

Biodiversity

Policy



Objective

The purpose of this policy is to provide guidelines to the Company for its operations in Colombia, including the supply chain, concerning the integrated management of biodiversity within a framework of sustainable use of natural resources.

Scope

This policy applies to all Grupo Éxito businesses in Colombia that interact with biodiversity, adopt and incorporate it in their direct operations and promote its implementation with suppliers, stakeholders, and allies in the supply chain.

The Biodiversity Policy will be reviewed annually and updated every two years following the Stakeholder consultation reflected in the materiality analysis.

Definiciones

- 👁️ **Biodiversity:** Biodiversity is all the different types of life found in an area: the variety of animals, plants, fungi, and even microorganisms such as bacteria that make up our natural world. Like an intricate web, these species and organisms work together in ecosystems to maintain balance and life. Biodiversity supports everything we need in nature to survive: food, clean water, medicines, and shelter. (World Wildlife Fund (WWF), s.f.)
- 👁️ **Sustainable cattle ranching:** Process by which live cattle are purchased for subsequent processing and marketing of beef. This product is socially responsible, environmentally sustainable, economically viable, and committed to conservation.

- Natural Forest:** “Land occupied mainly by trees that may contain shrubs, palms, guaduas, grasses and lianas, in which tree cover predominates with a minimum canopy density of 30%, a minimum canopy height (in situ) of 5 m at the time of identification, and a minimum area of 1.0 ha. Tree cover of commercial forest plantations (coniferous and/or broadleaf) is excluded. definición oficial dispuesta por el Instituto de Hidrología, Meteorología y Estudios Ambientales (IDEAM)[1]

- Deforestation:** Deforestation is the direct and/or induced conversion of natural forest cover to another type of cover. The initial date for taking into account deforestation in the meat chain in Colombia has been defined taking into account: (a) the official information generated by the Forest Monitoring System in charge of the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM), which identifies and counts the deforested area annually since 2010; (b), the agricultural and livestock frontier defined by Resolution 261 of 2018 of the Ministry of Agriculture and Rural Development (MADR); and (c), the Comprehensive Strategy for Deforestation Control and Forest Management. Based on the above, it is considered that areas with pasture cover or other similar for cattle holding have entailed deforestation if the change from forest to non-forest cover occurred after January 1, 2011.

- Natural forest conservation and restoration agreement:** A natural forest conservation and restoration agreement is one where the rancher owner, possessor, holder, or occupant, in good faith, exempt from the fault of the property (prior compliance with the law), acquires the commitment to preserve the remaining natural forest areas on his property and to carry out effective actions of ecological restoration, recovery, and rehabilitation of the areas deforested between January 1, 2011, towards natural areas or towards productive agroforestry and forestry systems following the productive aptitude of each region. The agreements should have a monitoring mechanism to ensure compliance. Agreements can also be formulated locally by peasant

associations, cattle ranchers' committees, and community action boards. Furthermore, they can be signed with government entities, beef purchasing companies, distributors, and an NGO within the framework of an initiative, among others.

-  **Ecological restoration:** According to the National Plan for Ecological Restoration, Rehabilitation, and Recovery of Degraded Areas (MADS, 2015), this is a restoration modality that should result in a self-sustaining ecosystem, guaranteeing the conservation of species and goods and services. In this case, the ecosystem must return to a condition similar to what it was before the degradation.
-  **Rehabilitation:** According to the National Plan for Ecological Restoration, Rehabilitation and Recovery of Degraded Areas (MADS, 2015), this is a restoration modality in which the rehabilitated systems must be self-sustainable, preserve some species and provide some ecosystem services without the need to recover the original composition.
-  **Natural Ecosystem:** Native biological system formed by a community of living organisms and their physical environment where they are related. Example: Forests, wetlands, and moors, among others.
-  **Plant-based diets:** Consumption patterns that benefit stakeholders, with high health benefits for humans and low environmental impacts. They consist of sustainable and healthy ingredients produced within planetary boundaries and adaptable to local contexts (WWF, 2020).
-  **Mitigation hierarchy:** A sequential approach to protect and enhance biodiversity: Avoid, minimize, rehabilitate/restore, offset. Offsetting is the last resort to mitigate the remaining residual impact. (Forest Trends, s.f.)
-  **Sites containing globally or nationally significant biodiversity:** Globally significant biodiversity can include: (UNESCO, n.d.)

- Species classified as Critically Endangered, Endangered or Vulnerable in the IUCN Red List, endemic species.
 - Internationally recognized areas: World Heritage Sites, Ramsar wetlands, UNESCO MAB.
 - Important biodiversity areas: Important bird areas, key biodiversity areas, AZE sites, endemic bird areas, important plant areas.
 - Biodiversity of national importance may include legally protected areas, habitats, and species.
- 🌿 **No net loss:** Defined as the point at which project impacts on biodiversity are balanced by measures taken to avoid and minimize project impacts, to carry out on-site restoration, and, finally, to offset significant residual impacts, if any, at an appropriate geographic scale (e.g., local, landscape, national, regional). (IFC Performance Standard 6)

Policy

Overview:

Biodiversity is defined as the variety of life forms on the planet, it is responsible for guaranteeing the balance of ecosystems around the world, and it changes according to the different ecological regions. Colombia is listed as one of the 17 megadiverse countries in the world since these countries contain 70% of the world's biodiversity. Colombia is rich in natural resources and privileged for its biological diversity since, in the extension of its territory that represents approximately 0.22% of the world's terrestrial portion, 10% of the planet's biodiversity is harbored. (World Wildlife Fund (WWF), 2014).

The Company's corporate strategy includes five pillars, one of which is "Our people and sustainability." This pillar articulates the actions of the sustainability strategy, ensuring the weighting of environmental, social,

economic, and corporate governance issues and promoting the development of the Company in harmony with its stakeholders.

Sustainability and care for natural resources are incorporated into each business action, ensuring the Company's growth harmoniously with the environment and leveraging the country's growth. In addition, the biodiversity policy is aligned with the sustainable development agenda defined in the Sustainable Development Goals and the Global Compact and articulated with the parent company's guidelines.

The biodiversity policy of Almacenes Éxito S.A. is based on the principles of transparency, compliance, good governance, sustainability, and good relationship, which are aligned with the corporate values defined by the organization's senior management. This policy was presented and approved in 2023 by the Sustainability Committee of the Company's Board of Directors.

To promote the sustainable use of natural resources and to achieve sustainable supply chains, the Company is committed to promoting and implementing actions to avoid, minimize, restore, and compensate for impacts on biodiversity, with a primary emphasis on protected areas of high biodiversity value.

The biodiversity policy of Almacenes Éxito S.A. is articulated with the following Sustainable Development Goals:



Commitments

To support the purpose of this policy, the Company is guided by the following guiding principles:

- 🌿 To support the purpose of this policy, the Company is guided by the following guiding principles:
- 🌿 Define short-, medium- and long-term metrics and action plans for positive biodiversity impact aligned with the country's goals.
- 🌿 To avoid causing a net loss of biodiversity in its operations and strive to impact biodiversity in the value chain positively.
- 🌿 Conduct risk and impact analyses on biodiversity and deforestation in our own operations and the supply chain on a biannual basis.
- 🌿 Work towards deforestation-free supply chains.
- 🌿 Mobilize stakeholders and own capacities in environmental regeneration programs.
- 🌿 Generate mechanisms to prevent commercial activities that may cause degradation of any protected area of high biodiversity value, such as UNESCO World Heritage area, IUCN category I-IV protected areas, and compliance with guidelines concerning protected areas announced by local laws or specific regulations.
- 🌿 Apply the mitigation hierarchy (avoid, minimize, restore, and compensate) when operating in areas near critical biodiversity areas.
- 🌿 If business activities cause an unavoidable impact on biodiversity, the Company shall implement or in partnership with experts or authorized agencies to design restoration or compensation plans that cause a net loss of biodiversity under the no net loss principles. Therefore,

consideration is given to improving the operational guidelines to align them with the Net-Positive Impact Principle.

-  Carry out educational and cultural actions for our different stakeholders through communication and pedagogical actions related to biodiversity protection.
-  Support the compensation, restoration, and enhancement of biodiversity, including terrestrial and aquatic ecosystems, to create a net positive impact.
-  Establish strategic alliances with public, private, and/or third-sector entities at the national and international levels and develop supply chain capacities to promote adequate biodiversity management.

Roles and responsibilities

-  Sustainability Committee of the Board of Directors: To follow up on the implementation of the sustainability strategy approved by the Board of Directors, ensure its compliance, and suggest changes, updates, and improvements when necessary to promote its management and implementation in each of the Company's activities.
-  Corporate Sustainability Committee: oversees and directs the sustainable management of the different businesses to ensure that Grupo Éxito's operations do not harm the environment and biodiversity.
-  My Planet Committee: monitors the performance of the environmental KPIs defined in the Sustainability Committee and provides guidelines for the operation.

- 👁 Sustainability Management: is the area in charge of transmitting knowledge and alerting the Company about risks and opportunities concerning the environment and biodiversity. Strategy.
- 👁 Commercial management of each business: this is the area in charge of transmitting and ensuring that the Company's sustainability guidelines are implemented in the operation.

Related Documents

Environmental Policy
 Climate Change Policy
 Packaging and packaging policy
 Sustainable Livestock Declaration
 Zero Deforestation Agreement for the meat chain
 TFA Oil Palm Voluntary Agreement
 Human Rights Policy
 Ethical Charter
 Nutrition Policy
 Sustainable Real Estate Policy
 Animal Welfare Policy of the Poultry Business
 Policy related to Genetically Modified Organisms
 Diversity and Inclusion Policy

References

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