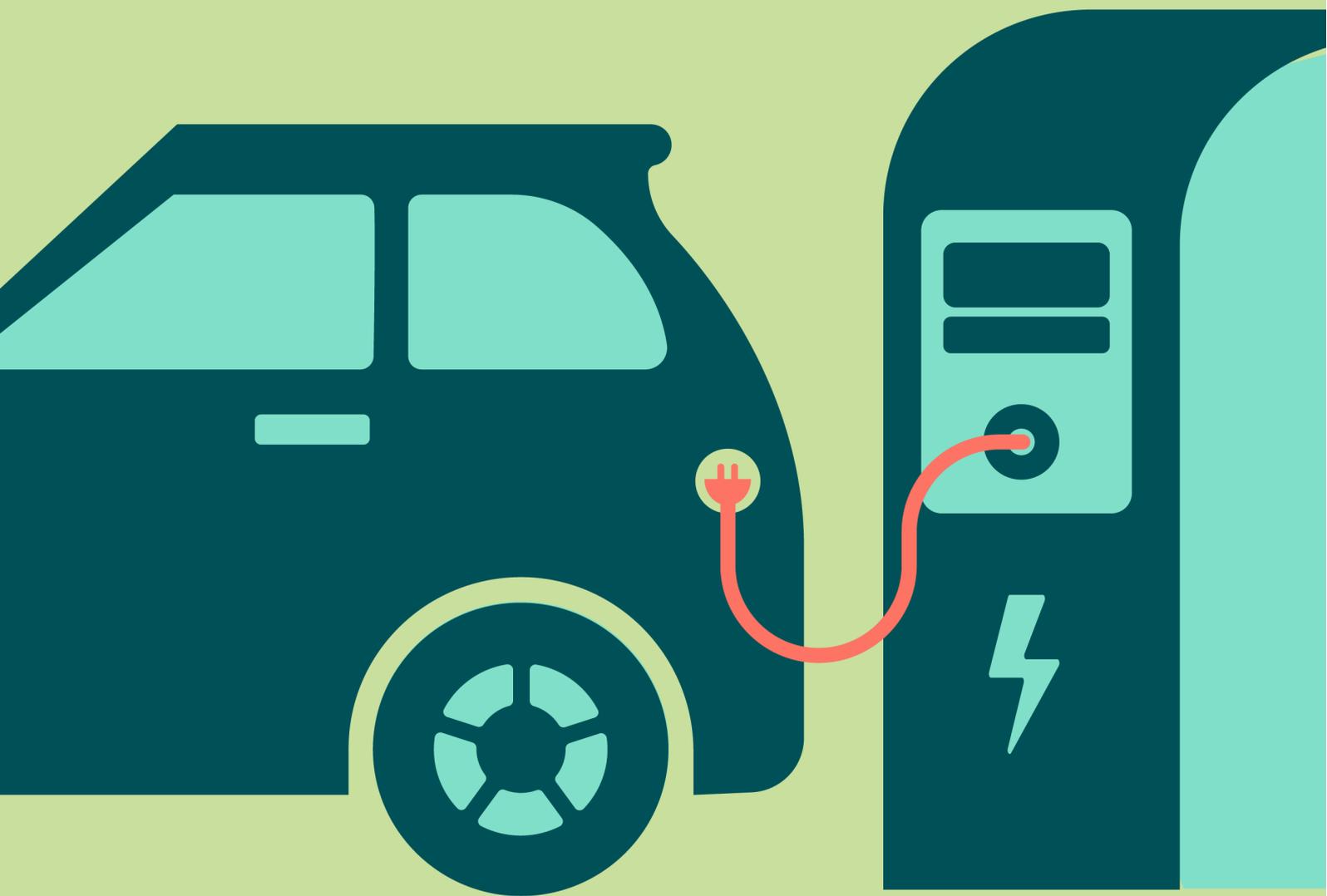


Climate Change

Policy



Objective

To provide guidelines for developing the Company's climate strategy, reduce and manage the Company's carbon footprint, and develop climate change adaptation solutions, enhancing opportunities and mitigating climate-related risks.

Introduction

Anthropogenic greenhouse gas emissions have increased since the pre-industrial era, mainly due to economic and population growth, and are now higher than ever. Consequently, changes in the climate have occurred that have caused impacts on all continents and oceans (IPCC, 2013). When there is an increase in temperature, the Earth suffers an imbalance in the balance of its natural systems, which are fundamental for developing human productive activities (IDEAM, UNDP, MADS, DNP, CANCELLERÍA, 2015).

In 2015, in the framework of the Paris Agreement, 175 countries committed to improving their environmental performance to avoid a global temperature increase of more than 1.5°C by the year 2100. To achieve this, reducing greenhouse gas emissions is fundamental. As a country, Colombia has the challenge of reducing 51% of emissions in a "Business as usual" scenario by 2030. Additionally, at COP 26 in 2021, Colombia committed to achieving carbon neutrality at the country level by 2050.

Committed to sustainability and aligned with the Nationally Determined Contributions (NDC) and the country's long-term strategies, the Company has a challenge within the sustainability strategy called My Planet. Through this challenge, it promotes the measurement, mitigation, and compensation of the impact of its operations on the environment and contributes to the generation of environmental awareness among its stakeholders.

Scope

This policy applies to Almacenes Éxito S.A. and offers guidelines to its subsidiaries.

Definitions

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Greenhouse gases: GHGs are compounds present in the atmosphere and can increase the atmosphere's temperature. Due to their ability to absorb and reflect infrared radiation (IDEAM, 2015).

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Climate Change: According to the United Nations Framework Convention on Climate Change (UNFCCC), understanding climate change as a change in climate attributed directly or indirectly to human activity that alters the composition of the global atmosphere and observing is in addition to natural climate variability over comparable periods.

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Carbon footprint: Is the amount of greenhouse gases - GHGs emitted to the atmosphere by the direct or indirect emanation of an individual, organisation, event or product (WRI, 2015).

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Scope 1: Scope 1 accounts for direct GHG emissions from sources owned or controlled by the Company, e.g. emissions from combustion in boilers, furnaces, vehicles, etc. (World Resources Institute and World Business Council for Sustainable Development, 2004).

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Scope 2: Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the Company. Defines purchased electricity as electricity that is purchased or otherwise brought into the Company's system. Scope 2 emissions are physically produced at the facilities where the electricity is generated (World Resources Institute and World Business Council for Sustainable Development, 2004).

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Scope 3: Scope 3 is an optional reporting category that allows for treating all other indirect emissions. Scope 3 emissions result from the Company's activities but are produced from sources not owned or controlled by the Company. Examples of scope 3 activities are the extraction and production of purchased materials, the transportation of purchased fuels, and the use of sold products and services (World Resources Institute and World Business Council for Sustainable Development, 2004).

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Mitigation: Actions that address the causes of climate change by avoiding and reducing greenhouse gas (GHG) emissions provide global and local benefits. Mitigation has a long-term effect on climate change due to the climate system's inertia.

- Adaptation:** Actions that address the impacts of climate change. It is primarily a local issue, as adaptation provides benefits mainly at the local scale.
- Sustainable Mobility:** Sustainable mobility systems are those that last overtime on a human scale without consuming non-renewable resources, i.e. using natural resources, without affecting the environment and without endangering the quality of life (Restrepo, 2019).
- Task Force on Climate-related Financial Disclosures (TCFD):** A working group developed by the World Bank's Financial Stability Board aims to promote voluntary and consistent reporting of climate-related financial risks. Aiming to encourage the companies to provide information to investors, insurers, and other stakeholders.

Policy

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



- Climate strategy:**
Development and implementation of the Company's climate strategy focused on mitigation and adaptation to climate change to achieve sustainable, low carbon and climate-resilient growth.
- Managing Risks and Opportunities associated with climate change:**

Developing the business with a climate-compatible vision implies the Company consolidating a growth strategy that promotes competitiveness while protecting and ensuring the sustainable use of natural resources. This strategy allows us to identify and manage the risks (physical and transitional) and opportunities associated with climate change, aligned with the TCFD.

 **Carbon footprint management:**

Managing emissions associated with refrigerant gases and fossil fuels

- Manage the company's refrigeration and air conditioning systems to reduce the environmental impact on the planet and comply with current legislation.
- Manage fossil fuel consumption through the efficient use of fossil fuels and the migration to fuels with lower carbon content.

Managing emissions associated with energy consumption

- Implement energy efficiency plans and actions.
- Develop sustainable real estate projects based on Viva's Technical Management guidelines.
- Promote self-generation and purchase of electricity from renewable sources.

Management of emissions associated with other indirect sources in the supply chain.

- Develop guidelines to increase the use of waste.
- Promote guidelines for the protection of biodiversity in supply chains.
- Develop guidelines to promote the circular economy of packaging.

 **Sustainable Mobility:**

Develop sustainable mobility guidelines for the Company on the following fronts

Customers

- Promote the electric and active mobility in our retail surfaces, according to space availability.

- Offer a portfolio that enables Active Mobility.

Employees

Promote and carry out educational campaigns with its employees to encourage them to use more sustainable and climate-friendly means of transport.

Logistics

Manage emissions related to the Company's own logistical and last-mile transport to minimize environmental impacts.

References

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