



Corporate Sustainability Policy



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I. OBJECTIVE

To define the guidelines and criteria to be used in SMU S.A. and subsidiaries' ("SMU" or the "Company") sustainability management, based on a comprehensive model that covers the different areas of the Company and seeks to create long-term value for SMU, its shareholders, and its other stakeholders.

To contribute—through the Company's local operations—towards the Sustainable Development Goals promoted by the United Nations to ensure that all people enjoy peace and prosperity by 2030.

II. SCOPE

SMU's Corporate Sustainability Policy (herein, the "Policy") applies to SMU S.A. and its subsidiaries (herein, "SMU" or the "Company").

III. GENERAL CONSIDERATIONS

The Policy considers the legislation in force, especially regarding social, environmental, economic, and corporate governance matters, as well as SMU's Code of Ethics and Business Conduct and SMU's Internal Order, Health, and Safety Regulations.

IV. POLICY

The Policy is based on the safeguarding of the following principles:

- The protection of and respect for universally recognized fundamental human rights.
- Labor standards that strive to eradicate any discriminatory employment practices, forced labor, and child labor, and that recognize freedom of association among employees.
- Foment initiatives that promote greater environmental responsibility through a preventive approach.
- Work against corruption in all its forms.

On the basis of these principles, SMU has defined eight pillars for sustainability management within the Company, each of which has its own focus areas.

I. SUSTAINABILITY MANAGEMENT PILLARS

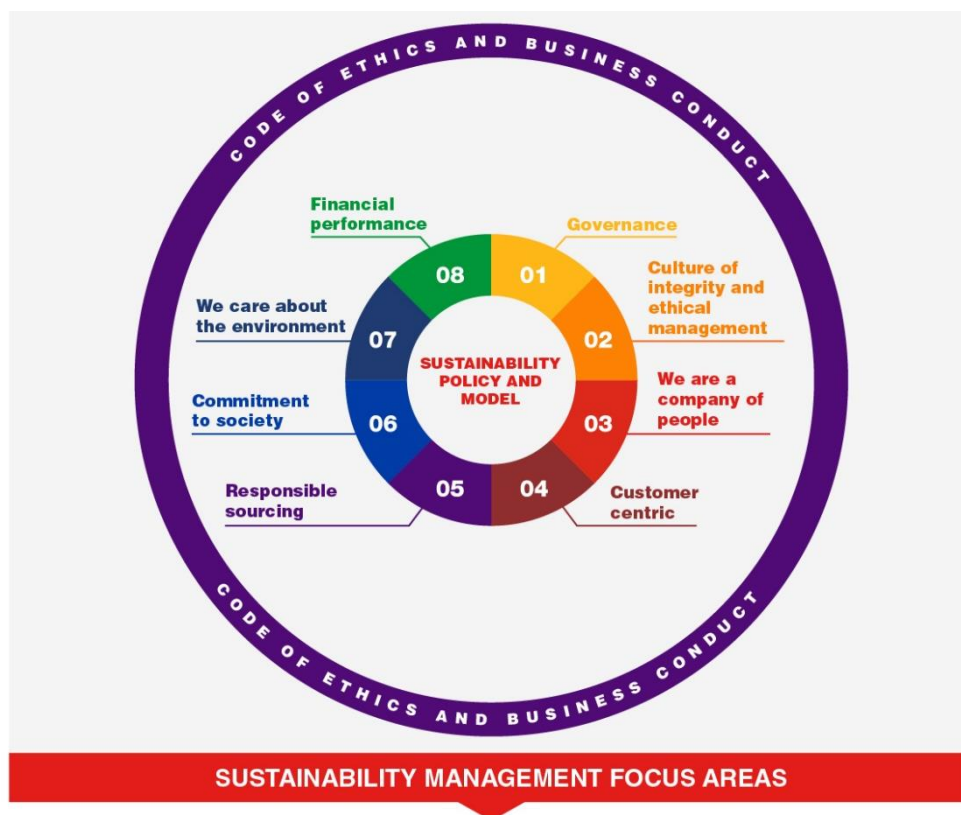
1. **Governance:** At SMU, we have sound corporate governance that guides the actions of all those who comprise the Company. Our governance practices include our Lobbying and Industry Association Policy Statement, contained herein.
2. **Culture of integrity and ethical management:** At SMU we are committed to fostering a culture of ethics and compliance within the organization, promoting the application of Company values in the day-to-day activities of our employees, and demanding compliance with all standards and regulations at all times. As part of this commitment, we have published our Human Rights Policy Statement, contained herein.
3. **People:** At SMU we are a company of people who strive to contribute to a more inclusive society. To that end, we encourage a diverse and inclusive work environment that reflects our society and in which all of our employees can achieve professional and personal development in a respectful workplace that is free from discrimination.
4. **Customer centric:** As a leading supermarket chain, we must know our customers. Establishing a close relationship with each of them helps us provide excellent services that make their shopping experience more pleasant. As part of this commitment, we have published our Sustainable Assortment Policy Statement and our Health and Nutrition Policy Statement, contained herein.
5. **Responsible sourcing:** We strive to be strategic partners for our suppliers, fostering long-term relationships that ensure fair and equitable treatment. At the same time, we aim to offer locally produced products supplied by small and medium companies as a differentiating feature of our product assortment. As part of this commitment, we have published our Responsible Sourcing Policy Statement and our Animal Welfare Policy Statement, contained herein.
6. **Society:** We are aware of the social role we play as a food retail chain with national coverage, and it is this role that drives us to create close ties to the communities in which we operate, contributing to local development through shared value creation initiatives. As part of this commitment, we have published our Good Neighbor Policy Statement, contained herein.
7. **Environment:** At SMU we care about the environment, which is why we work to identify the possible impacts of our operations and to make progress on measures that mitigate any such impacts. As part of this commitment, we have published our Environmental Policy Statement, our Biodiversity and No Deforestation Policy Statement, and our Sustainable Packaging Policy Statement, contained herein.
8. **Financial performance:** Financial results are a central part of our long-term vision, which is why our strategies focus on profitable growth and include financial risk and reinvestment policies.

II. SUSTAINABILITY MANAGEMENT FOCUS AREAS

The sustainability management focus areas identify where the Company will direct its efforts within each of its strategic pillars. The focus areas are expressed in the Corporate Sustainability Model diagram.

The Sustainability Model will be used as the basis in order to define action plans for each of the focus areas. Each of the action plans will be prioritized, and indicators will be defined to facilitate the measurement of performance over time.

CORPORATE SUSTAINABILITY MODEL



01 Governance
 • Best practices of corporate governance

02 Culture of integrity and ethical management
 • Ethical management
 • Free competition
 • Promote compliance with customer protection standards
 • Privacy protection

03 We are a company of people
 • Inclusion
 • Diversity
 • Employee development
 • Safety
 • Labor relations
 • Managing people

04 Customer centric
 • Improved shopping experience
 • Responsible consumption
 • Marketing and advertising
 • Private label

05 Responsible sourcing
 • Developing local suppliers
 • Private label suppliers

06 Commitment to society
 • Regional development
 • Good neighbor
 • Stakeholder management
 • CSR and contributing to society

07 Environment
 • We care about the environment
 • Waste management

08 Financial performance
 • Profitable growth



V. DISCLOSURE, EFFECTIVE DATE, AND APPLICATION

This Policy shall be presumed to be known upon publication on the intranet, and it will be in force indefinitely. The same rule shall apply in the event of any modifications to such Policy.

Compliance with this Policy is mandatory for all of SMU's employees.

VI. SMU CORPORATE POLICY STATEMENTS

I. Lobbying and Industry Association Policy Statement

At SMU, we strive to participate in industry activities that are consistent with our corporate convictions and values and that allow us to understand the context in which we operate; contribute to improvements in legislation and regulation; and share best practices; always while respecting the legal framework in force. We recognize that lobbying activities and our participation in industry associations must be aligned with our objectives, including in the areas of ethics and compliance, free competition, anticorruption, governance, sustainability, environment, climate change, and labor and health matters, among others, as well as the objectives of the countries in which we operate. These considerations are fundamental when we evaluate joining an association. This policy statement establishes our guidelines and commitments, aligned with the Paris Agreement, in order to ensure consistency between our sustainability goals and our lobbying and industry association activities.

- a) Lobbying and industry association governance framework and management system:
 - To develop and system for managing and monitoring our participation in lobbying activities, identifying responsible persons and relevant topics. We commit to having the chief executive officer report to our Board of Directors on the most significant actions we undertake with authorities.
 - To manage our membership in industry associations and perform an annual review of our management in terms of membership, representatives, and the activities in which we participate.
- b) Transparency and disclosure:
 - We disclose our participation in industry associations and the main topics covered by those associations in our Annual Report.
- c) Dialogue and discrepancies:
 - In the event that significant discrepancies arise between our policies and those of an industry association or lobbying cause, we will proactively work to influence the position of the other party or parties in question. If

we do not achieve sufficient alignment with the other party or parties, we will reconsider our participation or membership.

d) Internal policies:

- We will implement clear internal policies to guide our lobbying activities and our participation in industry associations.

e) Responsibility and monitoring:

- We commit to monitor our lobbying activities and participation in industry associations on an ongoing basis, ensuring alignment with the Company's objectives and the principles of free competition. We will review our participation on an annual basis.

II. Human_Rights Policy Statement

SMU: A Culture of Integrity

At SMU, the values and principles that guide our actions are expressly defined in our CERCA culture: Closeness, Excellence, Respect and honesty, Collaboration internally and competition externally, and Agility. These values and principles, in turn, make up the foundations on which we build in order to fulfill our corporate purpose: To make life easier for our customers.

At SMU, through our CERCA culture, our Code of Ethics and Business Conduct, and our Corporate Sustainability Model, we are committed to respecting, promoting, and protecting human rights in our actions and our value chain. In the event that violations of human rights are identified, we have established mechanisms for reporting and sanctioning such violations, in order to mitigate and remedy the impacts. Our Code of Ethics and Business Conduct is part of the employment contract between the Company and our employees. It is also part of the commercial contract between SMU and our suppliers, and it applies to third parties that do business with or are related to the Company.

We fully support the UN Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, Guiding Principles on Business and Human Rights, and International Covenant on Economic, Social and Cultural Rights, as well as the ILO's Declaration on Fundamental Principles and Rights at Work. We recognize that all human beings are born free and equal in dignity and rights and have the right to life, liberty, and security of person; to not be held in slavery or servitude; to equal treatment before the law; and to a fair trial.

At SMU we recognize inclusion and diversity as fundamental values in our relations with people and in our way of operating. We reject all forms of discrimination and commit to respect and not discriminate against our customers, shareholders and investors, employees and unions, suppliers, communities, trade associations, regulatory authorities, and in general any person who interacts with the Company,

on the basis of age, race, ethnicity, nationality, language, religion, marital status, gender identity, sexual orientation, political opinion, economic situation, disability, illness, or any other unjustified distinction, exclusion, or preference that violates principles of equal opportunities.

At SMU we maintain fair work conditions and expressly prohibit child labor and forced labor. This commitment extends to our suppliers, contractors, subcontractors, and partners. We recognize freedom of expression, freedom of association, the right to privacy, and the right to collective bargaining, and we strive to ensure occupational health and safety and equal pay.

At SMU we care about the environment and promote policies in line with this commitment, striving to avoid potential negative impacts on people and the community, and promoting initiatives that have a positive impact on the environment.

SMU and its employees are committed to providing the Company's customers with quality products and services, in accordance with both legal standards in force and internal policies and procedures, and which satisfy customer needs in an environment of respect, transparency, dignity, and equality. Customers should not receive any discriminatory treatment.

At SMU we recognize the importance of corporate social responsibility and the objective of having a positive impact on the communities in which we operate, and we work every day to be a good neighbor.

At SMU we oppose corruption in all its forms, including extortion and bribery, money laundering, and financing of terrorism. We are diligent in the preparation of our financial accounting records, and we strive to always work in strict compliance with all legal regulations in force.

At SMU we are committed to treating data in compliance with legal regulations in force and in accordance with the fundamental rights and freedoms of all people, and in particular, the fundamental right to the protection of personal data.

As part of our commitment to human rights, and as stipulated in our Code of Ethics and Business Conduct, SMU does not accept any forms of corruption, extortion, bribery, money laundering, financing of terrorism, manipulation or falsification of accounting records, unmanaged conflict of interest, human rights violations or infringement of legal regulations from its supplier or contractors. The Company expressly prohibits violence and/or harassment in the workplace; child labor, forced labor, and human trafficking.

At SMU we believe that we are all responsible for upholding a commitment to human rights, which is why we encourage our stakeholders to adhere to and respect these principles. As part of our commitment, our processes include due diligence in human rights matters in order to identify, prevent, and mitigate any negative impact on

human rights, assessing risks that may exist and the necessary remediation and/or mitigation measures. Through due diligence processes we seek to prevent potential negative externalities impacting people and the environment, identifying parties affected by our actions throughout all of our processes.

SMU has a Whistleblower Form that is available to both employees and third parties (including customers and the community in general) and guarantees confidentiality, transparency, ease of access and anonymity in order to report any violations of or threats to human resources or our corporate values. All reports made through the Whistleblower Form are reviewed under principles of good faith, and retaliatory actions are expressly prohibited by the Company's Code of Ethics and Business Conduct. The Whistleblower Form is available on the Company's website.

III. Sustainable Assortment Policy Statement

At SMU, we work every day to fulfill our corporate purpose of making life easier for our customers. As a result of our efforts, we know that our customers and society in general are becoming increasingly interested in responsible consumption of products whose life cycle satisfies environmental protection and care standards. As a leading food retailer, we have an opportunity to generate a positive impact on our customers, business partners, and the community by offering a sustainable assortment of products.

At SMU we promote purchases of sustainable products, in accordance with the needs and preferences of our customers, incorporating social and environmental criteria into our purchasing decisions, as we are aware of the benefits for health and nutrition, as well as for the environment and society as a whole.

As part of our commitment to offer our customers products that satisfy their needs and preferences, including their growing interest in health and nutrition, we have expanded our product assortment to include products with different characteristics, such as organic, gluten free, vegetarian, vegan, or low in sodium, sugar, saturated fat, or calories. Likewise, we strive to ensure that product labels and ingredient lists, including on our private label products, are clear, and the suppliers are in compliance with regulations in force. The same applies to promotions and discounts.

SMU strives to promote sustainable agricultural practices—including the reduction of water consumption and environmental pollution—protection of use of soil, prevention of the destruction of ecosystems, and the reduction of polluting emissions—throughout its supply chain.

SMU strictly adheres to regulations in force with respect to the import and distribution of genetically modified organisms (GMOs).

At SMU we firmly believe that responsible consumption includes not only the product but also its packaging. We participate in initiatives in order to improve the quality of information about packaging materials and their recyclability. We also promote best practices in responsible use of packaging with our suppliers, encouraging them to choose recycled and recyclable materials and getting rid of unnecessary packaging.

At SMU our sustainable assortment development strategy includes the following initiatives:

COMMITMENT TO SOCIETY: Development of local suppliers. As a company with a strong presence in the regions of Chile, we aim to enhance our product assortment with locally-sourced merchandise that gives a sense of the areas in which we operate and that, above all, helps promote the development of small and medium suppliers, as well as efficiencies in transportation.

REDUCING FOOD WASTE: As part of our goal to reduce food waste and loss throughout the supply chain between the producer and the supermarket, we have implemented a series of initiatives, including procedures and systems for more efficient purchasing; our “*Pronto Consumo*” (Consume Soon) program that offers discounts on products whose expiration date is soon but are still in optimal conditions for consumption; and partnerships that help facilitate the donation of food to non-profit organizations directly from our stores and distribution centers, helping the community and always adhering strictly to local regulations.

PERSONALIZED DISCOUNTS AND RESPONSIBLE MARKETING: A key element of responsible consumption is providing clear information about each product. Similarly, we are committed to providing information about all of our promotional activity and discounts that is transparent, clear, and in compliance with the law. We also commit to correcting any incorrect information as soon as possible.

With respect to customer insight, we strictly adhere to all regulations in force in our use of big data and advanced analytics, or the processing, analysis, and interpretation of data, in order to offer a customer-centric experience, with personalized promotional activity in line with customers’ individual needs and preferences.

EFFICIENT LOGISTICS: We are aware of the impact of the distribution network on the environment, and therefore, at SMU we continuously work to improve efficiency in our logistics operations in order to transport more with fewer resources, reduce emissions, increase productivity, and deliver a sustainable assortment of products to our customers. As such, we have employed different strategies to improve transportation efficiency, implementing systems, the use of non-polluting energies, technologies to optimize routes and frequency of journeys, ballast of trucks, and reducing the distance between suppliers and distribution centers, in order to minimize the weighted average distances covered.

IV. Health and Nutrition Policy Statement

At SMU, we work every day to fulfill our corporate purpose of making life easier for our customers, and we recognize the importance of promoting health and nutrition for consumers by offering a product assortment that meets different needs and preferences, providing clear and transparent information about the food we sell.

Promoting nutrition includes offering a product assortment that has a positive impact on our customers' overall wellbeing, including products with a variety of ingredients and clear and transparent labels that make it possible for customers to make informed decisions.

At SMU, in our role as a food retailer and developer of private label products, as part of our strategic plan, we commit to promoting and implementing practices that facilitate informed choices about food and that promote the inclusion of quality products within our private label product portfolio.

- **Analysis of trends and expert advisory:** To carry out studies on customers and trends, including matters relating to health and nutrition. In addition, with the help of expert advisory services, we strive to develop products that respond to customer concerns relating to health and nutrition.
- **Product assortment:** To incorporate in our private label assortment foods that promote a balanced diet and respond to specific customer needs, such as products that are free from gluten, lactose, added sugar, and/or common allergens.
- **Accurate and timely information:** To provide details about the ingredients contained in our products, including nutritional information, product origin, legal information about the supplier, forms of consumption, health records, batch number, and expiration date.
- **Nutritional properties:** To provide information about the nutritional properties of the food, including calories, protein content, fat content, carbohydrates, vitamins, and minerals.
- **Collaboration with suppliers:** To work with suppliers to ensure that they comply with labeling requirements and supporting them with action plans when necessary.
- **Measurement and monitoring of private label product portfolio:** To evaluate the private label product assortment on an ongoing basis to ensure that it includes a range of products that meet different nutritional needs.
- **Measurement and monitoring of products with high nutritional value:** To evaluate the private label product mix, considering the nutritional value and

content, including vitamins, minerals, protein, fiber, phytochemicals, or other additives.

- **Innovation and healthy nutrition:** To explore criteria for product innovations and the existing portfolio, in order to reduce artificial additives and to prioritize less processed options. We will explore innovative technologies and practices that improve the nutritional quality of our products.

Through this commitment, we aim to offer foods that not only satisfy our customers' nutritional requirements, but also promote informed choices and a balanced diet, in line with the latest research and the growing expectations of society.

V. Responsible Sourcing Policy Statement

SMU: Working with our Suppliers

At SMU we are aware of the importance of the supply chain in order to fulfill our corporate purpose of making our customers' lives easier, which is why our suppliers and/or contractors must adhere to the highest ethical standards and comply with all legal regulations in force, in order to maintain long-term, sustainable relations that are mutually beneficial.

As part of our commitment to sustainability, SMU does not accept any forms of corruption, extortion, bribery, manipulation or falsification of accounting records, unmanaged conflict of interest, human rights violations or infringement of legal regulations from its supplier or contractors. The Company expressly prohibits violence and/or harassment in the workplace; child labor, forced labor, and human trafficking.

Employees of SMU's suppliers and/or contractors must receive wages that are equal to or greater than the minimum established by legal regulations in force, and their working conditions and hours but also be in accordance with legal regulations in force.

Employees of SMU's suppliers and/or contractors have the right to freedom of expression and freedom of association, as well as the right to collective bargaining, in accordance with legal regulations in force.

SMU's suppliers and/or contractors shall promote diversity among their employees and shall guarantee equal opportunity to its employees. They are prohibited from discriminating on the basis of race, color, gender, pregnancy, maternal lactation, age, marital status, union affiliation, religion, political opinion, nationality, country of origin, economic situation, language, belief system, participation in trade organizations, gender identity, sexual orientation, personal appearance, disability, illness, or social class in violation of principles of equal opportunities.

SMU encourages its suppliers and/or contractors to promote and facilitate a healthy work-life balance for their employees, in accordance with legal regulations in force.

SMU's suppliers and/or contractors must provide their employees with a safe work environment and health conditions according to legal regulations in force, taking into consideration the specific risks and dangers of each individual situation. The supplier and/or contractor must take appropriate measures to prevent workplace accidents and/or occupational illnesses, providing the respective protective and safety equipment that guarantee minimum safety conditions in the workplace. In addition, the employees of suppliers and/or contractors must receive appropriate training in health and safety matters in order to be able to identify the risks associated with each activity they carry out and the practices necessary to minimize those risks.

The relationship between SMU and its suppliers and/or contractors must be based on commercial practices that are fair, efficient, equitable, and non-discriminatory. Supplier products and services must be selected and purchased on the basis of their quality, price, delivery date, and convenience, and in accordance with the Company's purchasing practices and procedures.

SMU encourages its suppliers and/or contractors to commit to responsible sourcing practices including environmental, social, and governance considerations. SMU's suppliers and/or contractors must respect and comply with environmental legislation at all times, especially with regard to waste, energy, emissions, noise, use of resources and/or dangerous substances.

At SMU we oppose corruption in all its forms, including extortion, bribery, money laundering, and financing of terrorism, and we strive to always work in strict compliance with all legal regulations in force, and we encourage our suppliers and/or contractors to do the same.

SMU has a Whistleblower Form that is available to both employees and third parties (including customers and the community in general) and guarantees confidentiality, transparency, ease of access and anonymity in order to report violations of or threats to this policy. All reports made through the Whistleblower Form are reviewed under principles of good faith, and retaliatory actions are expressly prohibited by the Company's Code of Ethics and Business Conduct. The Whistleblower Form is available on the Company's website.

Our suppliers and contractors help us to make life easier for our customers!

VI. Animal Welfare Policy Statement

At SMU, we work every day to make life easier for our customers, putting our corporate values of Closeness, Excellence, Respect, Collaboration, and Agility into practice, as we listen to them and understand their needs. We are committed to offering courteous and timely customer service, generating a positive impact, and promoting responsible consumption and sourcing, as well as caring for the environment.

We encourage our suppliers throughout the supply chain to adopt our commitment, through compliance with legal regulations in force and, in addition, through promoting animal welfare principles for the animal products we sell in our stores. The principles we encourage them to promote are 1) freedom from hunger and thirst, through proper feeding; 2) freedom from discomfort, by providing a safe and appropriate environment; 3) freedom from pain, injury, and disease, by prevention of disease; 4) freedom to express normal behavior; and 5) freedom from fear and distress, through safe and compassionate treatment. This commitment also includes the guidelines, policies, and procedures associated with the best practices issued by agricultural and livestock regulators in each country of origin.

Through this commitment we recognize that our customers and the society to which we belong are increasingly aware of the importance of responsible consumption and are paying more attention to where their food comes from and how it is produced. At SMU, we promote Respect for animal welfare in our supply chain and we inform our customers about the origin of the products we sell, as well as any related certifications.

At SMU we reject all practices that fail to uphold principles of animal welfare, and we require our suppliers to comply with the authorizations and legal regulations, promoting respect for animal welfare.

We will continue to work with our suppliers of animal products to gather information and raise awareness about issues relating to animal welfare, so that these variables can be considered in purchasing decisions, in order to comply with both health and ethical conditions associated with these products.

VII. Good Neighbor Policy Statement

SMU: Committed to the Community

At SMU, our CERCA culture—based on Closeness, Excellence, Respect, Collaboration, and Agility—guides our actions and relations with our neighbors and community. This company identity forms the basis of how we strive to achieve our goals sustainably and to fulfill our corporate purpose of making life easier for our customers.

At SMU, we recognize the role that we play as a company and seek to have a positive impact on the communities in which we operate, in accordance with our Code of Ethics and Business Conduct and our Corporate Sustainability Model. We work every day to be a good neighbor, in line with our values:

Closeness: we strive to be familiar with our surroundings, listening to our neighbors and community, and building relationships based on respect and a positive impact.

Excellence: we develop procedures and processes that take into the consideration the externalities caused by our business on the communities and surrounding areas in which we operate, during the stages of both construction and operation.

Respect and honesty: we work to ensure serious, responsible, and transparent relations, and to clarify any matters that may put our integrity at risk. At SMU, all decisions that affect our neighbors and community are made within the framework of legal regulations in force and the corporate principles set forth in our Code of Ethics and Business Conduct.

Collaboration: we strive to work collaboratively with our neighbors and community members.

Agility: we adapt to the different changes that arise in our surroundings. Every time we make an agreement with neighbors, local authorities, or other community members, we strive to fulfill the terms and conditions as agreed.

SMU has a Whistleblower Form that is available to both employees and third parties (including customers and the community in general) and guarantees confidentiality, transparency, ease of access and anonymity in order to report violations of or threats to this policy. All reports made through the Whistleblower Form are reviewed under principles of good faith, and retaliatory actions are expressly prohibited by the Company's Code of Ethics and Business Conduct. The Whistleblower Form is available on the Company's website.

Being a good neighbor is part of our commitment to the community!

VIII. Environmental Policy Statement

At SMU, our purpose is to make life easier for our customers, and as part of our purpose, we recognize the importance of caring for the environment and taking action to combat climate change. We strive to operate our business responsibly and sustainably, building relationships based on respect and care for customers, the community, and the environment. We recognize the role that we play as a company and seek to have a positive impact on the quality of life of our employees and the members of the communities where we operate, and we encourage our suppliers to implement practices that aim to protect the environment.

We have made the following commitments with respect to the environment, in line with our Code of Ethics and Business Conduct; corporate values of Closeness, Excellence, Respect, Collaboration, and Agility; and our Corporate Sustainability Model:

1. **Closeness:** we operate within a framework of care and respect for the environment. We strive to avoid food waste; to measure and/or reduce the generation of waste and/or emissions; and to manage our operations in accordance with legal regulations in force.
2. **Excellence:** we set goals that allow us to consistently achieve sustainable results. We strive to avoid negatively impacting the environment and to combat climate change by continuously making improvements to our processes.
3. **Respect and honesty:** we comply with environmental regulations in force in order to prevent polluting the environment. We promote a culture of respect for and protection of the environment through internal communications campaigns and training programs.
4. **Collaboration:** in our day-to-day work we strive to incorporate different viewpoints and approaches, both through our internal teams and with third parties, in order to develop a network of cooperation and collaboration regarding measures to protect, safeguard, and care for the environment. We promote an efficient use of natural resources in our operations, as well as in our supply chain and logistics network, and in the evaluation of new projects.
5. **Agility:** we adapt to the requirements of new environmental standards.

SMU has a Whistleblower Form that is available to both employees and third parties (including customers and the community in general) and guarantees confidentiality, transparency, ease of access and anonymity in order to report violations of or threats to this policy. All reports made through the Whistleblower Form are reviewed under principles of good faith, and retaliatory actions are expressly prohibited by the Company's Code of Ethics and Business Conduct. The Whistleblower Form is available on the Company's website.

IX. Food Waste Policy Statement

At SMU, we are aware of the importance of caring for the environment and taking action to prevent climate change, and we strive to carry out our business activities responsibly, building long-term, respectful relationships with our customers and neighboring communities. As such, we are also aware of the far-reaching social, economic, and environmental impacts of food waste, which is why we are committed to minimizing food waste across our operations.

In order to carry out this commitment, our objective is to continuously search for and implement new initiatives that allow us to reduce food waste in our operations.

We will prioritize the prevention of food waste by implementing a program that includes the following initiatives:

1. “Pronto Consumo”: This program offers significant discounts on products whose expiration date is coming up but that are still in perfect conditions for consumption.
2. “Less Waste; More Awareness”: Through this program, SMU develops partnerships with different institutions in order to donate food from stores and distribution centers, in accordance with local regulations.
 - a) Donation of food to at-risk persons through non-profit organizations.
 - b) Donation of products unfit for human consumption to zoos, animal shelters, or rescue organizations located in communities where SMU operates.

Our deep insight into the preferences of our customers allows us to choose a product assortment that satisfies their needs. We also aim to optimize our demand planning, using technology to increase the accuracy of our forecasts so purchase volumes are aligned with demand from stores.

We will measure our progress on an annual basis, reporting on our achievements in order to ensure accountability and inspire others to join us in this critical effort. We will analyze the information by product category in order to identify areas that require action.

Through this commitment, we aspire to contribute to global efforts to reduce food waste, mitigate the environmental impact of food production, and guarantee food security for all.

X. Biodiversity and No Deforestation Policy Statement

At SMU, caring for the environment is one of the key pillars of our Corporate Sustainability Model, and we strive to have a positive impact on the communities in which we operate. As such, we aim to care for, respect, and protect biodiversity, and we work to identify potential impacts that our operations could have on biodiversity, and to take steps to avoid and/or reduce such impacts.

We have defined the following commitments with respect to biodiversity:

1. We commit to promoting the conservation of biodiversity, and to make progress on a sustainable plan to avoid and/or reduce the possible negative impacts of our operations on surrounding areas.
2. We commit to avoiding operating activities in areas containing biodiversity of global or national importance, according to the IUCN's Categories I-IV and natural sites on UNESCO's World Heritage list.
3. When we operate in areas close to globally or nationally relevant biodiversity, we commit to carrying out actions to manage biodiversity risk, according to mitigation hierarchy principles: avoid, reduce, and compensate.
4. We commit to disclosing our management of caring for biodiversity within the Company, in order to deepen the sense of commitment and raise awareness.

SMU's Corporate People and Sustainability department is responsible for the communication and enforcement of this policy statement.

XI. Sustainable Packaging Policy Statement

At SMU, our purpose is to make life easier for our customers, and as part of our purpose, we recognize the importance of promoting sustainable packaging practices in order to reduce waste. We commit to leading by example, setting and meeting measurable targets that reflect our commitment to caring for the environment, as defined in our corporate sustainability model.

At SMU, we commit to implementing and promoting practices that encourage sustainable packaging initiatives for our private label products and to promoting best practices with our suppliers:

- **Recyclable packaging programs:** To foment the use of materials that can effectively be recycled in private label product packaging.
- **Elimination of single-use plastics:** To replace single-use plastics in prepared foods sold in stores with alternative, recyclable or more sustainable materials that don't compromise the quality or safety of the products.
- **Transparency and communication:** To provide clear and transparent information about our sustainable packaging practices and inform our customers how to recycle and reuse appropriately.

Through these commitments and programs, we aim to reduce our environmental impact and promote a more sustainable industry. We commit to evaluating our practices on an ongoing basis, set ambitious targets, and regularly report on our progress in order to ensure transparency and accountability.