

SUSTAINABILITY STRATEGY GOALS AND ACHIEVEMENTS

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

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

Materiality analysis

El análisis de materialidad presentado en 2022 es un proceso que nos permitió identificar los temas más relevantes e interesantes para la compañía relacionados con asuntos sociales, ambientales, económicos y de gobierno corporativo. [GRI 3-1] La medición y cuantificación de los temas materiales se realiza cada dos años, respondiendo así al cambio constante del entorno, las dinámicas del mercado, las expectativas de los grupos de interés, los estándares globales, las mega tendencias y las organizaciones evaluadoras de sostenibilidad, frente a asuntos que puedan influenciar la relación entre estos y la compañía.

The materiality analysis presented in 2022 is a process that allowed us to identify the most relevant and interesting issues for the company related to social, environmental, economic,

and corporate governance matters. [GRI 3-1] The measurement and quantification of material issues are done every two years, responding to the constant change of the environment, market dynamics, stakeholder expectations, global standards, mega trends, and sustainability assessment organizations, regarding issues that may influence the relationship between them and the company.

This year, we conducted the exercise under the "Double Materiality" methodology for the first time, which allowed us to have a better context on what stakeholders consider relevant. This process allowed us to draw time horizons to validate the issues that will be of great importance in the short, medium, and long term.

The programs we execute in the company are aligned with materiality and the issues prioritized by different stakeholders [GRI 2-29]. The measurement process is carried out by the Sustainability Department. To establish the prioritization of strategic issues, we took into account these five steps:

1. **Identification of topics:** We reviewed external inputs through benchmarking, such as mega trends, Sustainable Development Goals, sustainability standards and indices, among others. We also considered internal inputs such as the company's Sustainability Strategy, policies, corporate risks, materiality of the parent company, among others.
2. **Definition of stakeholder groups:** We developed a mapping to choose key actors to consult as representatives of the prioritized stakeholder groups, including the Board of Directors, Senior Management, employees, customers, suppliers, opinion leaders and media, sustainability specialized academies, and community leaders.
3. **Dialogue with stakeholder groups** [GRI 102-21]: We conducted interviews and surveys with over a thousand people from different stakeholder groups to identify their most relevant topics, in terms of financial impact and Environmental Social and Governance (ESG) matters. In this way, we applied the methodology of double materiality."

Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
Shareholders and investors	<ul style="list-style-type: none"> • Vice-Presidency of Finance • Vice-Presidency of Corporate Affairs 	<ul style="list-style-type: none"> • General Shareholders' Meeting • Integrated report • Quarterly publication of results • Quarterly presentation of results • Relevant information publication • Calls with local and international analysts and investors • Meetings with investment funds and analysts • Corporate website • Telephone hotlines • Participation in virtual conferences on best practices in Capital Markets and Corporate Governance 	Permanent, annual, and quarterly	<ul style="list-style-type: none"> • Climate change • Supporting the local economy and inclusive growth • Attraction, retention and development, the region's geopolitical environment, and human rights

Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
Suppliers	<ul style="list-style-type: none"> • Vice-Presidency, Commercial and Sourcing • Vice-Presidency of Services • Vice President, Corporate Affairs 	<ul style="list-style-type: none"> • Supplier Portal • Supplier tours • Quarterly newsletters and magazines • Quality Service Survey (QSA) • Suppliers contest for Éxito • Social audits • Training meetings • Corporate website 	Monthly and as required	<ul style="list-style-type: none"> • Supporting local economy and inclusive growth, supply chain management, climate change, talent attraction, retention, and development.
Media	<ul style="list-style-type: none"> • Vice-Presidency of Corporate Affairs 	<ul style="list-style-type: none"> • Informative contents • Press conferences • Invitations to trade fairs, launches, and special events • Social networks • Telephone line • Emails 	Permanent	<ul style="list-style-type: none"> • Water management, climate change, circular economy - packaging, human rights
Collaborators	<ul style="list-style-type: none"> • Vice-Presidency of Human Resources 	<ul style="list-style-type: none"> • Quarterly results presentations • Intranet, newsletters, billboards, e-mail, magazines, and radio spots. • Joint occupational health committees • Coexistence committees • Work climate survey • Leadership survey • Collective bargaining processes 	Permanent	<ul style="list-style-type: none"> • Climate change, human rights, Fundación Éxito's strategy, water management, food donation.

Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
		<ul style="list-style-type: none"> • Retirement interview • Ethical line • Surveys on the company's adaptive capacity 		
Society	<ul style="list-style-type: none"> • Vice-Presidency of Marketing • Vice President of Corporate Affairs 	<ul style="list-style-type: none"> • Social media Brand and company websites • Social Networking Brand and company websites • Participation in forums and congresses • Massive events and fairs through digital channels. • Ethical line 	Permanent	<ul style="list-style-type: none"> • Supporting the local economy and inclusive growth, diversity, and inclusion and inclusion, protection of biodiversity, talent care, and retention
Customers	<ul style="list-style-type: none"> • Vice President of Marketing 	<ul style="list-style-type: none"> • Meetings Voice of the Customer • Channels for asking questions and submitting complaints and claims • Renewed customer satisfaction measurement system (NPS) • Branded customer service phone lines and e-mails • social media 	Permanent	<ul style="list-style-type: none"> • Food donation, climate change, support for the local economy, and inclusive growth

Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
		<ul style="list-style-type: none"> • Brand and company websites 		
State	<ul style="list-style-type: none"> • Vice President of Corporate Affairs 	<ul style="list-style-type: none"> • Publication of relevant information • Results reports • Integrated report • Participation in meetings meetings encuentros gremiales 	Annual, according to need	

Table 1. Stakeholders' most relevant issues

4. **Cross and prioritization:** We weighted the information collected in the previous stages and created a prioritization matrix, in which we evaluated, on the X axis, the sustainability-related issues and, on the Y axis, the financial impacts.
5. **Validation:** In order to focus the management system on strategic issues, we presented the Materiality Matrix to the Senior Management and the Sustainability Committee of the Board of Directors [GRI 2-14].

Materiality Matrix



Figure 1. Materiality Matrix

Temas estratégicos [GRI 3-2] [GRI 304-2]

The following themes highlight the approaches that we consider strategic and relevant to continue nurturing opportunities for Colombia.

1. **Climate change:** Management of the carbon footprint and promotion of sustainable mobility in different fronts: logistics, employees, and customers.
2. **Local economy and inclusive business:** Promotion of local and direct purchasing (without intermediation), favoring productive communities and populations in vulnerable territories or those affected by the conflict in Colombia.
3. **Circular economy and packaging:** Promotion of different circular economy principles such as reduction, redesign, reuse, recycling, enabling post-consumer programs, correct waste management in the facilities, and working on the development of eco-design of packaging.

4. **Food waste management:** Development of programs to prevent food waste and promote its donation to authorized banks and institutions for management.










5. **Biodiversity protection:** Protecting biodiversity through strategic management that promotes deforestation-free supply chains and works towards conservation.

6. **Enabling the strategy of the Éxito Foundation:** Promoting social investment and resource generation for child nutrition programs associated with the mission of the Éxito Foundation.

7. **Diversity and inclusion:** Promoting respect for human rights, equal opportunities, accessibility in facilities, and inclusive, diverse, and equitable employment programs.

8. **Supply chain management:** Identification of social and environmental aspects of our supply chain and the development of suppliers that allow mutual growth and the creation of shared value.

It is of great importance for the Company to highlight the material issues according to each stakeholder group, as it allows a better analysis for decision making.

Stakeholder	Material Issues
Board of Directors	<ul style="list-style-type: none">  Climate change  Local economy and inclusive business  Diversity and inclusion  Circular economy and packaging  Food waste management
Management	<ul style="list-style-type: none">  Local economy and inclusive business  Circular economy and packaging  Cybersecurity and data security  Climate change


	<ul style="list-style-type: none">  Enabling the strategy of the Éxito Foundation
Collaborators	<ul style="list-style-type: none">  Climate change  Food waste management  Circular economy and packaging  Biodiversity protection  Local economy and inclusive business
Suppliers	<ul style="list-style-type: none">  Food waste management  Local economy and inclusive business  Climate change  Biodiversity protection  Supply chain management
Customers	<ul style="list-style-type: none">  Circular economy and packaging  Local economy and inclusive business  Climate change  Attract, retain and develop talent  Food waste management
Academy	<ul style="list-style-type: none">  Circular economy and packaging  Local economy and inclusive business  Food waste management  Biodiversity protection  Climate change
Media	<ul style="list-style-type: none">  Food waste management  Biodiversity protection  Climate change  Circular economy and packaging  Enabling the strategy of the Éxito Foundation
Communities	<ul style="list-style-type: none">  Local economy and inclusive business  Food waste management  Develop work with local communities  Enabling the strategy of the Éxito Foundation  Diversity and inclusion

Next, we present each of the pillars of the Éxito Group's sustainability strategy with its challenges and achievements for 2022, highlighting the most important ones.

Name	Objective	Challenges 2022	Achievements 2022
Zero Chronic Malnutrition 	To work towards the eradication of chronic child malnutrition in Colombia by 2030.	Maintain the coverage of children served in nutrition programs	Achieve coverage compliance for 60,046 benefited children in 32 departments and 193 municipalities throughout the country.
		Implement the community engagement model for beneficiaries.	Build our communication and engagement model with the beneficiary and neighboring community of the Fundación Éxito.
		Maintain income sources such as Goticas, recycling, and campaigns with suppliers and strengthen digital collection.	Achieve budget compliance for Goticas, recycling, and total income.
		Celebrate the 40th anniversary of the Fundación Éxito.	Deliver 3 gifts for the country in La Guajira, Vaupés, and Antioquia.
Sustainable Trade 	Generate relationships of value and trust with allies and suppliers by promoting sustainable practices and support programs that contribute to their growth, local and direct purchasing, and support for productive sectors and vulnerable populations.	Consolidate the comprehensive model for working with micro-entrepreneurs from their reception to their commercialization, supporting their development and strengthening through strategic allies, our corporate volunteering, and our sustainable supplier development model.	Approach to 93 new local suppliers- Launch of the Paissana brand to boost productive projects from areas affected by the armed conflict in Colombia. 5 supplier development programs carried out.
		Maintain 90% of local purchases of own-brand products and maintain direct investment.	We made 88.78% of our purchases locally and 86.31% directly, benefiting 943 national suppliers.

Name	Objective	Challenges 2022	Achievements 2022
		Guaranteeing geo-referencing for 100% of Tier 1 suppliers of own-brand and non-branded priority raw materials by 2024.	229 suppliers of own-brand and non-brand priority raw materials were geo-referenced.
			We formed the alliance Second Chances + Johana Bahamón to bring hope to the reinserted population of the country.
<p>My Planet</p>	<p>Maximize the positive impact on the environment and work to reduce, mitigate and compensate the negative impacts of the operation on it, as well as contribute to the generation of environmental awareness among the different stakeholders.</p>	<p>We are committed to reduce our CO 2 emissions by 55% (Scope 1 and 2) by 2025.</p>	<p>With the 2022 results, we achieved a 41.3% reduction of our emissions vs. 2015.</p>
		<p>Generating a forest and biodiversity protection policy.</p> <p>Continuing to strengthen the sustainable livestock model.</p>	<p>We created the Biodiversity Policy, reaffirming our commitment to the environment.</p> <p>We published, together with Icontec, the Grupo Éxito Company Standard related to the Sustainable Livestock Model.</p>
		<p>By 2030, 30% of packaging materials placed on the market will be used.</p> <p>Updating and implementing the eco-design guide for packaging.</p>	<p>We strengthened the SoyRE model, with nearly a thousand tons collected and 42 collection points throughout the country.</p>
		<p>We implemented the project with UK Pact and WWF: methodology for identifying conservation potentials on farms.</p>	<p>We signed the sustainable livestock agreement with UK PACT and WWF.</p>
		<p>Satellite monitoring of 100% of live cattle suppliers.</p>	<p>81505 hectares were monitored, 25% of which correspond to forest cover.</p>
		<p>Guaranteeing that 100% of own-brand products containing palm oil in their formulation have RSPO,</p>	<p>8458 tons of RSPO-certified palm oil were used to formulate own-brand products.</p>

Name	Objective	Challenges 2022	Achievements 2022
		RainForest Alliance or ISCC certification.	
		Expanding the scope of measuring our indirect carbon footprint (scope 3).	Our Viva brand became a pioneer in the country in receiving the Carbon Neutral certification, from Icontec. We recertified the Carulla FreshMarket stores as Carbon Neutral.
Healthy Lifestyle 	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.	Position Healthy Lifestyle in the communication of brands and exhibitions in points of sale.	We launched Vida Sana landing pages for carulla.com and exito.com.
		Implement a change in the image and posture of Taeq in the framework of the Healthy Lifestyle Fair	6.1 million customers purchased Vida Sana products at least once, a 6% increase from 2021. We were part of the CGF Retail Summit.
			We worked on the reformulation of own-brand products.
The Success of Grupo Éxito is in its People 	To be attractive, diverse, and inclusive, promoting diversity, inclusion, and social dialogue.	Obtain the Equipares Gold Seal.	We obtained the Equipares Gold Seal.
		Advance in the construction of the Vida Digna Plan that benefits our employees.	We implemented the Vida Digna plan for our employees. We trained more than 51,676 employees.
			96% of our employees expressed their commitment to the company.
		Implement the community analysis model in all company dependencies.	We implemented the community model in prioritized dependencies, with programs such as "Pigmentos

Name	Objective	Challenges 2022	Achievements 2022
Governance and Integrity 	To build trust with stakeholders within the framework of integrated performance, under high standards of corporate governance, ethics, transparency, and respect for human rights.		Urbanos”, “Embochincharte with Éxito”, “Terrazas Verdes”, among others.
		Build trust with stakeholders. Audit the own-brand supply chain on environmental, social, quality and safety issues	We audited 100% of our own-brand direct suppliers. 251 audits in the year
		Consolidate the corporate reputation model.	We continue to be among the top ten most sustainable food retailers, according to the CSA and the Sustainability Yearbook.
		Execute national actions within the framework of community relations.	External evaluation of the Board of Directors' performance and its committees.
			Split: statutory reform to reduce the nominal value of the Éxito share. Filing with the CVM: start of procedures for registration in the Brazilian securities market.