



Moving towards becoming a less plastic retailer

**Actions promoting the
circular economy of plastics**



Introduction

Grupo Éxito moves under the purpose of Nourishing Colombia with Opportunities, working with the conviction of contributing to the growth and well-being of the country, aware of its role in society in which solidarity, responsibility, transparency, lasting relationships and care for people and the planet are priorities.

The Company is committed to sustainability; in each of its actions, it works so that its activities leverage the growth of the country within a framework of good corporate governance, transparency, equity, strengthening institutions and respecting legislation, considering the expectations of its stakeholders and acting in coherence with the principles of the Global Compact, the Sustainable Development Goals (SDGs), the commitments of the Consumer Goods Forum (CGF), the parent Company guidelines and different global sustainability standards.

Within the sustainability strategy, through the challenge of "My Planet," the Company constantly seeks to maximize its positive impact on the planet, reducing, mitigating, and offsetting the impacts of its operation and generating environmental awareness. Advancing hand in hand with its customers, suppliers, and allies encourages initiatives that promote greater environmental responsibility and creates policies to implement actions aimed at this purpose.

In Grupo Éxito, we are aware of the current challenges in packaging and single plastics and the need to incorporate the principles of the circular economy. For this reason, we assume the challenge of transforming production processes jointly with the industry, suppliers, the Government, our customers, and other related stakeholders. This process has allowed us to continuously learn and improve our standards towards a route of efficient use of packaging materials based on technical arguments applicable in the

Colombian context without affecting the quality and safety of the products and avoiding food waste.

In 2018, the Company created the packaging policy, which acts as a guide to define our internal processes and from which documents and complementary actions are derived that guide the different areas of the Company that affect the definition, use, and circularity of packaging. Likewise, this policy allows the consolidation of an approach to optimize the environment and economy with the packaging material delivered at the point of sale ([See packaging policy](#)).

Grupo Éxito is moved to generate awareness and act accordingly to advance in the construction of a more sustainable world, which is why the Company prioritizes actions that promote the circular economy to achieve less packaging, better packaging, and better systems for recycling as its main lines of action.

Through these axes, we prioritize upstream actions of reducing and eliminating unnecessary materials that are not recyclable and downstream actions to ensure increasing the recycling of different materials that may have a second chance and ensure their cycle closure.

This document is developed in the following chapters:

1. Actions to reduce single-use plastic in our stores.
2. Ecodesign efforts for packaging and priorities in the management of problematic materials.
3. Management around recycling, Soy RE, and backstore recycling.
4. Goals for reducing plastic and promoting eco-design

1. Actions to reduce single-use plastic in our stores

The Company assumed since 2015 the challenge of reducing single-use plastics in warehouses as much as possible, it has been a gradual process in which Éxito has had important results mentioned below:

Elimination of the straws and plastic mixers. In 2018 the Company eliminated 100% of the supply and marketing of straws and plastic mixers.

Eliminate masters of expanded polystyrene. In the section on fruits and vegetables and ready meals, the Company eliminated the use of expanded polystyrene (icopor, EPS) in the package. This is an excellent achievement in the reduction strategy implementation that has processes of closing the cycle in the Colombian context and substitutes that do not negatively affect the quality of the product and increase food waste. Products previously packaged in this material are now available in bulk, or mainly in cardboard packaging, rPET, and PET, recyclable materials in the Colombian context (See photos in Annex 1).

Commitment to reducing plastic bag use at checkout and fruit and vegetable sections.

- The Company reduced the delivery of plastic bags by 75% in checkout points compared to the 2015 baseline.
- In the stores, Éxito, Carulla, Surtimax, and Superinter, the Company, since 2021, has implemented twice a week the day of "Rational use of the plastic bag." This day, the operation avoids the delivery of plastic bags in payment points, inviting customers to use reusable bags and paper bags in Carulla. In 2022, the Organization reduced by 40% the delivery of plastic bags these days compared to the previous year.
- The Carulla brand has been a pioneer in eliminating plastic bags. Since 2017, when the first Carulla FreshMarket store was launched, plastic bags have been eliminated from checkout points, and currently, 30 of these stores no longer have them.

- In 2022, the Carulla and Éxito Express format stores eliminated plastic bags in payment stands and fruit and vegetable sections.
- In 2022, the Carulla brand reduced the use of plastic bags by 64% thanks to many customers bringing their reusable bags, and the Express format is now free of plastic bags in the fruit and vegetable section and payment points.
- To reduce the use of bags available in pre-cut rolls in our section of fruits and vegetables and frozen products, the Company included, in the portfolio, two new sizes of smaller bags that seek to reduce the amount of plastic used; these bags were segmented into stores according to their size and representativeness in sales, assigning the large suitcase to large stores, the medium bag to medium stores and the short ones to small stores.
- In 2022, we avoid using 163,000 kilograms of plastic thanks to these strategies.
- In June 2023, the Carulla brand declared the elimination of plastic bags in its payment points at its physical points and for dispatching in-home orders.

Reusable bags use promotion

- The Company encourages the client to use reusable bags with varied designs and prices. For fruits and vegetables, it works on creating a culture around the reusable mesh bag made of recycled plastic, an option with which it seeks to gradually replace the fruver plastic bag.
- The customers used 5.3 million reusable bags in our stores.
- The Company used 116 tons of recycled plastic to manufacture our reusable bags.
- The Company gave about 6 million Puntos Colombia to the customers who brought their reusable bags to make their purchases.

The Company decreased the use of plastic film in the fruver section. Since 2018 it has considerably reduced the use of stretch to wrap fruits and vegetables, respecting the peels as natural food packaging. Only products such as papaya, soursop, pineapple, cucumber and watermelon are marketed with this film, given the characteristics of the Colombian market; and as a wrapper for products of rapid maturation or dehydration, some of these products extend their shelf life up to five

times when packaged, which reduces food waste.¹



It decreased the use of plastic stretch used in our logistics operation. We work to reduce the plastic used for the palletizing process through reusable substitutes that replace the single-use plastic normally used. In 2022 we implemented several pilots in our logistics operation and warehouses achieving a reduction of 130 stretch rolls due to the use of elastic bands and reusable pallet covers and the Company continues in the search for alternatives so that they can be scalable and massive.

Maximization the sale in bulk. Bulk sales have been implemented in different brands, such as Surtimayorista where the customer can find different types of grains. Likewise, in the Carulla FreshMarket format we have implemented the sale of different references without packaging, such as: Grains, nuts, seeds, edible mushrooms, flours. Contributing to the awareness of purchases in necessary quantities and the reduction of packaging. The expansion of the bulk sale of other product categories will become effective once the respective regulations are approved by the National Government.

The Company reduced the use of plastic elements in the prepared meals section in its stores. In Carulla in the FoodMarket section and in the Success Market Cuisine and ready meals section we have evolved to stop delivering some plastic elements replacing them with more sustainable alternatives, including tableware that we use again and again avoiding the generation of waste and compostable plastic elements (In 2022 we use 2% of the total plastic was compostable).



¹ Sapper, M.; Chiralt, A. Starch-Based Coatings for Preservation of Fruits and Vegetables

The Company in 2022 created a corporate plastics project. This project seeks to articulate the teams involved and give methodological guidance for fulfilling the goals established in Law 2232 of 2022, "by which measures are established aimed at the gradual reduction of the production and consumption of certain single-use plastic products and other provisions are dictated." Therefore, we are committed to mobilizing the necessary changes in the operation to meet the following goals.

By July 2024, the following plastic elements must be eliminated or replaced.

- Beverage mixers and straws
- Payment Point Bags
- Pre-cut bag rolls on commercial surfaces, except for raw animal products
- Plastic supports for cotton flakes
- Bags used for newspapers, magazines, advertising, and invoices
- Plastic supports for inflation pumps

By July 2030 the following plastic elements must be removed or replaced.

- Plates, trays, knives, forks, spoons, glasses, and gloves for eating
- Containers or packaging and containers for holding or carrying meals or food not prepackaged, for immediate consumption, used for take-away or for home deliveries
- Packaging, containers used for the marketing of fresh fruit, vegetables, and tubers which in their natural state have shells; for fresh aromatic herbs, fresh vegetables, and fresh mushrooms, the derogation applies*
- Sheets for serving, packing, wrapping, or separating food for immediate consumption "Vinyl paper."
- Adhesives, labels, or any distinctive that is affixed to plants.
- Confetti, tablecloths, and streamers.
- Single-use floss handles or floss holders.

2. Ecodesign actions for packaging and priorities in the management of problematic materials

In 2020 through a consultancy with [TriCiclos](#) and the support of the Institute of Training and Research of the Plastic EAFIT University ([ICIPC](#)), the Company carried out the analysis of 100% of the packaging materials and containers of references in the sections of fruits and vegetables, prepared meals and meat; in order to:

- Know the current recyclability index of each product for the Colombian context in order to work from the design and the post-consumer model for its correct separation and subsequent use.
- Improve efficient labeling so customers have information to separate and recycle packaging material.

Under the premise that "garbage is a design error" and that from the design of the products packaging, we can reduce the materials we use and ensure their recycling at the end of their use, we work to have better packaging and better packaging, analyzing more than 1,556 references of PGC's brand products, identifying changes to eliminate unnecessary materials from packaging that are not recyclable, aligned with the Golden Design Rules of the Consumer Goods Forum and the Ellen Mac Arthur Foundation, international references. In this sense, Grupo Éxito is part of the LatAm coalition of "Plastic Waste," and we are committed to implementing eco-design actions in the packaging of our brand products.



For the implementation of the different eco-design actions, Grupo Éxito has its own guide that facilitates the decision-making of the people involved in the process within the Company and a plan that seeks the development of capacities in this regard with all the teams involved, a process that involves our suppliers of private label products to implement changes towards more recyclable packaging.

Among the prioritized eco-design actions are:

- Remove unnecessary components or materials.
- Gradually reduce problematic and difficult to recycle items.
- Rethink the packaging materials needed for the product's safety and shelf-life issues so that such packaging and containers can be recycled.
- Eliminate excess free space in the packages.
- Generate eco-efficiencies by reducing the weight of the containers and packaging on the market.
- Generate alliances to rethink packaging and packaging that represent significant challenges from its recyclability and that, in turn, are required by issues of safety, quality, and / or conservation of products.

As a transversal action to all packaging, eco-labeling has been implemented so that the consumer can identify the materials that compose it and its recyclability to promote its separation. The above is in line with the Consumer Goods Forum in its "Golden Design Rules for plastic packaging," in which it is prioritized (rule number 9) to include instructions for the correct separation of packaging since clear and precise information in this regard increases the probability that they are managed for recycling. In 2022, we will include eco-labeling in more than 1,600 private label products.

3. Management around recycling

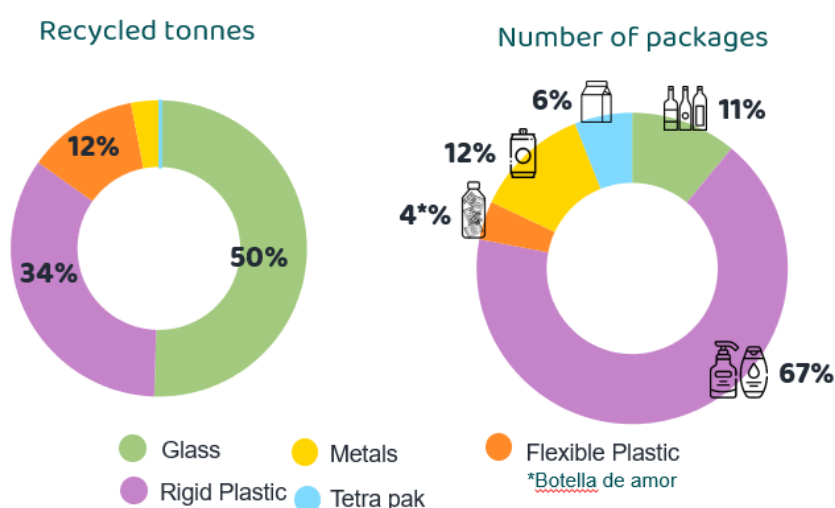
Post-consumer model of containers and packaging " Soy RE"

With the conviction of increasing the rates of collection and use of post-consumer containers and packaging in the country since 2019, "Soy RE" was created, led by the Éxito Foundation, a model by which citizens are mobilized to deliver recyclable materials at the points established in 42 of the stores through automatic machines and attended points which have a pedagogical agent that provides clear

information to the user regarding the attributes of the material and its transformation process in favor of the awareness of people and thus achieve that their involvement is more significant in these processes in which their participation is fundamental creating a culture of recycling around our warehouses, in addition to these points an incentive is given in Puntos Colombia or discount vouchers to customers for their recycling actions.

These collection points are located in the stores of the Éxito and Carulla brands in Medellín and the Metropolitan Area of the Aburrá Valley, Bogotá, Cali, Barranquilla, and Cartagena, through which from 2019 to May 2023, 43.1 million containers representing 2,473 tons have been collected. Tons of materials were used with the commitment of the users of the model.

Diistribution by Material





Through Soy RE, the Company joins forces with its suppliers for the model expansion in more and more stores and to make visible the joint actions that seek to strengthen the collection of recyclable materials involve the consumer in this process and enhance the value chain of recycling of different materials such as plastics and strengthen the relationship with Management and processing companies.



Location points I am RE attended (17 points):



Our Locations

Model served

Medellín y AMVA

- Carulla Oviedo
- Éxito Del Este
- Éxito San Antonio
- Éxito Colombia
- Éxito Viva Envigado X2
- Éxito Bello - Niquia

Barranquilla

- Éxito Metropolitano
- Éxito Panorama
- Éxito Murillo

Cartagena

- Éxito Cartagena

Bogotá

- Éxito Chapinero
- Éxito Gran Estación
- Éxito Villa Mayor
- Éxito Colina
- Éxito Country

Cali

- Éxito Chipichape
- Éxito San Fernando
- Éxito Unicentro Cali



Additionally, we have 25 automatic points in other stores for the return of containers and packaging in which incentives are also given to the client:

CYCLE Points

ECOBOT Points



Soy RE in the Company is today an example of innovation, since through the points served we can have accurate information on the number of packages historically delivered in the model by each client and automatically identify the packaging material and the brand of the product that contained that packaging and cross this information with what each of the customers who recycle buys and identify what they buy not recycle, which allows us to better focus our marketing and communication actions towards our users.

Achievements of the backroom recycling model

The Company, since 2005, has worked in the closing of the cycle of recyclable materials. Today, the Company recycles the most cardboard in the country. With its backroom recycling model that is operated directly by the Éxito Foundation, logistics, classification, marketing, and use of recyclable materials are articulated in 6 recycling plants nationwide, achieving from this management the use of more than 343 thousand tons, of which 20.2 thousand correspond to plastic materials.



The recycling and commercialization of this material is the primary source of funding for the Foundation to ensure that, by 2030, no child in Colombia suffers from chronic malnutrition.

The plastic material recycled by the Company also has a virtuous circle of closing the cycle, fulfilling the purpose of the circular economy, given that the Company that manages part of the recycling is, in turn, a supplier of plastic bags for the management of company waste.

4. Goals for reducing plastic and promoting ecodesign

- Goals for single-use plastics:

2023 Carulla brand stores will not have plastic bags at payment points	2025 All Grupo Éxito stores will not have plastic bags at payment points
2025 All Grupo Éxito stores will not have pre-cut plastic bags in the fruiter area	2025 Plastic bags used to pack magazines and advertising will be eliminated
2025	2030

We move forward to be a Retail with less plastic, 2023

Cotton cups with plastic support will not be in our own brands

Single-use plastics will be eliminated in prepared meal areas (cups, plates, cutlery, and trays)

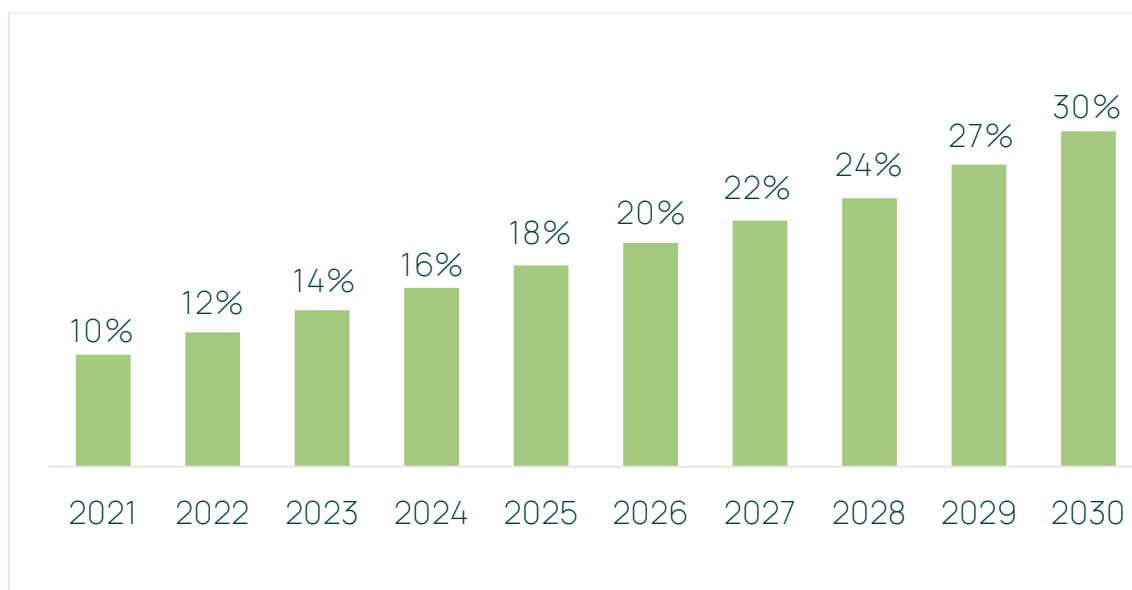
2030

Packaging used for the marketing of fruits and vegetables that have a shell will be eliminated.

Packaging will be used for those required to ensure food safety, prevent food loss or waste, and / or protect the integrity of the same against damage, as long as the materials used are entirely recyclable and / or recycled,

- Goals for the use of private label packaging – post-consumer management:

By 2030, 30% of the packaging materials put on the market will be used in line with Resolution 1407 of 2018 and 1342 of 2020 of the Ministry of Environment and Sustainable Development:



- Recycled material content goals in our own brand packaging

By 2025, PET bottles of drinking water will be manufactured with at least 70% 50% recycled raw material, a percentage that will increase to 90% by 2030.

By 2025, PET bottles containing other types of beverages will be manufactured with at least 20% recycled raw material, a percentage that will increase to 35% by 2030, 40% by 2035 and 60% by 2040.

Annexes

1. Photos by brand fruver section



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