

## SUSTAINABILITY STRATEGY

### Objectives and achievements

Grupo Éxito is driven by hope, optimism and the desire to be part of the dreams of millions of Colombians. The vision of a country that is supportive, responsible, transparent and with lasting relationships, where we take care of each other and take care of the planet. Grupo Éxito contributes to the growth and well-being of Colombia. Therefore, the Organization declares its higher purpose: "To nourish Colombia with opportunities". In this way, Grupo Éxito adopts Sustainability as its strategy, allowing its efforts to harmoniously improve its standards of corporate, economic, social and environmental governance with efficient management of resources, meeting current requirements without compromising future needs. In addition, Sustainability is immersed in the core actions of the business because the Company is convinced that sustainable development is the only development with long-term and shared value creation for all stakeholders, choosing it as a path of continuous improvement, celebrating the achievements made and accepting the difficult challenges ahead. Therefore, Grupo Éxito is open to reflect on the latest and permanent future needs, assuming commitments to achieve improvements that benefit all stakeholders.

Our ESG strategy focuses on 6 pillars: environmental protection, sustainable trade, child nutrition, gender equality, inclusion and diversity, corporate governance and fostering healthier lifestyles.

### Materiality Analysis

**[GRI 3-1]** Materiality analysis is a process that allows us to identify the most relevant issues of interest to the company in social, environmental, economic and corporate governance matters. The measurement and quantification of material issues is carried out every two years, thus responding to the constant change of the environment, market dynamics, stakeholder expectations, global standards, megatrends and sustainability rating organizations, in matters that can influence the relationship between these and the company.

In 2022, Grupo Éxito carried out for the first time the materiality analysis with the 'Double Materiality' methodology, which allowed it to have a better context on what its stakeholders considered relevant to the strategy and its financial impact.

This process allowed to draw time horizons to validate the issues that will be of great importance in the short, medium and long term. The programs executed by the company are aligned with the materiality and the issues prioritized by the different stakeholders. **[GRI 2-29]**

The measurement process was carried out by Grupo Éxito's Sustainability Directorate, which was able to establish the prioritization of strategic issues based on the following five steps:

**1. Identification of topics:**

- a. external inputs through benchmarking: megatrends, Sustainable Development Goals, sustainability standards, sustainability indices.
- b. We review internal inputs such as: the company's sustainability strategy, policies, corporate risks, materiality of the parent company, among others.

**2. Definition of stakeholders: [GRI 2-29]** developed a mapping to choose the key actors to consult as representation of the prioritized stakeholders, of which the following stakeholders were taken into account: Board of Directors, Senior Management, collaborators, customers, suppliers, opinion leaders and media, academies specialized in sustainability and community leaders.

**3. Dialogue with stakeholders: [GRI 2-12]** we conducted interviews and surveys with more than a thousand people from different stakeholders to identify their most relevant issues at the ESG and financial impact level. In this way we apply the methodology of double materiality.

Stakeholders	Responsible for the relationship	Relationship mechanisms	Frequency	Topics of interest
Shareholders and investors	<ul style="list-style-type: none"> <li>• Financial Vice Presidency</li> <li>• Vice Presidency of Corporate Affairs</li> </ul>	<ul style="list-style-type: none"> <li>•General Shareholders' Meeting</li> <li>•Integrated report</li> <li>•Quarterly publication of results</li> <li>•Quarterly presentation of results</li> <li>•Publication of relevant information</li> <li>•Calls with local and international analysts and investors</li> <li>•Meetings with investment funds and analysts</li> <li>•Corporate website</li> <li>•Direct telephone lines</li> </ul>	Permanente, annual and quarterly	<ul style="list-style-type: none"> <li>•Climate change</li> <li>•Support for the local economy and inclusive growth</li> <li>•Attraction, retention and development, geopolitical environment of the region and human rights</li> </ul>

		<ul style="list-style-type: none"> <li>•Participation in virtual conferences on good practices in Capital Markets and Corporate Governance</li> </ul>		
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>•Commercial and Supply Vice Presidency</li> <li>•Vice Presidency of Services</li> <li>•Vice Presidency of Corporate Affairs</li> </ul>	<ul style="list-style-type: none"> <li>•Supplier Portal</li> <li>•Guided tours for suppliers</li> <li>•Newsletters and quarterly magazines</li> <li>•Circulars</li> <li>•Service Quality Survey (QSA)</li> <li>•Suppliers for Success Contest</li> <li>•Social audits</li> <li>•Training meetings</li> <li>•Corporate website</li> </ul>	Monthly and as needed	<ul style="list-style-type: none"> <li>•Support for the local economy and inclusive growth, supply chain management, climate change, attraction, retention and development of talent.</li> </ul>
<b>Communication Methods</b>	<ul style="list-style-type: none"> <li>•Vice Presidency of Corporate Affairs</li> </ul>	<ul style="list-style-type: none"> <li>•Informative content</li> <li>•Press conferences</li> <li>•Invitations to trade fairs, launches and special events</li> <li>•Social Media</li> <li>•Telephone line</li> <li>•Emails</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>•Water management, climate change, circular economy - packaging, human rights</li> </ul>
<b>Collectors</b>	<ul style="list-style-type: none"> <li>•Vice Presidency of Human Resources</li> </ul>	<ul style="list-style-type: none"> <li>•Quarterly results presentations</li> <li>•Intranet, newsletters, billboards, email, magazines and radio spots.</li> <li>•Joint occupational health committees</li> <li>•Coexistence committees</li> <li>•Work climate survey</li> <li>•Leadership Survey</li> <li>•Collective bargaining processes</li> <li>•Retirement interview</li> <li>•Ethics line</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>•Climate change, human rights, Fundación Éxito strategy, water management, Food donation.</li> </ul>

		<ul style="list-style-type: none"> <li>•Survey on the adaptability of the company</li> </ul>		
<b>Society</b>	<ul style="list-style-type: none"> <li>•Vice Presidency of Marketing</li> <li>•Vice Presidency of Corporate Affairs</li> </ul>	<ul style="list-style-type: none"> <li>• Social networks Brand and company websites</li> <li>• Social networks Websites of brands and companies</li> <li>•Participation in forums and congresses</li> <li>• Massive events and fairs through digital channels.</li> <li>• Ethics line</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>•Support for the local economy and inclusive growth, diversity and inclusion and inclusion, protection of biodiversity, care and retention of talent</li> </ul>
<b>Cientes</b>	<ul style="list-style-type: none"> <li>•Vice Presidency of Marketing</li> </ul>	<ul style="list-style-type: none"> <li>•Voice of the Customer Meetings</li> <li>•Channels for asking questions and submitting complaints and claims</li> <li>•Renewal of the customer satisfaction measurement (NPS) system</li> <li>•Branded customer support phone lines and emails</li> <li>•Socialcommunication methods</li> <li>•Brand and company websites</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>•Food donation, climate change, support for the local economy and inclusive growth</li> </ul>
<b>State</b>	<ul style="list-style-type: none"> <li>•VicePresiden cy of Corporate Affairs</li> </ul>	<ul style="list-style-type: none"> <li>•Publication of relevant information</li> <li>•Results reports</li> <li>•Integrated report</li> <li>•Participation in trade union meetings</li> </ul>	Annual, according to needs	

Tableto 1. Most relevant issues forstakeholders

**4. Cross-linking and prioritization:** we weighted the information collected in the previous stages and made a prioritization matrix, where as X axis the issues related to the impacts on sustainability issues and on the Y axis the impacts at the financial level were evaluated.

**5. Validation:** in order to focus the management system on strategic issues, we present the materiality matrix to Senior Management and the Sustainability Committee of the Board of Directors [GRI 2-14].

In accordance with the realization of the aforementioned procedure, the material matters for the company in the period 2022-2024 to work on the sustainability strategy are [ GRI 2-16] [GRI 3-2]:

### Matrix of Materiality

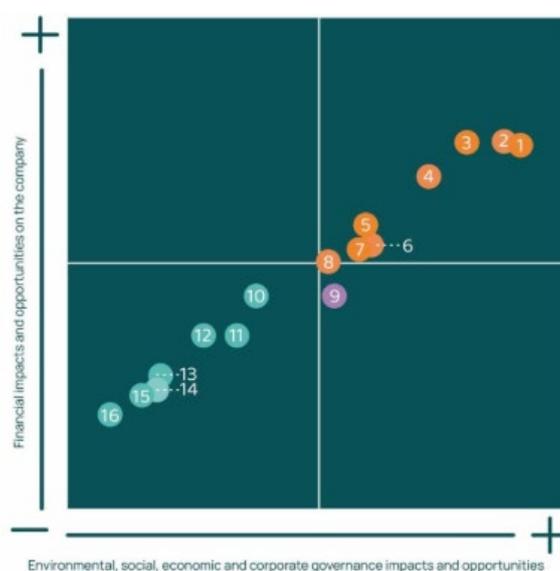


Figure 1. Materiality Matrix

#### Strategic topics [GRI 3-2]:

The topics presented below show the focuses considered strategic and relevant to continue nurturing opportunities to Colombia.

1. **Climate change**  
Manage the carbon footprint and promote sustainable mobility on different fronts: logistics, employees and customers.
2. **Local economy and inclusive business**  
Promote local and direct purchasing (without intermediation), favoring producing communities and populations in territories affected by conflict or vulnerable. Offering products made by populations such as ex-combatants and victims of the armed conflict.

**3. Circular economy and packaging**

Promote the different principles of the circular economy such as reduction, redesign, reuse and recycling through enabling post-consumer programs, the correct management of waste in the premises of Grupo Éxito and the work in favor of ecodesign.

**4. Managing food waste**

Develop programs to avoid food waste and guarantee its donation to food banks and institutions authorized for its management.

**5. Protection of biodiversity**

Protect biodiversity through strategic management to achieve deforestation-free supply chains that work towards conservation.

**6. Enable Fundación Éxito strategy**

Promote social investment, in favor of the generation of resources for child nutrition programs associated with the mission of Fundación Éxito.

**7. Diversity and inclusion**

Promote respect for human rights, equal opportunities, accessibility in facilities and inclusive employability programs.

**8. Supply chain management**

Identification of the social and environmental aspects of our supply chain and the development of suppliers that allow mutual growth and the generation of shared value.

**Relevant topics**

- 9. Human rights

**Emerging issues**

- 10. Develop work with communities
- 11. Attract, retain and develop talent
- 12. Democratizing healthy lifestyles
- 13. Animal welfare in productive practice
- 14. Contribute to sustainable economic performance /Finance or
- 15. Cybersecurity and data security
- 16. Living wage

Below, we present each of the pillars of the Grupo Éxito sustainability strategy with its challenges and achievements for 2023, highlighting the most important ones.

Nshadow	Objetivo	Challenges 2023	Achievements 2022
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<p>Zero malnutrition</p>	<p>Work for the eradication of chronic child malnutrition in Colombia by 2030.</p>	<p>Maintain care and coverage</p>	<p>Fulfillment of coverage and social investment goals: 72,567 children benefited</p>
		<p>Implement the relationship model with the beneficiary community.</p>	<p>Implementation of our communication model and relationship with the beneficiary and neighboring community of Fundación Éxito. 6 events of the Goticas de Sabor contest held in 6 municipalities, 825 beneficiary mothers contestants and 14 winning families.</p>
		<p>Celebrate 20 years of the Goticas donations by costumers.</p>	<p>Celebration of 20 years of the Goticas with a gift for the state of Chocó.</p>
		<p>Positioning child health and nutrition on the national public agenda</p>	<p>As members of NiñezYa, a network composed of more than 200 civil society organizations whose joint mission is to advocate for children's rights, recommendations for the elaboration of government programs were provided to candidates for popular election in the 2023 territorial elections..</p>
		<p>Maintain sources of income such as Goticas, recycling and campaigns with suppliers and strengthening digital collection.</p>	<p>Fulfillment of Gothic, recycling and total revenue budget</p>
<p>Sustainable Trade</p>	<p>Generate relationships of value and trust with allies and suppliers promoting sustainable practices and support programs that contribute to their growth, local and direct purchases, and support for productive sectors and vulnerable populations.</p>	<p>Consolidate the integral model of work with microentrepreneurs from their reception to their commercialization, supporting them in their development and strengthening, through strategic allies, our corporate volunteering and Our model of sustainable supplier development</p>	<p>Second Chances Alliance + Johana Bahamón to give hope to the country's post-penalty population</p> <p>100 Suppliers linked to DELCEN Group scholarships to strengthen their quality and safety system: (own brand, food, Industry, Fresh, among others) (own brand, food, industry, fresh produce, among others). Paissana brand to promote productive projects from areas affected by the armed conflict in Colombia.</p>

		Continue working hand in hand with our suppliers to map risks of the supply chain.	25 supplier development programs carried out
		Continue working on the georeferencing of our suppliers.	Georeferencing of 605 % of the suppliers
<p>My Planet</p>	<p>Maximize the positive impact on the environment and work to reduce, mitigate and compensate for the negative impacts of the operation on it, as well as contribute to the generation of environmental awareness among the different stakeholders.</p>	Generate a policy for the protection of forests and biodiversity.	We actualized the biodiversity policy ratifying our commitment to the environment.
		Continue strengthening the sustainable livestock model.	<ul style="list-style-type: none"> <li>We signed the sustainable livestock agreement with UkPact and WWF within the framework of the ecosystem conservation project.</li> </ul>
		Update and deploy the guide ecodesign for containers and packaging.	<ul style="list-style-type: none"> <li>We strengthened the SoyRE model with more than 1300 tons collected and 45 points throughout the country.</li> <li>We reduced the delivery of plastic bags at the point of sale by 82% compared to 2015.</li> </ul>
		Implement the project with UK Pact and WWF: methodology to identify potential conservation on farms.	We were audited by the ICONTEC the Grupo Éxito Company Standard related to the Sustainable Livestock Model.
		Extend the scope of measurement of our indirect carbon footprint (scope 3).	We certified for the second time the Viva shopping centers and recertified the Carulla FreshMarket stores as Carbon Neutral.
<p>Healthy Living</p>	<p>Mobilize customers, employees and suppliers towards healthier and more balanced lifestyles, through a portfolio of products and services that allow them to generate healthy lifestyles.</p>	Position Vida Sana in the communication of brands and exhibitions at points of sale.	In the alliance for the healthy life of our consumers, we will impact 1,000,000 customers in 166 stores by 2023.
		Making Taeq a brand No alert stamps compliant to Resolution 810 of 2021, through reformulations of product-improvements in formulations and benefits and portfolio debugging.	We work on the reformulation of own brand products restructuring the components of 56 products and its labeling.
		Vida Sana Fair: balance between nutrition, body and mind	36.2% growth in sales vs. sixth edition in 2022

<p>Grupo Éxito's success is in its people</p>	<p>Be attractive, diverse and inclusive, fostering diversity, inclusion and social dialogue.</p>	Obtain the Friendly Biz seal	We obtained the Friendly Biz seal
		Maintain 25% % of management positions held by women.	28% of management positions are held by women
		Advancing construction of the Vida Digna Plan that benefits our employees	We implement the Vida Digna plan for our employees.
			We invest more than COP 52 thousand million pesos in our employees.
			For the first time, our 96% of our employees said they were committed to the company
<p>Governance and Integrity</p>	<p>Build trust with stakeholders within the framework of integrated performance, under high standards of corporate governance, ethics, transparency and respect for human rights.</p>	Implement the community analysis model in all the company's dependencies.	We implement the model of communities in the prioritized dependencies with programs such as Urban Pigments, Embochincharte con Éxito, Terrazas Verdes, among others.
		Consolidate the corporate reputation model.	We continue to be among the 10 most sustainable food retailers according to the CFS and the Sustainability Yearbook.
		Implement national actions in The framework of the relationship with communities.	

Tableto 2. Strategic issues