

Living wage statement



Living Wage Statement

Objective

Declare general intentions related to living wages for employees.

Scope

The living wage statement covers the activities of Grupo Éxito and all formal employment in Colombia.

Introduction

At Grupo Éxito, we are committed to complying with labour legislation in terms of compensation, and the company grant benefits to our employees.

The General Social Security System in Colombia comprises a set of public and private entities, rules, and procedures. This security system aims to protect the population from risks or contingencies arising from illness, old age, death, health, and wellness. It provides coverage of assistance and economic benefits by the health system, pension system, and Occupational Risk system. Both employer and employee, based on the salary earned, make contributions defined in the law.

The health system provides the employee with the economic assistance benefits and the assistance benefits to his primary family group due to general illness and maternity. Contributions are equivalent to 12.5% of the salary, where the employer contributes with 8.5% and the employee with 4%.

The pension system attends to the contingencies arising from invalidity, old age, and death, providing economic benefits for such events. The contributions are equivalent to 16% of the salary, where the employer pays 12% and the employee 4%.

The System of Occupational Risks provides the employee with the assistance and economic benefits for the contingencies derived in the employment relationship due to an accident at work or an occupational disease. The contributions are borne by the employer exclusively and depend on the type of risk when it is the lowest, equivalent to a contribution of 0.522%.

In the same way, there are parafiscal contributions, at the sole expense of the employer and destined to entities such as SENA, ICBF, and FAMILY COMPENSATION FUNDS. The employer contributes 4% of the salary earned by each employee, which is destined to benefit the employee and his family group in matters related to housing, health, education, recreation, culture, tourism, sports, and credit (find below a detailed explanation).

The following table details the concepts paid to the employees of Grupo Éxito within the framework of Colombian legislation, who is responsible for the payments, the periodicity, and the percentage of the contribution:



Concept	Provides	Periodically	Percentage (%)	Value 2020
<i>Current monthly minimum wage</i>	Employer	Monthly	100%	\$ COP 908'526
<i>Transport Assistance</i>	Employer	Monthly	100%	\$ COP 106'454
<i>Pension</i>	Employer	Monthly	12%	\$ COP 109'023
<i>Pension</i>	Employer	Monthly	4%	\$ COP 36'341
<i>Health (EPS)</i>	Employer	Monthly	8.5%	\$ COP 77'225
<i>Health (EPS)</i>	Employer	Monthly	4%	\$ COP 36'341
<i>Service premium / 2 (In June and December)</i>	Employer	Semiannual	100%	\$ COP 454'263
<i>ARL (Level I)</i>	Employer	Monthly	0.522%	\$ COP 4'743
<i>Layoffs By year</i>	Employer	Annual	100%	\$ COP 1'014'980
<i>Interest on unemployment (Per year)</i>	Employer	Annual	12%	\$ COP 121'798
<i>Vacation</i>	Employer	Annual	50%	\$ COP 454'263
<i>Compensation fund</i>	Employer	Monthly	4%	\$ COP 36'341
<i>ICBF (Salary > 10 SMLV) *</i>	Employer	Monthly	3%	\$ COP 0
<i>SENA (Salary > 10 SMLV) *</i>	Employer	Monthly	2%	\$ COP 0

** Employees who accrue < 10 Current legal minimum wage are exempt from paying ICBF and SENA contributions*


Definitions

Parafiscal Contributions In Colombia, by definition, parafiscal contributions are a mandatory contribution that the employer and some companies must make to the ICBF (Colombian Family Welfare Institute), SENA (National Apprenticeship Service), and the family compensation funds, for each employee who provides their services. The purpose of this contribution is to finance the social activities offered by the State through these organizations.

SENA: The National Learning Service -SENA-, is an entity responsible for providing technical and technological studies to millions of people in Colombia free of charge. Therefore, it is an entity that requires economic support to sustain itself and continue to provide its services. The % contribution by the employer is 2%

ICBF: The Colombian Family Welfare Institute (ICBF) is an entity responsible for the prevention and comprehensive protection of early childhood, childhood, adolescence, and the well-being of families in Colombia. The % of contribution by the employer is 3%

CCF: The Family Compensation Funds -CCF-, are non-profit entities that seek to generate well-being to their members through programs that raise the quality of life of people, such as the possibility of housing subsidies, accessing a gym, courses, truism, among other topics that are useful for society. The % contribution by the employer is 4%. The compensation funds administer the resources provided by the companies to grant a subsidy to employees who have this right. This regulation can be found in Law 21 of 1982. This allowance consists of financial support given




by the family compensation fund to which the employee is affiliated; this benefit consists of delivering various items such as medicines, clothing, footwear, and school supplies.

Declaration

Grupo Éxito with the intention to offer its employees a decent job and emotional and economic accompaniment in each stage of their lives has established an extralegal benefits scheme segmented by the two contracting regimes, the types of contract, and seniority in the Company. This portfolio that today has more than 100 benefits, including the Employee Funds (PRESENTE and FUTURO), responds to the following 12 fronts on which we offer programs and attention to employees and their families and that annually the Company has an investment of more than 80,000 million Colombian pesos in these benefits:

1. Family support: groups the benefits that seek to support the different stages that families live and those that accompany the employee in difficult moments arising from situations that are detrimental to a healthy family dynamic. Some of the benefits are Additional time for the employee to enjoy with family or personal issues, Help for the loss of a child during pregnancy, Academy of Personal and Family Finance, etc.
2. Recreation portfolio: This program aimed to open spaces for recreation and free time for employees to share enjoyable moments with their family members or colleagues. Some of the benefits are a special event at the Children's Day for our employees' children, Special holiday season activities such as recreational activities, sport, Additional Vacation Days and recreational and accommodation spaces that offer employee funds to enjoy their vacations. Etc.
3. Culture promotion: benefits that encourage the knowledge and creative expression of the human being through various techniques. Some of the benefits are Plastic and Performing Arts Workshops for Adults and Children, National Artist's Hall, etc.
4. Education promotion: This benefit program covers employees and their children's schooling and academic development. Some of our programs are scholarships for higher education where people with the best grade average can apply for scholarships offered by the company "Best in Class Scholarships", Monetary assistance for the education of the employee's children. We also provide the possibility to apply for scholarships for primary and secondary education, etc.
5. Strengthen sports: The Company promotes activities and programs to promote healthy lifestyles for the employees and their family group. Some of the benefits are Training and sports competitions, Sports teams for employees' children, etc.
6. Celebrations: benefits, activities, and programs that provide spaces to recognize the perseverance, dedication, and commitment of our employees from the role they play in their families and our Organization. Some of the benefits are Celebrating Years of Service, Mother's Day, Father's Day, etc.
7. Health: Activities and programs that seek to promote the health and prevent disease of our employees and their families. Some of the benefits are Assistance of Glasses and Assistance for Partial or Total Deterioration of Glasses, oral health aid medical service, among others.
8. Credits: This program contains all the different credit products offered by the PRESENTE Fund to our employees. Some of the benefits are Vehicle Credit, Education, Calamity, etc.
9. Housing guarantee: This portfolio supports the employee in acquiring, constructing, or improving a housing solution. Some of the benefits are Plan Mi Casa and Housing Fair, etc.



10. Agreements: access the different possibilities offered by the PRESENTE Fund to provide better conditions in products and services of interest to our employees and their families. Some of the Benefits are Home Policy, Mandatory Traffic Accident insurance, etc.

11. Entrepreneurship promotion and development: The Company seeks to offer training and development opportunities for employees and their family group to generate alternatives for the excellent use of free time. By applying the trades and techniques learned, the employee can develop economic resources to improve their quality of life. Some of the benefits are Cooking Courses, Beauty and Aesthetics, Decoration and Crafts, etc.

12. Savings: The Company offers different savings products provided by the PRESENTE and Futuro Funds to our employees. Some of the benefits are Contribution in Futuro Fund, Mothers Bonus, PRESENTE CDTA, etc.

Furthermore, the Company has an internal brand for employees, "Reasons to Smile," through which we leverage the loyalty strategy to our employees and associate them with the Company's benefits and their families.



**El éxito del Grupo
Éxito está en
su gente**