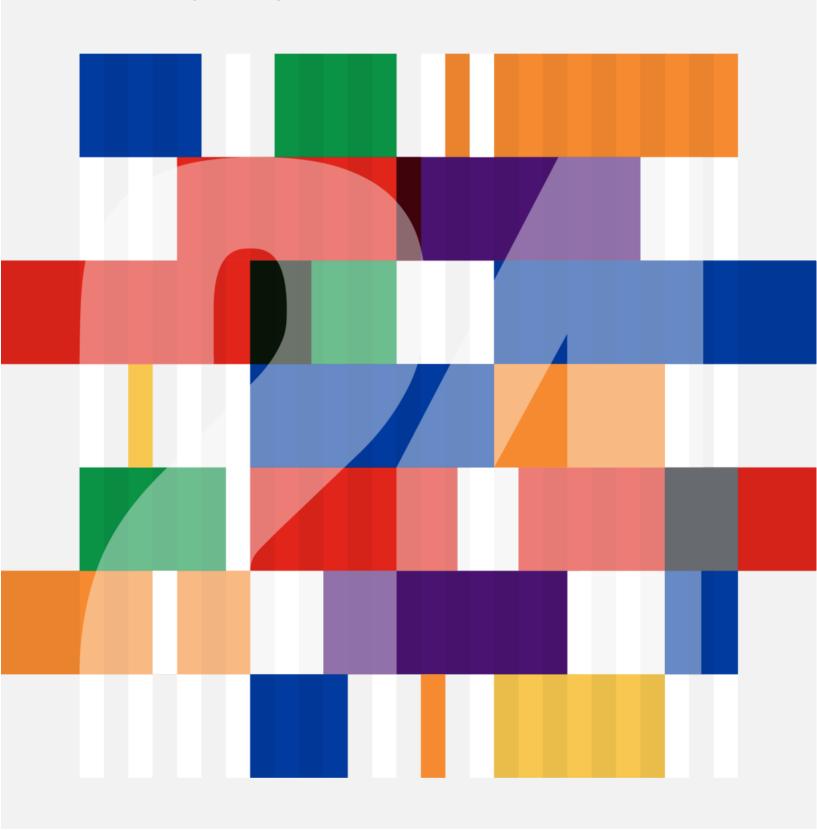


CSA 2025 (FY 2024)



As part of its ongoing efforts to improve the quality of its financial and non-financial disclosures to stakeholders, SMU S.A. (SMU S.A. and subsidiaries, herein referred to as "SMU" or the "Company") has provided the information in this document is provided as a supplement to its 2024 Integrated Report.

#### **GOVERNANCE AND BOARD OVERSIGHT**

Within SMU, a governance framework has been established for the definition of Company policies. This process requires review and validation by the Head of the Corporate Area, the Controller, and the Chief Executive Officer.

With respect to the Sustainability Policy Statements, as set forth in the Corporate Sustainability Policy, these are additionally subject to review and approval by the Sustainability Committee and the Board of Directors.

Among the responsibilities of the Board of Directors is to define succession plans for the Company's senior management team, including the Chief Executive Officer, a matter that is reviewed by the People and Sustainability Committee, ensuring a clear and effective process. This oversight helps to guarantee business continuity, stability, and long-term strategic success.

#### **Reporting on Breaches**

SMU reports on all complaints received through its Whistleblower Channel, as well as on the complaints that resulted in confirmed breach and, as such, a sanction, following the respective investigation. This information is disclosed in chapter 5 of the Company's 2024 Integrated Report. The table below provides a summary of a subset of the confirmed breaches.

Reporting Areas	Number of Breaches FY 2024
Corruption or Bribery	-
Discrimination or Harassment	141
Customer Privacy Data	-
Conflicts of Interest	-
Money Laundering or Insider Trading <sup>1</sup>	-

<sup>&</sup>lt;sup>1</sup> Please note that there is a translation error in the 2024 integrated report. The sanctions listed under "Use of insider or confidential information" were in fact related to "incorrect use of corporate space or image."

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#### **INFORMATION SECURITY**

## **Information Security Testing and Audits**

SMU undertakes comprehensive measures to protect its information technology system from threats including malicious attacks, data loss, service disruptions, and any damage to its hardware, software, and stored data. SMU's main measures include vulnerability analysis, often undertaken during the internal and external audit processes, as well as penetration testing, simulated hacker attacks, among others.

During 2024 alone, SMU carried out 14 IT audits, in which 10 critical or relevant SMU systems and four IT processes (disaster recovery plan, software and license management, hiring of advisory and consulting services, and acquisition of third-party information) were evaluated.

For the system audits, the scope focused on four core IT processes, with the purpose of assessing IT risks and the controls implemented by Management:

- 1. Information Security
- 2. Continuity and Contingency
- 3. Operations and Monitoring
- 4. IT Development and Changes

In each IT audit report where findings are identified, Management prepares action plans to remedy detected weaknesses and mitigate identified risks. We perform monthly follow-ups on these commitments and their level of completion, with bimonthly reporting to the Audit and Risk Committee.

In addition, SMU conducts a comprehensive evaluation of the level of compliance of its security and resilience processes using an external party. The Cyber Maturity Resilience Assessment, or CRMA, covers topics including risk assessment, risk management strategy, data security, information protection, maintenance, detection processes, responses planning, and recovery planning, among others. This evaluation is carried out every two years, with the most recent one being completed in 2023.

As part of the Company's risk management approach, vulnerability analyses are carried out on an ongoing basis by external consultants who specialize in this area. In 2024, a total of 23 tests were conducted, covering both our own platforms and those of the providers in our technological ecosystem.

#### **ENVIRONMENTAL MANAGEMENT SYSTEM**

## **Verification of Environmental Programs**

To ensure the effectiveness of its Environmental Management System, SMU conducts internal and external audits for relevant environmental components that need to be monitored, associated with full compliance with the Corporate Environmental Management Policy. In this way, we can ensure environmental protection, prevent pollution, reduce carbon emissions, improve energy efficiency, decrease waste generation, increase the use of recyclable materials, develop sustainable packaging, and, in general, make efficient use of resources.

These audits cover 100% of SMU's operations in Chile.

## **External Audits for REP Law Compliance**

In line with Chile's Law 20.920 on Waste Management and Extended Producer Responsibility (REP), certain of SMU's subsidiaries are required to fulfill obligations related to the collection and recycling of priority products such as packaging, electronic devices, and batteries.

The currently enforced regulation—Decree No. 12/2021—sets specific targets for packaging waste. Under this framework, the Company's primary operating subsidiaries must comply both as producers and industrial consumers.

To ensure compliance, these subsidiaries are part of the collective management system RESIMPLE. As part of the traceability and compliance process—which includes technical reviews and baseline assessments—audits are conducted by both RESIMPLE and an independent external party.

In 2024, the external audit was carried out by AENOR. RESIMPLE's audit covered Super 10, while AENOR reviewed Rendic Hermanos. Both audits concluded that the subsidiaries are compliant.

## **Internal Environmental Compliance Audits**

To ensure compliance with current environmental regulations, SMU carries out internal evaluations through its Corporate Audit Department, under the Corporate Comptrollership Department. These audits are designed to verify that supermarket operates within the established regulatory framework and implements the necessary practices to ensure environmental integrity.

The internal audits focus on reviewing critical operational aspects, such as the condition of hazardous waste storage areas, the maintenance of floor drainage systems, the handling

# SMU O

and disposal of hazardous and non-hazardous waste, and the upkeep of grease traps, wastewater management, energy efficiency. These evaluations aim to identify potential gaps and promote continuous improvement in environmental management across the company's operations.

#### **Environmental Awareness**

As part of its ongoing efforts to embed sustainability across its operations, SMU delivers regular operational talks in different store formats to reinforce specific actions and established procedures for the effective management of environmental variables. In 2024, SMU held a total of 64 operational sustainability talks across its different formats and operational areas, covering topics such as energy efficiency, waste management, water efficiency management, social campaigns, single-use plastics legislation, shrinkage control, and food waste prevention.

In addition to the operational talks, SMU organized two sustainability workshops in 2024, open to both head office staff and store operations teams: the Food Waste Reduction Workshop and the Energy Efficiency Workshop. The latter, titled "Building Sustainable Companies: The Impact of Energy Management", focused on strengthening the organizational culture around the Energy Management System (EMS). Participants explored current energy and regulatory challenges, reviewed the progress of SMU's EMS, and discussed the critical role of each area in driving energy efficiency. The session also showcased examples of implemented actions and encouraged engagement through idea contests and interactive voting.

#### **WASTE MANAGEMENT**

## **Food Waste**

SMU is committed to reducing food waste as a core component of its environmental strategy. As part of this commitment, for 2024, the Company set a target to rescue 8% of potential food product waste donated or recovered for operations in Chile. Rescued products include all those donated for human and animal consumption, as well as products that are unsuitable for donation but are transformed into new products. The progress of this goal for Chile is 7.4% of potential food product waste donated or recovered for 2024. Also, SMU collaborates with downstream partners such as Red de Alimentos, foundations, and animal rescue organizations to reduce food loss and waste. Surplus food is donated for human and animal consumption, and non-donatable products are sent for valorization to avoid landfill. These efforts support a circular economy and emissions reduction.

# **Waste Disposal**

Metric Tons	FY 2021	FY 2022	FY 2023	FY 2024
Total waste recycled/ reused	15,868.65	16,361.12	16,879.06	17,802.54
Total waste disposed	72,403.57	67,686.58	65,397.84	63,505.56
Waste landfilled	72,293.65	67,570.89	65,272.66	63,390.56
Waste incinerated with energy recovery	93.11	79.32	83.42	93.11
Waste incinerated without energy recovery	-	-	-	-
Waste disposed by secured hazardous waste landfill	16.81	36.37	41.76	21.89
Data coverage (as a % of revenue)	98	98	98	97

# **Plastic Packaging**

	FY 2021	FY 2022	FY 2023	FY 2024
Total weight (tons) of all plastic packaging	3,664	4,396	3,999	4,571
Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	73.5	78.2	78.3	68.54
Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging)	-	-	-	-
Percentage of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging	-	-	-	-
Data coverage (% of cost of goods sold of private label products)	100	100	100	100

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#### **WATER MANAGEMENT**

## **Water Efficiency Management Programs**

This section complements the water efficiency management programs and actions presented in the Integrated Report.

SMU uses a platform in order to record monthly water consumption for all supermarkets and distribution centers. This information makes it possible to identify facilities with higher and lower water consumption to evaluate water efficiency initiatives.

## **Actions To Improve Wastewater Quality**

**WASTEWATER TREATMENT**: To improve the quality of wastewater generated at the Company's facilities, products that help improve the quality of industrial effluents have been implemented. These products are based on microorganisms that break down the organic matter present in the wastewater, converting it into oxygen. This reduces the number of pollutants discharged into the sewer system.

**TRAINING ON BEST PRACTICES**: To promote best practices among supermarket and distribution center employees, training sessions are held to encourage environmental care through actions that prevent the generation of pollutants in wastewater. These training sessions are conducted in person to engage employees in the proper handling of waste and spoilage that can lead to water contamination. In 2024, with the support of the Quality team, a total of 465 people across the country were trained.

**OPERATIONAL TALKS**: SMU's efforts to raise awareness among employees include five-minute talks held before starting the workday, providing key tips on proper effluent handling and waste management in the facilities. This aims to establish a sustainable culture within the Company.

**EFFLUENT QUALITY CONTROL ANALYSIS**: To monitor the quality of wastewater discharged into the sewer system, regular effluent quality checks are conducted at the Company's various facilities through a certified external laboratory, ensuring regulatory compliance. These analyses are used to identify problem areas in order to prevent deviations from the parameters agreed with the sanitation companies.

**GREASE TRAP TREATMENT**: The Company has installed grease traps that help retain greasy water generated by the operations of supermarkets and distribution centers, preventing it from being discharged into the sewer system. These traps are cleaned regularly, and an authorized external company handles their final disposal treatment.

## **ENERGY CONSUMPTION**

Total Energy Consumption	Unit	FY 2021	FY 2022	FY 2023	FY 2024
Total non-renewable energy consumption	MWh	277,505	264,856	258,704	252,707
Total renewable energy consumption	MWh	-	7,380	30,691	36,421
Data coverage <sup>2</sup>	% operating space (m <sup>2</sup> )	97	97	100	98

## **SUSTAINABLE AGRICULTURAL PRACTICES**

## **Certifications of Animal Products**

		Coverage
Animal products	Certification	(% certified products / total purchases of products in the category)
Aquaculture	Aquaculture Stewardship Council (ASC); ASC Chain of Custody; Best Aquaculture Practices (BAP); Global G.A.P; MSC Chain of Custody; Bureau Veritas; Earth Island Institute; Department of Fisheries Thailand; Servicio Nacional de Pesca Chile; TUV SUD	8%
Cattle (excl. dairy)	Animal Handling Guidelines (NAMI); Animal Welfare Approved; QIMA; SGS; LSQA; USDA Organic; LIAF Control; Bureau Veritas; BRCGS	57%
Swine	Global Animal Partnership (G.A.P.); Certified Humane; Animal Welfare Approved; DQS; GC-MARK; Welfcert	88%
Poultry	Global Animal Partnership (G.A.P.); Certified Humane; Animal Welfare Approved; National Chicken Council; GC-MARK; Bureau Veritas; BRC; DQS; WelfCert	77%

 $<sup>^2</sup>$  Data coverage includes energy consumption for Chile in years 2021 and 2022. In the case of 2023 and 2024, data includes energy consumption for Chile and Perú



#### **CUSTOMER HEALTH AND SAFETY**

#### **Product Recalls for Private Label Products**

To ensure transparency and accountability, we track and publicly report on all product recalls for our private label products. The following table provides a four-year overview of recall events, including both the number of recalls and the total volume of affected units.

	FY 2021	FY 2022	FY 2023	FY 2024
Number of recalls issued	-	4	2	8
Total units recalled	-	57,384	52,666	336,287

#### **LABOR PRACTICES**

SMU is committed to respecting labor rights, as described in its Human Rights Policy Statement, Occupational Health and Safety Policy, Code of Ethics and Business Conduct, Compensation and Benefits Policy, and Corporate Sustainability Policy. The Internal Rules on Order, Hygiene and Safety set forth clear guidelines regarding maximum working hours, scheduling considerations, rest periods and vacation time, as well as the correct payment of wages in accordance with applicable legislation.

#### **Labor Practices Programs**

#### Monitoring of Working Hours and Payment of Overtime

At SMU, we have a robust system for planning, controlling, and verifying working hours, which allows us to monitor compliance with contracted hours and ensure the correct payment of any overtime worked.

To achieve this, we operate with two integrated systems. First, we use a workforce scheduling tool that enables the responsible team to plan shifts in accordance with current legislation. This tool also allows for the timely submission—within the deadlines established in RHIOS—of the monthly shift schedule for each employee.

Second, we use an automated attendance control system that records daily clock-ins and clock-outs and compares the scheduled hours with those actually worked.

The information provided by these systems is subsequently reviewed and approved by management. As required by law, approved overtime hours are paid, and if they are not authorized, the employee is formally notified, in accordance with our internal regulations.

#### Promoting Employee Use of Vacation Time

At SMU, we actively promote the use of employees' annual leave entitlements. To this end, employees have access to their available vacation days, and we provide Human Resources teams with management reports using different technological tools, which segment and identify employees with pending leave days, the status of vacation accruals, critical positions, and budget deviations.

Based on this information, HR teams and local managers prepare vacation plans tailored to the operational realities of each store or department. This continuous monitoring helps ensure a healthy pattern of annual leave usage throughout the year.

In addition, our annual budget target is that the provision for vacation days not increase. That target and provision are monitored on a monthly basis as part of the Company's financial control process.

#### **HUMAN CAPITAL MANAGEMENT**

## **Employee Development Programs**

As part of its emphasis on developing internal talent and strengthening leadership capabilities, SMU implements employee development programs that combine personalized coaching and mentorship, team-based learning, and internal knowledge networks. Two of the company's flagship programs—Operational Leadership and Desarrolla Tu Carrera (DTC)—reflect this integrated approach. These programs are described in detail in SMU's 2024 Integrated Report.

SMU has also developed the Digital Transition Program, which is designed to equip employees with the necessary capabilities to adapt and perform effectively in an increasingly digital work environment. These efforts cover both back office and operational roles, and they include training programs on new technologies, digital platform adoption, and the development of key skills to enhance efficiency in digital work environments. Key actions include open sessions on digital transformation, artificial intelligence, and cybersecurity; training in digital tools such as Excel; short practical workshops like "Tips & Tricks" to improve daily productivity; and synchronous sessions focused on office productivity tools.

The Company has also established internal learning communities for over 270 employees from its IT and E-Commerce teams through an online platform. These communities are guided by subject-matter leaders and follow structured learning paths, supporting the collective development of digital competencies and contribute to the Company's ongoing digital transformation.



#### **Performance Evaluations**

At SMU, performance evaluations are based on a structured management-by-objectives model, complemented by ongoing follow-up practices aimed at aligning individual contributions with strategic business indicators and fostering a culture of continuous improvement.

As reported in the 2024 Integrated Report (p. 159), the formal model covers 100% of eligible employees, with 96% participation in the latest cycle. The process involves jointly defining clear and measurable individual goals between employees and their managers, reinforcing a results-driven approach, professional development, and accountability.

To enhance this model, SMU has implemented intermediate review sessions where employees and managers engage in regular feedback conversations. These less formal "agile conversations" are designed to track progress, adjust plans, and remove barriers throughout the year, aligning with CSA's expectations for continuous performance management.

In addition, the top three executive levels are subject to cross-evaluations and calibration discussions, which incorporate multiple perspectives for decisions related to development and succession. For operational roles, performance is assessed based on technical and behavioral competencies, with individual action plans created from the results.

This combined approach ensures that all employees receive at least two formal feedback sessions per year, establishing a biannual review system that strengthens talent development across the organization.

## **HUMAN RIGHTS**

## **Human Rights Assessment**

As part of our commitment to respecting and promoting human rights across our value chain, SMU conducts comprehensive human rights due diligence and evaluations throughout our operations in Chile and Peru. This process covers stores, distribution centers, the logistics division, and the corporate headquarters, with the purpose of identifying potential or actual human rights risks associated with our operations, which could potentially impact employees, suppliers, and communities. Identified risks are managed regardless of their residual classification (high, medium, or low).

The following table summarizes the most recent assessment, including both potential and actual materialized human rights risks associated with our operations.

Category	A. % of total assessed in last three years	B. % of total assessed (column A) where risks have been identified	C. % of risk (column B) with mitigation actions taken
Own Operations (including Joint Ventures where the company has management control)	100%	100%	97%
(as a % of full-time equivalents)			
Contractors and Tier I Suppliers (as a % of contractors or Tier I Suppliers)	21,2%	100%	100%
Joint Ventures (including stakes above 10%)	N/A	N/A	N/A
(as a % of joint ventures)			