

## 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.

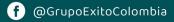
Our ESG strategy focuses on 6 pillars: environmental protection, sustainable trade, child nutrition, gender equality, inclusion and diversity, corporate governance, and promotion of healthier lifestyles.

## 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:

- 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."







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Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
Shareholders and investors	Vice- Presidency     of Finance     Vice- Presidency     of Corporate Affairs	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	• Climate change • Supporting the local economy and inclusive growth • Attraction, retention and development, the region's geopolitical environment, and human rights















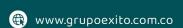


Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
Suppliers	• Vice- Presidency, Commercial and Sourcing • Vice- Presidency of Services • Vice President, Corporate Affairs	<ul> <li>Supplier</li> <li>Supplier</li> <li>Quarterly</li> <li>newsletters</li> <li>and</li> <li>magazines</li> <li>Circulars</li> <li>Quality</li> <li>Service</li> <li>Survey</li> <li>Suppliers</li> <li>contest</li> <li>for</li> <li>Éxito</li> <li>Social</li> <li>audits</li> <li>Training</li> <li>Training</li> <li>meetings</li> <li>Corporate</li> </ul>	Monthly and as required	•Supporting local economy and inclusive growth, supply chain management, climate change, talent attraction, retention, and development.
Media	• Vice- Presidency of Corporate Affairs	<ul> <li>Informative contents</li> <li>Press conferences</li> <li>Invitations to trade fairs, launches, and special events</li> <li>Social networks</li> <li>Telephone line</li> <li>Emails</li> </ul>	Permanent	•Water management, climate change, circular economy - packaging, human rights
Collaborators	• Vice- Presidency of Human Resources	• 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	•Climate change, human rights, Fundación Éxito's strategy, water management, food donation.



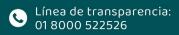














Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
		<ul> <li>Retirement</li> <li>interview</li> <li>Ethical line</li> <li>Surveys on the company's adaptive capacity</li> </ul>		
Society	• Vice- Presidency of Marketing • Vice President of Corporate Affairs	Social 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	• Supporting the local economy and inclusive growth, diversity, and inclusion and inclusion, protection of biodiversity, talent care, and retention
Customers	•Vice President of Marketing	<ul> <li>Meetings Voice of the Customer</li> <li>Channels for asking questions and submitting complaints and claims</li> <li>Renewed customer satisfaction measurement system (NPS)</li> <li>Branded customer service phone lines and e-mails</li> <li>social media</li> </ul>	Permanent	•Food donation, climate change, support for the local economy, and inclusive growth







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Stakeholder	Responsible for relationship	Relational mechanisms	Frequency	Topics of interest
		Brand and company websites		
State	• Vice President of Corporate Affairs	<ul> <li>Publication of relevant information</li> <li>Results reports</li> <li>Integrated report</li> <li>Participation in meetings meetings encuentrso gremiales</li> </ul>	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**





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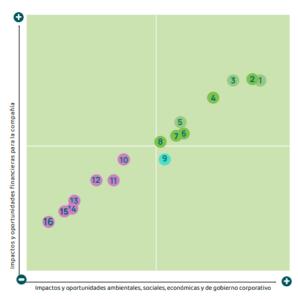


Figure 1. Materiality Matrix

## 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.
- 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.





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- 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 Exito 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	© Climate change
	Local economy and inclusive business
	Diversity and inclusion
	© Circular economy and packaging
	Food waste management
Management	Substitution Local economy and inclusive business
	Circular economy and packaging
	Cybersecurity and data security
	Climate change



















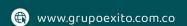


	Enabling the strategy of the Éxito Foundation
Collaborators	Climate change
	Food waste management
	© Circular economy and packaging
	Biodiversity protection
	Local economy and inclusive business
Suppliers	Food waste management
	Local economy and inclusive business
	Climate change
	🚱 Biodiversity protection
	Supply chain management
Customers	Circular economy and packaging
	Local economy and inclusive business
	Climate change
	Attract, retain and develop talent
	O Food waste management
Academy	Circular economy and packaging
	Local economy and inclusive business
	Food waste management
	Biodiversity protection
	Climate change
Media	Food waste management
	Biodiversity protection
	Climate change
	Circular economy and packaging
	Enabling the strategy of the Éxito
O a manuación de	Foundation
Communities	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
Malnutrition erac	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	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.
	direct purchasing, and support for productive sectors and vulnerable populations.	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 ownbrand 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.
		We are committed to reduce our CO 2 emissions by 55% (Scope 1 and 2) by 2025.	With the 2022 results, we achieved a 41.3% reduction of our emissions vs. 2015.
	Maximize the positive impact on the environment and work to reduce, mitigate and compensate the	Generating a forest and biodiversity protection policy.  Continuing to strengthen the	We created the Biodiversity Policy, reaffirming our commitment to the environment.
		sustainable livestock model.	We published, together with Icontec, the Grupo Éxito Company Standard related to the Sustainable Livestock Model.
My Planet		By 2030, 30% of packaging materials placed on the market will be used.	We strengthened the SoyRE model, with nearly a thousand tons collected and 42 collection points throughout the country.
IVIY FIGHE	negative impacts of the operation on it, as	Updating and implementing the eco-design guide for packaging.	
	well as contribute to the generation of environmental awareness among the different stakeholders.	We implemented the project with UK Pact and WWF: methodology for identifying conservation potentials on farms.	We signed the sustainable livestock agreement with UK PACT and WWF.
		Satellite monitoring of 100% of live cattle suppliers.	81505 hectares were monitored, 25% of which correspond to forest cover.
		Guaranteeing that 100% of own- brand products containing palm oil in their formulation have RSPO,	8458 tons of RSPO-certified palm oil were used to formulate own-brand products.













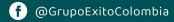






Name	Objective	Challenges 2022	Achievements 2022
		RainForest Alliance or ISCC certification.	
		Expanding the scope of measuring our indirect carbon footprint (scope 3).	Our Viva brand became a pioneer in the country in receiving the Carbon Neutral certification, from Icontec.
			We recertified the Carulla FreshMarket stores as Carbon Neutral.
	Mobilize customers,	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.
Healthy Lifestyle	employees, and suppliers towards healthier and more balanced lifestyles,	Implement a change in the image	6.1 million customers purchased
	through a portfolio of products and services that allow	and posture of Taeq in the framework of the Healthy Lifestyle Fair	Vida Sana products at least once, a 6% increase from 2021.
	them to generate healthy lifestyles.		We were part of the CGF Retail Summit.
			We worked on the reformulation of own-brand products.
The		Obtain the Equipares Gold Seal.	We obtained the Equipares Gold Seal.
Success of Grupo Éxito is in its	To be attractive, diverse, and	Advance in the construction of the Vida Digna Plan that benefits our employees.	We implemented the Vida Digna plan for our employees.
People	inclusive, promoting diversity, inclusion,	,	We trained more than 51,676 employees.
	and social dialogue.		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		Urbanos", "Embochincharte with Éxito", "Terrazas Verdes", among others.
	integrated performance, under high standards of corporate governance, ethics,	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
	transparency, and respect for human rights.	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.



