



# Transparency Program

**Version N° 1**

Approved by Board of Directors  
19/02/2018



## Transparency Program

In 2011, Almacenes Éxito S.A. adhered to the United Nations' Global Compact, including Principle 10, which extends the company's commitment to: *"work against corruption in all its forms, including extortion and bribery"*.

In view of the commitment made, the Company has developed the Transparency Program, hereafter the Program, understood as the set of standards, policies, manuals, procedures, practices, and mechanisms aimed at the promotion of transparency and prevention, control, and response to risks of fraud, including bribery and corruption. This way, in the Company, this Program fulfills the objectives of a Corporate Ethics Program.

The principal provisions of the Program are contained in the Company bylaws, the Corporate Governance Code, the Transparency Policy, the Code of Ethics and Conduct, the Conflict of Interest Policy, the Policy on Giving and Receiving Gifts and Favors, the Donations Policy, the Anti-Money Laundering and Anti-Terrorist Financing Policy, and the Manual which describes it, the procedure concerning Mechanisms for Investigation and Response to Fraudulent Conduct, as well as in the other policies, manuals, procedures, and documents the Company issues on the topic.

Additionally, the policies, manuals, procedures and related documents generated and applied to each branch and subsidiary abroad, form part of the Program. These may be independent, providing that they are within the parameters contained in the Program.

### 1 Objective

The objective of the Program is to establish the guidelines which should be adopted for the prevention, detection, investigation, and response to risks of fraud, including bribery and corruption, in order to prevent these from happening.

### 2 Scope

The program is applicable to shareholders, administrators, directors, employees, customers, vendors, and third parties with which the Company has any existing relations.

Additionally, it corresponds to national and international branches and subsidiaries to adopt those guidelines which apply to them, in accordance with the current regulations of each country or economic sector, under the parameters contained in the Program.

### 3 Definitions

Expressions that begin with a capital letter in this document and which require special definitions are defined below, notwithstanding the other applicable definitions contained in the Corporate Governance Code.

- **Corruption:** Inappropriate use of entrusted power to obtain personal benefits.
- **Fraud:** Possibility that acts, omissions, or enticed conducts are committed by employees or third parties,

with the intention of causing damage to the Company, or of obtaining some type of benefit for themselves or

others, due to, but not limited to , the following:

- Breach of trust
- Abuse of technology
- Cybercrime
- Corruption
- Fraud
- Theft
- Intentional manipulation of financial statements
- National bribery
- Offshore bribery
- Transactions with related parties that are not in market conditions.
- Inappropriate use of resources
- Improper use of privileged information
- Misappropriation of assets
- Document falsification

The definitions of these types of fraud are found in the internal procedure concerning Mechanisms of Investigation and Response to Fraudulent Conduct.

- **Manual of Compliance with the Transparency Program:** The manual of compliance of Grupo Éxito's Transparency program consists of the provisions contained in the Corporate Governance Code, geared toward the prevention, control of, and response to the risks of fraud, including bribery and corruption, and toward the promotion of transparency, the Code of Ethics and Conduct, the Transparency Policy, the Conflict of Interest Policy, as well as other policies, manuals, procedures, and documents the organization may issue on the topic. Additionally, the related policies and documents issued in and applicable to each branch and subsidiary abroad, are understood to be integrated into the Group's compliance manual.
- **Transparency Program:** The Transparency Program implements the Organization's Corporate Ethics Program.

#### 4 Transparency Policy

Almacenes Éxito S.A. is responsible for promoting the highest ethical conducts among its shareholders, administrators, directors, employees, customers, vendors, allies, consultants, and other third parties with which the Company has any existing relations.

For this reason, the current policy deals with the general criteria, based upon which the Company's willingness to act regarding the prevention, detection, investigation, and response to possible fraudulent acts, including bribery and corruption, which impinge upon transparency, is defined. As such, it is mandatory to comply with these criteria, which are not discretionary in their interpretation or application.

#### 4.1 General principles:

- The Company does not tolerate fraud, bribery, corruption, nor any other conduct which impinges upon transparency. As such, it does not participate, directly or indirectly, in fraudulent or corrupt practices.
- The Company does not tolerate deviations with respect to the Program's guidelines on the part of shareholders, administrators, directors, employees, customers, vendors, allies, consultants, or other third parties with which it has any commercial or contractual relations.
- The Company promotes among employees a culture oriented toward values and corporate ethical principles, and toward compliance with the applicable standards in each of the countries in which it is present, as it does with internal regulations, including those which form part of the Program.
- The focus adopted by the Company is mainly preventive. In this way, the occurrence of risks of fraud, including bribery and corruption, is mitigated, via an adequate governance structure, which is oriented toward the incorporation of prevention within the organizational culture. Additionally, it has mechanisms for the detection of and response to these risks, should they present themselves.
- With the understanding that the prevention of conducts which impinge upon transparency implies the integral management of all associated risks, the Company has adopted controls and procedures within the administration of the risks related to the money laundering and financing of terrorism, in order to minimize the risk of being used to create the appearance of legality to resources obtained in illicit activities, or their financing.
- All activity involving fraud, bribery and corruption, regardless the amount, characteristics, or those implicated, will be managed by the Company in their individual instances, in accordance with the defined investigation outline, according to the type, amount, and impact, which will allow for the implementation of applicable administrative and disciplinary actions, in conformity with that established by the law, Internal Work Regulations, and other applicable internal standards.
- When appropriate, the Company will alert the corresponding authorities responsible of handling activities involving, bribery and corruption to those cases of which it is aware; it will also take the pertinent legal actions.
- The Company performs periodic evaluations of the risks involving fraud, bribery and corruption to which it is exposed, so as to implement the necessary controls, preventative, and corrective measures for its adequate and opportune detection and management.
- In the relationships established with different stakeholders, the Company promotes a mutually collaborative environment which permits the adoption of strategies for the prevention of fraud, bribery, and corruption, which contribute to strengthening of long-term relationships, corporate sustainability and the respect of common interests.
- All shareholders, administrators, directors, employees, providers, and third parties with commercial or contractual links to the Company should report by way of the mechanisms for receipt of reports, any type of information, doubt, or suspicion of fraudulent acts, including bribery and corruption, as well as any other conduct which impinges upon transparency or the Program.

These channels also may be employed by customers and the general community to report any of these actions.

## 5 Reporting channels

Reporting channels are administrated by an independent, specialized third party, and are widely disclosed. These are as follows:

- Transparency line 018000-522526
- E-mail: [etica@grupo-exito.com](mailto:etica@grupo-exito.com)
- [Ethical web form available on the employee Corporate Intranet](#)

Reports will be managed with absolute discretion, guaranteeing their confidentiality and the possibility of anonymity for the whistle blower. It is further guaranteed that no informant will be subject to reprisals or sanctions for having filed a report.

Despite this, if it is established that the employee who filed a report has acted in bad faith, falsified facts, or that the report has no basis at all, the Company may progress with corresponding actions, in accordance with the applicable standards and the Internal Work Regulations.

## 6 Organizational structure for the Transparency Program

The promotion of transparency is a cross-cutting commitment for the Company, for which reason, at all levels of the organizational structure, responsibilities have been assumed for the appropriate management of the Program, as follows:

### 6.1 General Meeting of Shareholders

It has established a statutory mandate, establishing mandatory compliance with the corporate governance standards, transparency, fraud and corruption prevention, conformity with the law, internal regulations which regulate the matter and best practices.

### 6.2 Board of Directors

In accordance with the Corporate Governance Code, the Board of Directors' functions regarding the Program are the following:

- Act in the best interests of the Company and fulfill the functions of their positions, as established by law, the Company bylaws, the Corporate Governance Code, the Rules of Procedure for the Board of Directors, and other applicable rules.
- Fully respect the Company's corporate governance regulations and encourage the adoption, development and strengthening of best corporate practices.
- Promote a culture of ethics, transparency, and honesty, in order for the Company to carry out its actions with integrity and zero tolerance for any type of fraud, bribery, or corruption.
- Approve the Transparency Program.

### 6.3 Audit and Risk Committee

Among the functions described in the Corporate Governance Code, the following stand out as regards the Program:

- Ensure that the registered agent communicates the significant deficiencies or cases of fraud that could have a material impact on the financial statements.
- Supervise the efficiency and adequate operation of regulatory compliance and the Anti-Money Laundering and Counter Terrorist Financing System.
- Review and recommend to the Board of Directors the approval of the Policy and operation of the Transparency Program, as well as measures to prevent, detect, and respond to risks of fraud, including bribery and corruption, also taking into account the reporting channels and systems.
- Regularly monitor the Transparency Program, its compliance officer, management of the Ethics Committee, and the effectiveness of the reporting mechanisms, assessing the content of the reports when there are significant deviations, and make the relevant and necessary recommendations to the Board of Directors and Administration.
- Assess and inform the Board of Directors of cases of Conflicts of Interest in which it may be implicated, directly or indirectly, or through a related party: (i) a major shareholder, (ii) a Board member (iii) the CEO, (iv) the Chief Operative Retail Officer Colombia, (v) the Chief Officers, (vi) the General Counsel, or (vii) the Internal Auditor, making the necessary recommendations to manage the situation.
- Assess and inform the Board of Directors of possible conflicts of interest that could arise between the Board and branches and/or subsidiaries, or between these entities; or between administrators and related parties, and make the necessary suggestions to manage the situation.

### 6.4 Ethics Committee

#### 6.4.1 Objective

The purpose of the Ethics Committee is to lead the Company's Transparency Program in order to promote the highest ethical conducts, through monitoring of the policies which constitute said Program.

#### 6.4.2 Composition

This Committee is composed of:

- The Chief Operative Retail Officer in Colombia
- The Chief Human Resources Officer
- The Chief Services Officer
- The Corporate Affairs Manager
- The Internal Auditor

#### 6.4.3 Functions

- Make recommendations about different strategic and commercial actions, recognizing the

economic, environmental, and social impacts on different stakeholders, and the Company's correct actions.

- Evaluate the level of policy, procedure, and Transparency Program mechanism application, including the Code of Ethics and Conduct, and define the necessary actions for periodic disclosure and strengthening of the highest standards of ethical conduct within the Company.
- Review cases which impinge upon transparency in any event in which the Company may be affected, which in its view should not be delegated to the Operating Anti- Fraud and Anti-Corruption Committee, and lead the required investigations.
- Ensure compliance and validity of the Transparency Program, the Code of Ethics and Conduct, and other Program policies, procedures, and mechanisms
- Validate the update of risk of fraud maps, when appropriate.
- Present an annual report to the Company Board of Directors, by way of its Audit and Risk Committee.

### **6.5 Operating Anti-Fraud and Anti-Corruption Committee**

The Operating Anti-Fraud and Anti-Corruption Committee is made up of permanent members of the Ethics Committee, including the Chief Operative Officer of Retail in Colombia, the Chief Human Resources Officer, the Chief Services Officer, the Corporate Affairs Manager, the Internal Auditor, together with other leading members in key areas, such as the Director of Human Resources, the Director of Resource Protection Services, the Head of the Integral Risk Management Department, and case managers will be invited, in accordance with need in the cases discussed.

By decision of the Ethics Committee, the functions of this Committee, which are found in the internal procedure concerning Investigation Mechanisms and Response to Fraudulent Conduct, are listed below:

- Effectively manage the facts against transparency, received via reporting mechanisms.
- Become familiar with the facts presented, as well as the state of the investigation and its resolution.
- Analyze gaps identified in the processes and systems, as well as the pertinence of the recommendations for their resolution.
- Define and manage response measures:
  - Disciplinary, prosecution processes and/or recovery measures.
  - Preventative and corrective actions in relation with implicated third parties, in accordance with the law, or the applicable commercial or contractual conditions.
- Monitor the state of action plans, and guarantee the close of control gaps.
- Decide the strategies and modes of communication and content to inform others.
- Inform the Ethics Committee.

### **6.6 Registered agent**

In accordance with the current regulations and as regards the Program, it is the responsibility of the registered agent to:



- Have the necessary human, economic, and technological resources available for the promotion of transparency and adequate Program development.
- Lead actions deemed necessary for the defense of Company interests, and avoid damage thereto, including the filing of appropriate legal action when a director or employee infringes the provisions established in the Program or any of its policies, procedures, manuals, or related mechanisms.
- Communicate significant deficiencies or cases of fraud that could have a significant impact on financial statements.

### **6.7 Compliance officer**

Notwithstanding that provided in the Code of Ethics and Conduct, the functions of the Program's compliance officer are:

- Coordinate the policies issued by the Board of Directors, Senior Management: and the Ethics Committee, promoting prevention and control of the risks of fraud, including bribery and corruption, by way of structuring, implementation, and execution of the Transparency Program.
- Perform periodical assessments of the risks of fraud, including bribery and corruption.
- Periodically inform on the Transparency Program's operation, including the management of reporting channels to:
  - The Ethics Committee With the regularity defined by the Committee.
  - Operating Anti-Fraud and Anti-Corruption Committee: With the regularity defined by the Committee.
  - The Board of Directors' Audit and Risk Committee Annually.
- Direct and coordinate periodic communication and training activities related to the Transparency Program, which seek to create awareness regarding the threat it represents for the Company to perform corrupt practices.
- Coordinate and ensure compliance with internal investigation procedures, if there have been infractions in the Transparency Program.
- Request the performance of due diligence procedures within the framework of business or international transactions, when appropriate.

### **6.8 Case managers by type**

In accordance with the investigation system defined by the Company, according to the nature of the occurrence, case managers have been appointed to process the reports obtained through reporting channels, under the management of the Operating Anti-Fraud and Anti-Corruption Committee.

### **6.9 Employees**

Notwithstanding the duties established by law, contract, Internal Work Guidelines, and internal regulations, employees, regarding the Program, must:

- Comply with Program guidelines, policies, and procedures.



- Employees and administrators, in all of their internal actions, and before third parties, must promote transparency, and make clear that the organization does not tolerate corruption nor bribery. As such, they will never offer or take payments, favors, gifts, benefits, or any other object of pecuniary value, in order to create a specific result regarding an interest, personal business, or the Company..
- Report suspicious fraudulent conduct, including bribery and corruption, of which they may become aware of, and that may assist in the investigation thereof.

## **7 Other elements of the Transparency Program**

Below are other relevant elements of the Program, which allow for coherent management with the aforementioned general principles.

### **7.1 Risk assessment**

The Transparency Program is structured based on the periodic assessment of risks of fraud, bribery, and corruption performed by the Company, which has in mind various risk factors. These include:

- Jurisdiction
- Economic sector
- Products/services
- Third parties

By way of risk assessment, treatment measures are adopted aimed at mitigating the probability and impact of the respective risks identified.

### **7.2 Due diligence**

The company will develop procedures in order to learn about third parties prior to their linkage, with the aim to mitigate the risk of establishing links with third parties who have a background concerning fraud, bribery, corruption, money laundering, or financing of terrorism activities, in accordance with the materiality criteria according to the analysis of these risks.

It is further planned, for all third parties, to perform these searches in public information sources, defined in the Policy for Prevention of Money Laundering and Financing of Terrorism Risk, and in the respective internal manual on the topic. Additionally, depending on the risk analysis, more in-depth due diligence will be performed in accordance with the regulations established in the internal procedures..

### **7.3 Tracking and monitoring**

The program may be object to internal or external audits, so as to verify compliance. Additionally, self-control is considered to be a tool for the tracking and monitoring of preventative, detective, and corrective actions adopted for the management of risks of fraud, including bribery and corruption.

### **7.4 Training and communication**

The company will train and communicate periodically with its employees and critical third parties, in

accordance with risk analyses, political standards, procedures, practices, and mechanisms in the Program for the promotion of a culture of transparency.

## **8 Policies and related procedures**

The following policies and procedures will form an integral part of the Program:

- Corporate Governance Code
- Code of Ethics and Conduct
- Conflicts of Interest Policy
- Policy on Giving and Receiving Gifts and Favors
- Donations Policy
- Policy for Prevention of Money Laundering and Financing of Terrorism Risk