support the local community — Aspiag Service donates food products to various charitable organisations. Each store works with one or several of these local organisations to help people in need and curb food waste. During 2020, in partnership with Last Minute Market and the Italian Food Bank, we donated €5.6 million worth of products to over 200 charitable organisations. These corresponded to:**

**1.1** million kg  
Food products.

**2.4** million  
Meals.

**This focus on the community - and specifically food donations - is in line with the SDG 12 , which calls for reducing food waste at the retail level.**

## 81



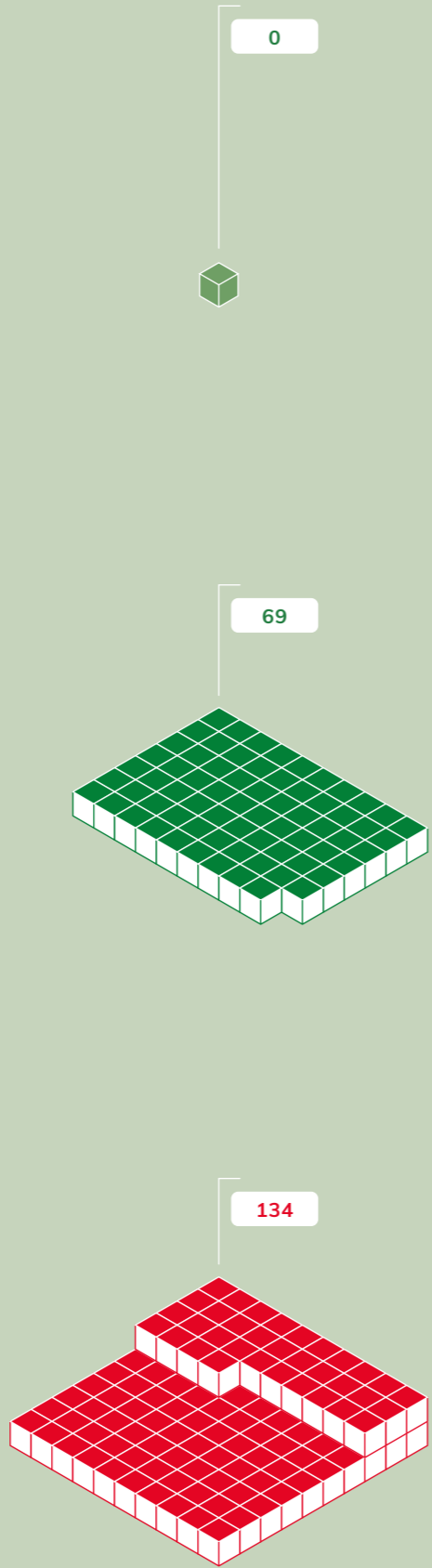


ur Company has promoted a reduction in emissions and consumption, driven by store renovations, technological upgrades, and the growing use of LED lighting, now installed in over 100 stores; using certified green energy allows to further slash emissions, saving an estimated 85% of CO<sub>2</sub> emissions in 2020 compared to zero savings in 2011. In addition, waste management remains constant and at levels considered to be optimal, despite the Company's growth over the past ten years (+92 stores in a decade). Our attention to the environment and the local community is confirmed also by major certifications, such as the ISO 14001 (we were the first modern retailer in Italy to obtain it), which, with the Environmental Management System, helps keep the impact of our operations under control, making them more sustainable. Over the years, Aspiag Service has also contributed to the communities it operates in through sponsorships, by supporting local associations and initiatives, and with donations and investments that benefit the community and the people living in it.

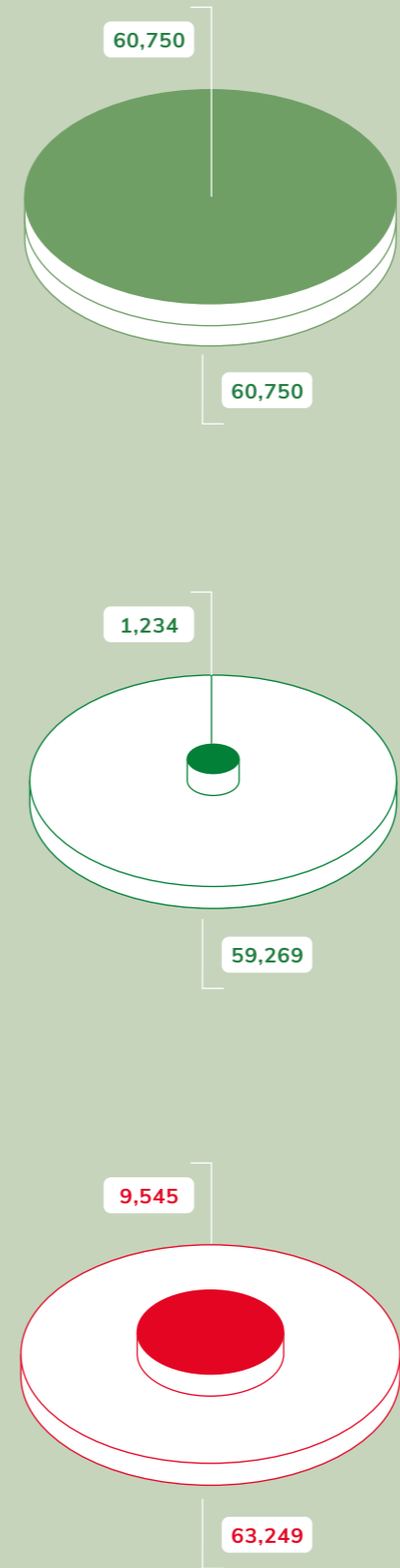
48

ISO 14001 certified sites

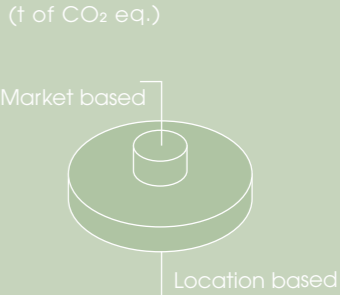
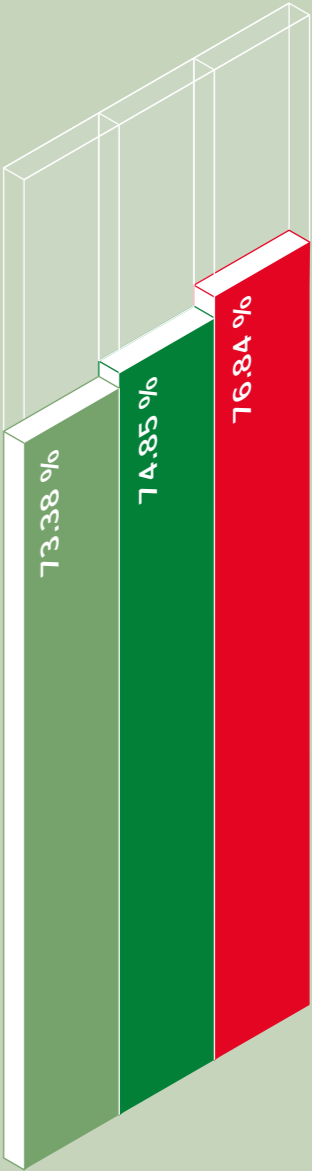
Stores with LEDs



Greenhouse gas emissions - market based and location based.



Waste recycled (%).





# What we will do.

**86 — 87**

Future outlook.



Aspiag Service looks to the future by investing in development and innovation while considering the trends relevant to its business.

This way, it ensures continuity for the purposes of achieving its goals and growing the capitals in the years to come.

# Future outlook.

**T**he current outlook is strongly affected by the evolution of the health emergency as well as the availability and timing of the vaccine rollout. Meanwhile, the definition of the European measures associated with the Recovery and Resilience Facility Programme could give an additional strong boost to investments. The pandemic has brought a series of new habits, many of which will continue into 2021. Home, family, home life, and a growing emphasis on physical and mental well-being play a key role in the new normal, which is increasingly focused on sustainability. At the same time, once the health emergency is over, many say they want to go back to meeting people in person and doing outdoor activities, even if certain traditional leisure venues will not see the same traffic as in the pre-Covid

era (Nomisma forecasts). According to Nomisma, in 2021 43% of individuals will make purchasing decisions based on their environmental impact, in line with the trend highlighted by Nomisma's consumer survey - i.e., a greater focus on moderation and sustainability. In 2021, as things gradually go back to normal and restrictions are lifted, the turnover of the large-scale distribution segment (including e-commerce) is expected to decline by 1.6%. Only Discount stores (+1.8%), Drug Specialists (+2.9%), and e-commerce (+61.6%) will buck the trend, as they will continue growing - even if at a slower pace than in 2020. Based on these forecasts, Aspiag Service intends to develop its strategy to address new trends and well-established habits.

Growth forecasts for the next 3 years	2021	2022	2023
Sales net of VAT	3.72%	4.93%	6.59%
Sales net of VAT LFL	1.38%	1.50%	1.43%
EBTDA	7.78%	8.53%	7.27%
Investments (in millions of euro)	116.80	131.90	142.30

**Note:** sales forecasts are considered to be reliable based on the time span necessary for one-year investments to generate net sales, due to the long administrative time required for new stores to start operating. The EBTDA and investment results outlined here are linked to the achievement of company revenue targets.

- **Increase in electronic payments** and new tools such as Bancomat pay and Poste pay
- Growth focused on **Lombardy**
- **20 new openings and 14 renovations** of direct and franchise stores
- **Further improvements to the Interspar format**, with the upcoming opening of the store in Imola (province of Bologna)
- **Inauguration of the Agrologic agri-food hub**, a one-of-a-kind logistics facility in Italy, and the new warehouse in Castel San Pietro Terme (province of Bologna)
- **Improved communication with customers** about private label products and their specific characteristics
- Customisation of communication activities and the **Despar Tribù App**
- **+6 cities** covered by the **home delivery** service through e-commerce platforms
- **Expanding social channels** and creating **German-language** channels
- **ISO 14001 Certification at the opening** of the new stores
- **Consolidating communication activities** for Corporate Social Responsibility



# Annexes.

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Methodological Notes.

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GRI content index.

## 96 — 97

Sustainable Development Goals.

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Auditor's Report on the GRI Disclosure.

## 101 — 103

Auditor's Report on the audit  
of the Annual Financial Statements.

# Methodological Notes.

To provide a clear and comprehensive explanation of how the information in this Integrated Report is connected, we rely on guidelines and standards such as:

- the International Integrated Reporting <IR> Framework published by the International Integrated Reporting Council (IIRC) and updated in December 2020;
- the GRI Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative (GRI). This Report was prepared in accordance with the GRI Standards: Core option;
- UN 2030 Agenda’s Sustainable Development Goals (SDGs);
- the Italian Civil Code;
- the accounting principles issued by the Italian Accounting Standard Setter (OIC)

These points of reference allow telling how the Company creates value (<IR> Framework), reporting material economic, social and environmental indicators (GRI), and pursuing the sustainability topics outlined by the UN 2030 Agenda. The Report tells how Aspiag Service creates value by transforming its capitals (page 38) starting from the 2019 results, which, through the Company’s business model and operations, allow achieving the 2020 objectives and the relevant impacts. The latter are none other than the most material topics to the Company and stakeholders. The indicators measuring these impacts and the results for the year are presented in the “Performance” chapter and are marked with the colour of the relevant capital. For instance, the net investment indicator (page 53) amounted to €134.6 million in 2019 and €95.8 million in 2020. The indicator is in light blue, the colour associated with financial capital, and affects the material topic “Financial performance”, which is also in light blue. The materiality matrix is presented on page 33, while the reporting scope for the topics is on the next page.

The interactions between the capitals resulting from this flow, i.e., increase or decrease in, or transformation of, the available resources, turn into the new inputs for the subsequent reporting period (trade-off, page 39). As for the reporting process, the regular working group set up to prepare the Integrated Report gathers quantitative and qualitative data that facilitate the sharing of information. Additional information that is not developed internally, such as information on the economic context, is always reported by referencing the source, and so are certain methods used to calculate the data in the tables. The data in the 2020 Integrated Report is compared to the years 2019 and 2018 to provide the reader with a comprehensive picture of the Company’s performance over time and are in line with the Annual Financial Statements. In this regard, this Report includes the Financial Statements in the form of infographics (pages 42-47), which are based on data from the Annual Financial Statements available in full at: <https://www.despar.it/it/bilancio-esercizio-2020>

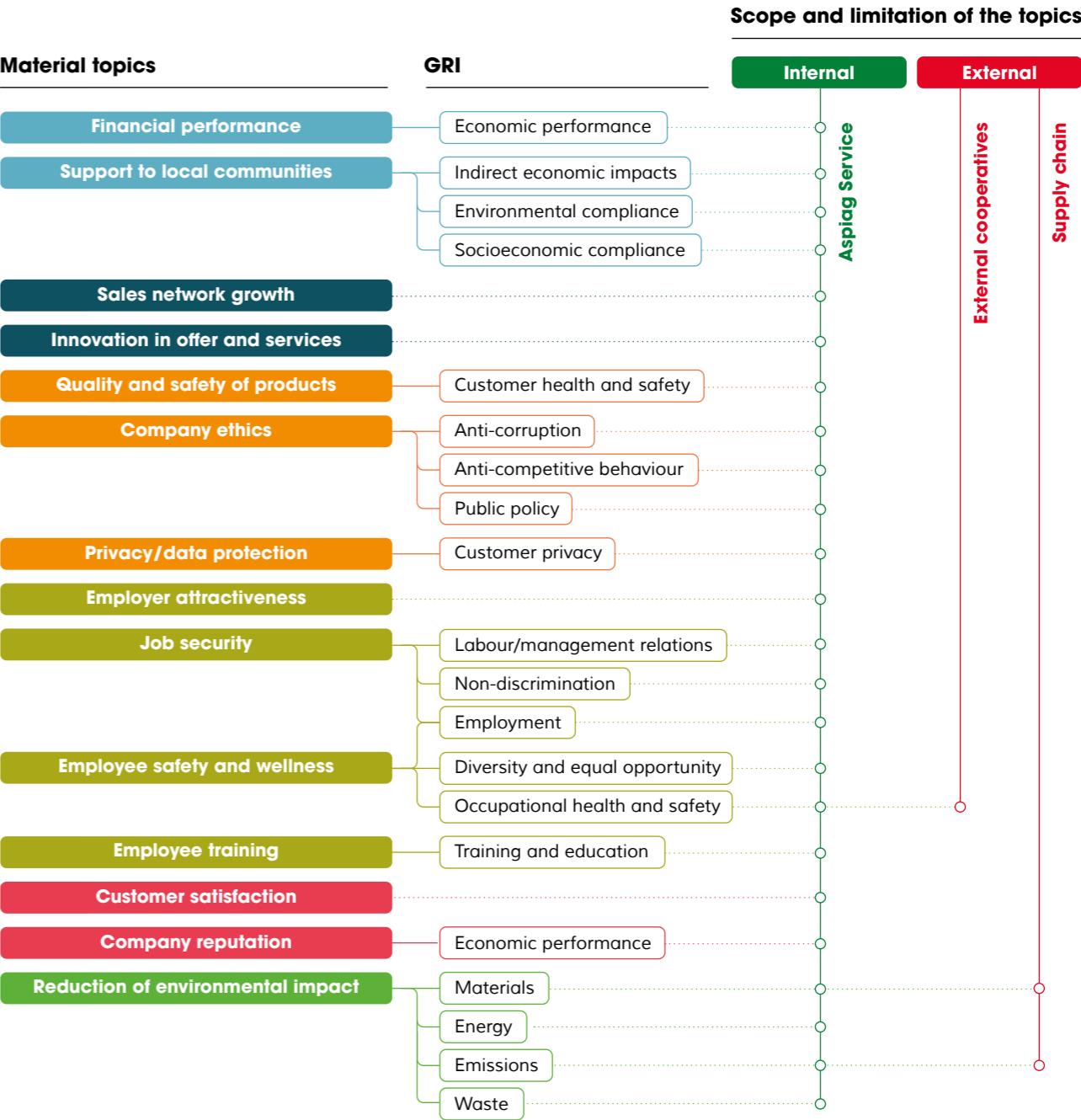
The 2020 Integrated Report also includes data for the years from 2011 through 2020, to show the Company’s growth over time as measured by certain key indicators and to mark the 10-year anniversary of the report. In the event of updates to one or multiple reporting

standards or a change in the availability of internal data, certain information may vary compared to previous reports (these changes are always disclosed in dedicated notes). The Independent Auditors EY S.p.A. audit and certify the disclosures required under the GRI Standards.

## Reporting scope

The scope of the Integrated Report refers exclusively to Aspiag Service. However, we have currently expanded the scope to include some external stakeholders, such as cooperatives

(for which we have the relevant data) and the supply chain. We consider the latter to be material, even though we do not have the relevant data.



# GRI content index



Gri standard	Disclosure	Page	Notes/omissions
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102-7	Scale of the organisation	2-3, 13, 36, 42-47	
102-8	Information on employees and other workers	66, 80	
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102-11	Precautionary principle	34-35	
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102-13	Membership of associations	32-33	
Strategy			
102-14	Statement from senior decision-maker	2-3	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	11,21	
Governance			
102-18	Governance structure	18-21	
Stakeholder engagement			
102-40	List of stakeholder groups	32-33	
102-41	Collective bargaining agreements	65	
102-42	Identifying and selecting stakeholders	32-33	
102-43	Approach to stakeholder engagement	32-33	
102-44	Key topics and concerns raised	32-33	
Reporting practice			
102-45	Entities included in the consolidated financial statements	15	
102-46	Defining report content and topic boundaries	90-91	
102-47	List of material topics	33	
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102-53	Contact point for questions regarding the report	5	
102-54	Claims of reporting in accordance with the GRI Standards	5, 90-91	
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Gri standard	Disclosure	Page	Notes/omissions
Topic-specific disclosures			
GRI 200: Economic			
Economic performance			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	48-49	
201-1	Direct economic value generated and distributed	49	
Indirect economic impacts			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	74-80	
203-1	Infrastructure investments and services supported	80	Some details for the indicator are not currently available. Aspiag Service is committed to collect, over the next few years, the data needed to cover the indicator.
Anti-corruption			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	21	
205-2	Communication and training about anti-corruption policies and procedures	21	Some details for the indicator are not currently available.
Anti-competitive behaviour			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	21	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	21	
GRI 300: Environment			
Materials			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	74-80	
301-1	Materials used by weight or volume	78	
Energy			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	74-80	
302-1	Energy consumption within the organisation	75	
302-3	Energy intensity	75	
302-4	Reduction of energy consumption	75	
Emissions			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	74-80	
305-1	Direct (Scope 1) GHG emissions	76	
305-2	Energy indirect (Scope 2) GHG emissions	76	
305-3	Other indirect (Scope 3) GHG emissions	76	









Gri standard	Disclosure	Page	Notes/omissions
Waste			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	74-80	
306-1	Waste generation and significant waste-related impacts	77-78	
306-2	Management of significant waste-related impacts	77-78	
306-3	Waste generated	78	
Environmental compliance			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	74-80	
307-1	Non-compliance with environmental laws and regulation	79	
GRI 400: Social			
Employment			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	62-71	
401-1	New employee hires and employee turnover	67	
401-3	Parental leave	69	
Labour/management relations			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	62-71	
402-1	Minimum notice periods regarding operational changes	65	
Occupational health and safety			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management	62-71	
403-1	Occupational health and safety management system	70	
403-2	Hazard identification, risk assessment, and incident investigation	70	
403-3	Occupational health services	70	
403-4	Worker participation, consultation, and communication on occupational health and safety	70	
403-5	Worker training on occupational health and safety	70	
403-6	Promotion of worker health	67	
403-8	Workers covered by an occupational health and safety management system	70	
403-9	Work-related injuries	71	
403-10	Work-related ill health	71	Some details for the indicator are not disclosed for confidentiality reasons.
Training and education			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management and its components, evaluation of the management approach	62-71	
404-1	Average hours of training per year per employee	64	
Diversity and equal opportunity			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management and its components, evaluation of the management approach	50, 62-71	
405-1	Diversity of governance bodies and employees	20, 68	
405-2	Ratio of basic salary and remuneration of women to men	69	

Gri standard	Disclosure	Page	Notes/omissions
Non-discrimination			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	62-71	
406-1	Incidents of discrimination and corrective actions taken	65	
Public policy			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	21	
415-1	Political contributions	21	
Customer health and safety			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	56-59	
416-1	Assessment of the health and safety impacts of product and service categories	57	
Customer privacy			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	56-59	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	59	
Socioeconomic compliance			
103-1 103-2 103-3	Explanation of the material topic and its boundary, the management approach and its components, evaluation of the management approach	58, 62-71	
419-1	Non-compliance with laws and regulations in the social and economic area	58, 67	

# Sustainable Development Goals

Goals		Description	Page	Ref. GRI
	<b>1. No poverty</b>	End poverty in all its forms everywhere.		
	<b>2. Zero hunger</b>	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.		
	<b>3. Good health and well-being</b>	Ensure healthy lives and promote well-being for all at all ages.	57, 67,70	403-6, 403-8, 403-9, 403-10, 416-1
	<b>4. Quality education</b>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	62, 64, 79	404-1
	<b>5. Gender equality</b>	Achieve gender equality and empower all women and girls.	20, 67-69	401-3, 405-1, 405-2
	<b>6. Clean water and sanitation</b>	Ensure availability and sustainable management of water and sanitation for all.		
	<b>7. Affordable and clean energy</b>	Ensure access to affordable, reliable, sustainable and modern energy for all	75, 77	
	<b>8. Decent work and economic growth</b>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	48, 62-67	102-8, 102-41, 201-1, 401-1, 402-1, 405-1, 406-1
	<b>9. Industry, innovation and infrastructure</b>	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	53, 80	203-1

Aspiag Service's commitment to the Sustainable Development Goals focuses on 5 SDGs. That said, the Company engages in efforts on several fronts, which indirectly impact also the remaining Goals. Below you can find the SDGs impacted by the Company's operations, listed with the relevant page number, also with respect to the GRIs.

Goals		Description	Page	Ref. GRI
	<b>10. Reduced inequalities</b>	Reduce inequality within and among countries.	69	405-2
	<b>11. Sustainable cities and communities</b>	Make cities and human settlements inclusive, safe, resilient and sustainable.	53	
	<b>12. Responsible consumption and production</b>	Ensure sustainable consumption and production patterns.	80	
	<b>13. Climate action</b>	Take urgent action to combat climate change and its impacts.	74	305-1, 305-2, 305-3
	<b>14. Life below water</b>	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	56, 77	
	<b>15. Life on land</b>	Protect, restore and promote sustainable use of terrestrial ecosystems.	56, 58-59, 74	
	<b>16. Peace, justice and strong institutions</b>	Promote peaceful and inclusive societies for sustainable development.	21, 59	418-1
	<b>17. Partnership for the goals</b>	Strengthen the means of implementation and revitalise the global partnership for sustainable development.	80	

## Independent auditors' report on data and information included in the "2020 Integrated Report" and referenced in the "GRI Content Index"

(Translation from the original Italian text)

To the Board of Directors of  
Aspiag Service S.r.l.

We have been appointed to perform a limited assurance engagement on the data and information included into the "2020 Integrated Report" of Aspiag Service S.r.l. (hereinafter also "the Company") referenced in the "GRI Content Index" for the year ended on December 31, 2020 (hereinafter also "GRI disclosure of the Integrated Report").

### Responsibilities of the Directors for the GRI disclosure of the Integrated Report

The Directors of Aspiag Service S.r.l. are responsible for the preparation of the GRI disclosure of the Integrated Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological Notes" of the 2020 Integrated Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a GRI disclosure of the Integrated Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the Company's commitments regarding the sustainability performance as well as for the identification of the stakeholders and of the significant matters to report.

### Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the GRI disclosure of the Integrated Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle of "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the GRI disclosure of the Integrated Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the GRI disclosure of the Integrated Report were based on our professional judgment and included inquiries, primarily with the Company's personnel responsible for the preparation of the information included in the GRI disclosure of the Integrated Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the GRI disclosure of the Integrated Report, with reference to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcomes;
2. comparison of economic and financial data and information included in the GRI disclosure of the Integrated Report with those included in the Company's consolidated financial statement;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the GRI disclosure of the Integrated Report.
4. In particular, we have conducted interviews and discussions with the management of Aspiag Service S.r.l. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for the preparation of the GRI disclosure of the Integrated Report.

Furthermore, for significant information, considering the Company's activities and characteristics:

- a) with reference to the qualitative information included in the GRI disclosure of the Integrated Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
- b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.

### Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the GRI disclosure of the Integrated Report of Aspiag Service S.r.l. for the year ended on December 31, 2020 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodological Notes" of the 2020 Integrated Report.

Verona, April 9, 2021

EY S.p.A.  
Signed by: Ilaria Faedo, Partner

*This report has been translated into the English language solely for the convenience of international readers*

**Aspiag Service S.r.l.**

**Registered office**

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**Aspiag Service S.r.l.** is part of the international group Spar Austria, with registered office in Salzburg, and is the licensee of the Despar brand in the North East of Italy and Emilia Romagna.

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Aspiag Service S.r.l. has decided to print this report on environmentally friendly paper from responsibly managed forests according to FSC® (Forest Stewardship Council®) standards. Ink with plant-based solvents has been used for printing.

