

SMU S.A. and  
Subsidiaries

**SUSTAINABLE  
ASSORTMENT  
POLICY STATEMENT**



# SUSTAINABLE ASSORTMENT POLICY STATEMENT

At SMU S.A. and subsidiaries (“SMU” or the “Company”), 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.