Food Waste Policy

grupo **éxito**®

Objective

The purpose of this policy is to provide guidelines to Almacenes Éxito S.A. ("Éxito," the "Company") concerning the prevention and reduction of food waste, which is framed within the framework of sustainable use of natural resources and food security.

Scope

This policy applies to Almacenes Éxito S.A. and is promoted with direct and indirect suppliers in the supply chain and with our customers who belong to the last link in the value chain consuming the goods and services sold.

The Food Waste Policy will be reviewed annually and updated every two years following the Stakeholder consultation reflected in the materiality analysis; and was presented and approved in 2023 by the Sustainability Committee of the Company's Board of Directors.

Definitions

- **Food**: Any substance destinated for human consumption, whether processed, semi-processed or raw. "Food" includes beverages and substances used in manufacturing, preparing, or treating food. The term "food" also includes material that has been damaged and is, therefore, no longer fit for human consumption. It does not include cosmetics, tobacco, or substances used solely as medicinal products. It does not include processing agents used along the food supply chain, e.g., water used to clean or cook raw materials in factories or at home. (protocol, Food Lost + Waste, 2016)

- **Non-edible parts:** Components associated with food that is not intended to be consumed by humans. Examples of inedible parts of food include bones, bark, and bones/stones, and it does not include packaging. What is considered non-edible varies between users, changes over time, and is influenced by several variables, including culture, socio-economic factors, availability, price, technological

advances, international trade, and geography, and should therefore be included in quantifications of food loss and waste.

🔸 **Breakdown**: Products that cannot be repaired or restored to their normal or original appearance and/or presentation for sale to the public. These products are classified into usable or unusable merchandise according to their condition.

🔸 **Food waste:** Waste that occurs at Retail and consumer sale. Food can be wasted in many ways; for example, fresh produce that shifts from what is considered optimal, e.g., in terms of shape, size, and color, is often removed from the supply chain during sorting operations. Similarly, Retailers and consumers often discard food close to or beyond its best-before date, and large quantities of edible food go unused or are leftover and discarded in food establishments.

Food waste is then defined as all those products previously classified as wastage and which, after destination classification, were not suitable for the alternative uses described in the following paragraph.

🔸 **Alternative uses of food loss and food waste:** Flows are used for other processes with economic, environmental, or social benefits rather than discarded without any value creation. But some level of food loss or waste may be unavoidable. Therefore, the current fate of food loss and waste volumes must be monitored, and measures must be taken to optimize the value created. Re-use destinations and actions may include any of the following:

- Recycling for energy production or industrial products: Converting food loss or waste material into industrial products, including packaging materials (e.g., bioplastic), traditional materials (leather or feathers), or any other product that does not enter the food chain. Processes to convert the material into energy or biofuels could include biochemistry, anaerobic

digestion/co-digestion, controlled combustion, or biomaterial processing.

- Recycling for land application or animal feed: Examples of land application may include spreading, spraying, injection, or incorporation of organic material (e.g., harvestable crops left/tilled into the soil) on or below the land surface to improve soil quality. Also, the diversion of materials from the food chain (directly or after processing) to animals not intended for human consumption may be included in this category.

- Food rescue: Food rescue can occur through formal programs or informal efforts (food recovery, redistribution, or donation). Collection can occur at any point in the food supply chain, such as at the farm (e.g., field collection), at the food processing facility, or at the end of food distribution (e.g., supermarket, supermarket restaurant). Other destinations may include collection by a third party.

Policy

Overview

Food waste is an environmental, social, and economic challenge. One-third of the food produced in the world is never consumed, equivalent to about 1.3 billion tons of food lost each year. In addition, food waste is responsible for 3.3 billion tons of greenhouse gas emissions into the planet's atmosphere each year (CGF, 2022). In Colombia, 9.76 million tons of food is lost and wasted. This is equivalent to 34% of the total available national supply. Distribution, Retail, and household consumption are the stages where 36% of the waste is caused (DNP).

The Company, being part of a leading food retail platform in South America, is aware of the challenges and impact generated by food waste for its industry. Therefore, the company is committed to sustainability, acting in line with the

principles of the Global Compact, the Sustainable Development Goals (SDGs), the Food Waste Coalition of the Consumer Goods Forum (CGF), and global sustainability standards. Furthermore, through the pillar "My Planet," which belongs to the sustainability strategy of Grupo Éxito, actions are articulated to promote and achieve the prevention and reduction of food waste throughout the value chains, promoting improved efficiency and good food handling practices in the processes of assortment and distribution to prevent losses, as well as the implementation of strategies to give alternative uses to food losses and waste.

Almacenes Éxito S.A.'s food waste policy is articulated with the following Sustainable Development Goals:

2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS

Comitments

To support the intention of this policy, the company will develop the following activities:

- ⬡ **Quantify and monitor food waste:**
  Keeping records of the breakdowns generated in all our brands, breaking down the information by store, geographical region and cause of the study.

⬦ **Analyze the information collected:**
Identify the main causes and critical areas involved in the processes where the most significant amount of food losses and waste is generated and the products and categories that present the most significant breakdowns, losses, and waste. The information analyzed should be used to design and implement plans and strategies to prevent and reduce food waste. Keeping records of the breakdowns generated in all our brands, breaking down the information by warehouse, geographical region, and cause of the breakdown.

⬦ **Establish goals and commitments:**
Define short-, medium-, and long-term metrics and action plans for reducing food waste that aligns with the country's and the SDGs goals.

⬦ **Reduce food waste:**
Implement food waste reduction programs and strategies, such as good storage practices, prevention practices, and merchandise recovery, in our brands' operations, including warehouses, distribution centers, and transportation.

⬦ **Provide alternative uses for food waste:**
- Destine surplus food to certified food banks and foundations.
- Use surplus food that meets quality controls and sensory evaluations for use in the production of other consumable and marketable products.
- Send food no longer fit for human consumption to other recycling methods to prevent it from going to landfills. These methods may include animal feed production, green energy facilities, or composting.

⬦ **Cooperate and generate strategic alliances:**
Generate and participate in strategies in conjunction with stakeholders that seek to prevent and/or reduce food waste along

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supply chains, where stakeholders such as suppliers, business partners, customers, government entities, state entities, foundations, non-governmental organizations, among others, may be involved.

💧 **Communicate and disclose:**
Keep stakeholders informed transparently through communication and disclosure through official channels about the progress and results of the different strategies implemented to prevent and/or reduce food breakdowns, losses, and waste.

Related Documents

Environmental Policy
Climate Change Policy
Food Breakdown usage policy
Packaging and container policy

References

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