



Packaging Policy







Objective

Provide guidelines to promote strategies that enable the circularity of packaging and single-use plastics, ensuring that they are gradually designed to be recyclable, reusable, or compostable, and formulate initiatives that enable the closed-loop or utilization of these materials.



Scope

This policy applies to the operations of Retail and the own-brand products of the Strategic Business Units (SBU) of Fast-Moving Consumer Goods (FMCG) and Fresh products.

List of Abbreviations

-  **PVC:** Polyvinyl chloride
-  **ePS:** Expanded Polystyrene
-  **PS:** Polystyrene
-  **PETG:** Polyethylene terephthalate glycol

Definiciones

-  **Eco-design:** Validate the integral design of packaging by analysing its regional recyclability, sustainability in terms of resource use, functionality and technical feasibility, incorporating strategies for disposal, reuse and/or circulation of materials from the design, in addition to its eco-labelling and user experience (EMF, 2020).
-  **Eco-labelling:** A label that informs and encourages consumers to correctly separate packaging material with clear and precise

instructions that facilitate the identification of materials, their recyclability and actions before their separation.

-  **Circular Economy:** Production and consumption systems that promote efficiency in the use of materials and resources, taking into account the resilience of ecosystems, the circular use of material flows through the implementation of technological innovation, alliances and collaborations between actors, and the promotion of business models that respond to the foundations of sustainable development (National Government, 2019).
-  **Recovery of packaging waste:** Process(es) by which packaging waste is recovered through recycling, energy recovery, and/or co-processing to incorporate it into the economic cycle for the generation of health, environmental, social or economic benefits (MADS, 2020).
-  **Reusable bags:** Bags whose technical and mechanical characteristics allow them to be used several times without requiring transformation processes (MADS, 2021).
-  **Recyclability Index:** A tool that determines the capacity of a container or packaging to be integrated into a recycling or recovery flow in a safe, efficient and sustainable manner.
-  **Reduce:** Reduce packaging materials by prioritising materials with a low recyclability index or those that do not fulfil a vital function as a packaging component.
-  **Reuse:** Extending the useful life of packaging that is reused without the need for further processing.
-  **Recycling:** those processes by which packaging materials or waste are transformed to restore their potential for reincorporation as raw material for manufacturing new products (MADS, 2020).

-  **Extended Producer Responsibility:** environmental policy approach in which responsibility - physical and/or economic - is transferred to the producer for the treatment or disposal of post-consumer products" (MADS, 2021).
-  **Single-use plastic:** For this policy, single-use plastics are defined as (i) Food packaging intended for immediate consumption, on-site or take-away, which are regularly consumed in the container itself and do not require further preparation such as cooking, boiling or heating; (ii) Plates, trays, cutlery and cups; (iii) Drink mixers and straws; (iv) Lightweight plastic bags (point-of-payment and pre-cutting of fruit) (EU, 2019).
-  **Value-added:** The extra feature that a product or service offers to generate greater value within the consumer's perception.
-  **Biodegradation:** A process by which material disintegrates and decomposes by the action of microorganisms into elements found in nature, such as CO₂, water or biomass. Biodegradation can occur in an oxygen-rich environment (aerobic biodegradation) or an oxygen-poor environment (anaerobic biodegradation) (MADS, 2021).
-  **Composting:** An aerobic process designed to produce compost from biodegradable waste (ISO 17088, 2021).
-  **Oxo-degradable plastics:** Plastic materials that include additives which, through oxidation, cause the plastic material to fragment into micro-fragments or to decompose chemically (EU Directive, 2019).
-  **Compostable plastic:** plastic degrades through biological processes during composting to produce CO₂, water, inorganic compounds and biomass at a rate consistent with other known compostable materials and leaves no visible, distinguishable or toxic residues (ISO 17088,2021).

Policy

Overview

At Grupo Éxito, we are a company committed to sustainability. In each of our actions, we work to contribute to the country's growth within a framework of good corporate governance, transparency, equity, strengthening institutionalism, and respecting legislation. We consider the expectations of our stakeholders and act in coherence with our parent company, the principles of the Global Compact, and global sustainability standards.

Within our sustainability strategy, our "Mi Planeta" challenge prioritizes actions aimed at environmental protection, seeking to reduce and manage impacts on ecosystems and raise environmental awareness among our stakeholders.

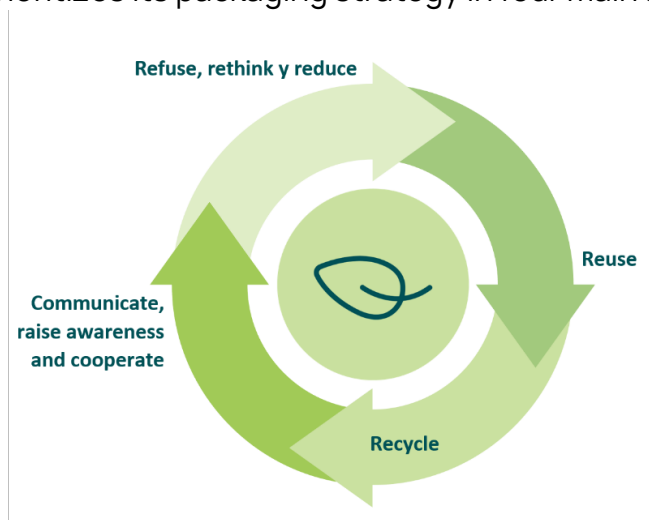
Through the "Soy RE" initiative, we centralize our strategy to respond to the Extended Producer Responsibility (EPR) framework for packaging in the country, with the goal of utilizing 30% of the packaging placed in the market by 2030 (Resolution 1407 of 2018 and 1342 of 2020 by the Ministry of Environment and Sustainable Development). We aim to mobilize and involve our customers, employees, and other stakeholders in delivering recyclable materials generated from products packaged in various collection points established in our stores, ensuring their recyclability or utilization. This strategy is connected with the eco-design actions of our own-brand packaging, aiming to minimize unnecessary and non-recyclable packaging components in the local context.

We collaborate with the National Circular Economy Strategy of the Ministry of Environment and Sustainable Development (MADS) and the Ministry of Industry and Commerce, as well as the National Plan for the Sustainable Management of Single-Use Plastics. These partnerships guide our actions in achieving the country's goals for advancing towards circularity in packaging and single-use plastics.

Our approach aligns with international references and best practices in circular economy for packaging, as established by the Ellen MacArthur

Foundation and the Consumer Goods Forum through the Plastic Waste Coalition, of which we are a part in the LatAm group. We are committed to implementing the recommendations outlined in the Golden Design Rules for Plastics Packaging.

The company prioritizes its packaging strategy in four main areas:



Commitments

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



Reject, Rethink, Reduce:

Packaging Eco-Design:

We strive for efficient use of packaging materials and promote eco-design for our own-brand products. This involves eliminating unnecessary and non-recyclable materials to ensure recyclability from the design stage. Within the company, we follow a packaging eco-design guide that provides general guidelines and specific material recommendations. This guide incorporates the roadmap for implementing the Consumer Goods Forum's Golden Design Rules and reflects our commitment in this regard.

- Reject and eliminate unnecessary components or materials.
- Gradually reduce problematic and difficult-to-recycle elements such as carbon black, PVC or PVDC, EPS or PS, PETG, and oxo-degradable materials.
- Rethink the use of necessary packaging materials in terms of product safety and shelf life to ensure recyclability of the packaging and containers.
- Eliminate excessive empty space in packaging, especially in flexible packaging, ensuring it does not exceed 30% of the total packaging.
- Generate eco-efficiencies by implementing actions that reduce the weight of packaging materials placed on the market.
- Increase the use of recycled materials in the packaging of our own-brand products, particularly in PET containers, where regulations allow.
- Ensure packaging components are recyclable and easily separable.
- Prioritize the incorporation of recycled materials in the packaging of our own-brand products, where regulations allow.
- Form alliances to rethink packaging that presents significant recycling challenges while also meeting requirements for product safety, quality, and preservation.
- Conduct technical and commercial feasibility analysis for implementing eco-design actions in existing own-brand product packaging that will be modified.

Single use Plastic:

- Implement strategies to reduce and eliminate single-use plastic items in the operation of stores, such as plastic bags used at checkout counters and for deliveries, pre-cut bag rolls, plates, cutlery, cups, among others.
- Prioritize the elimination and replacement of plastic packaging for fruits and vegetables when it is unnecessary and prevents food loss or waste.
- Align our efforts with Law 2232 of 2022, seeking comprehensive solutions that ensure a long-term positive impact.

Reuse:

Promote reuse to extend the lifespan of packaging and keep them in circulation for longer, maximizing their value.

- Reuse used packaging for transportation and/or commercialization of products, reducing the use of single-use materials.
- Gradually replace single-use packaging with reusable alternatives.
- Encourage the use of reusable bags both at checkout counters and for purchasing fruits and vegetables through customer loyalty programs.
- Promote and implement projects that incentivize the return and/or reuse of packaging in collaboration with our private label and national brand suppliers.
- Incentivize and expand the coverage of bulk sales systems in categories allowed by Colombian legislation.

Recycling:

Promote the collection and closed-loop recycling of packaging materials through improved systems that allow us to meet the country's goals under the Extended Producer Responsibility (EPR) regulatory framework).

- Promote recycling among customers and employees by establishing recycling points in our stores, where users can drop off recyclable materials to ensure their proper recycling.

- Implement pilots and projects that promote the recycling of materials with low recycling rates in the country, to contribute to the strengthening of these materials domestically.
- Provide incentives to users that encourage increased collection rates of packaging materials, particularly for flexible and rigid plastics.
- Implement Eco-labeling for our own-brand products to provide users with the necessary information for proper separation of packaging materials according to their material composition.

Communicate, raise awareness, and cooperate:

Encourage sustainable behavioral changes in our stakeholders that enable actions focused on the circular economy.

- Promote and incentivize the use of reusable and recyclable alternatives offered by the company.
- Educate and raise awareness among employees and various stakeholders about their role in the circular economy and the impact on society and the environment.
- Disseminate and incorporate an environmental culture within the organization through awareness campaigns, training, and the implementation of manuals and guidelines that promote good operational and administrative practices.

References

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