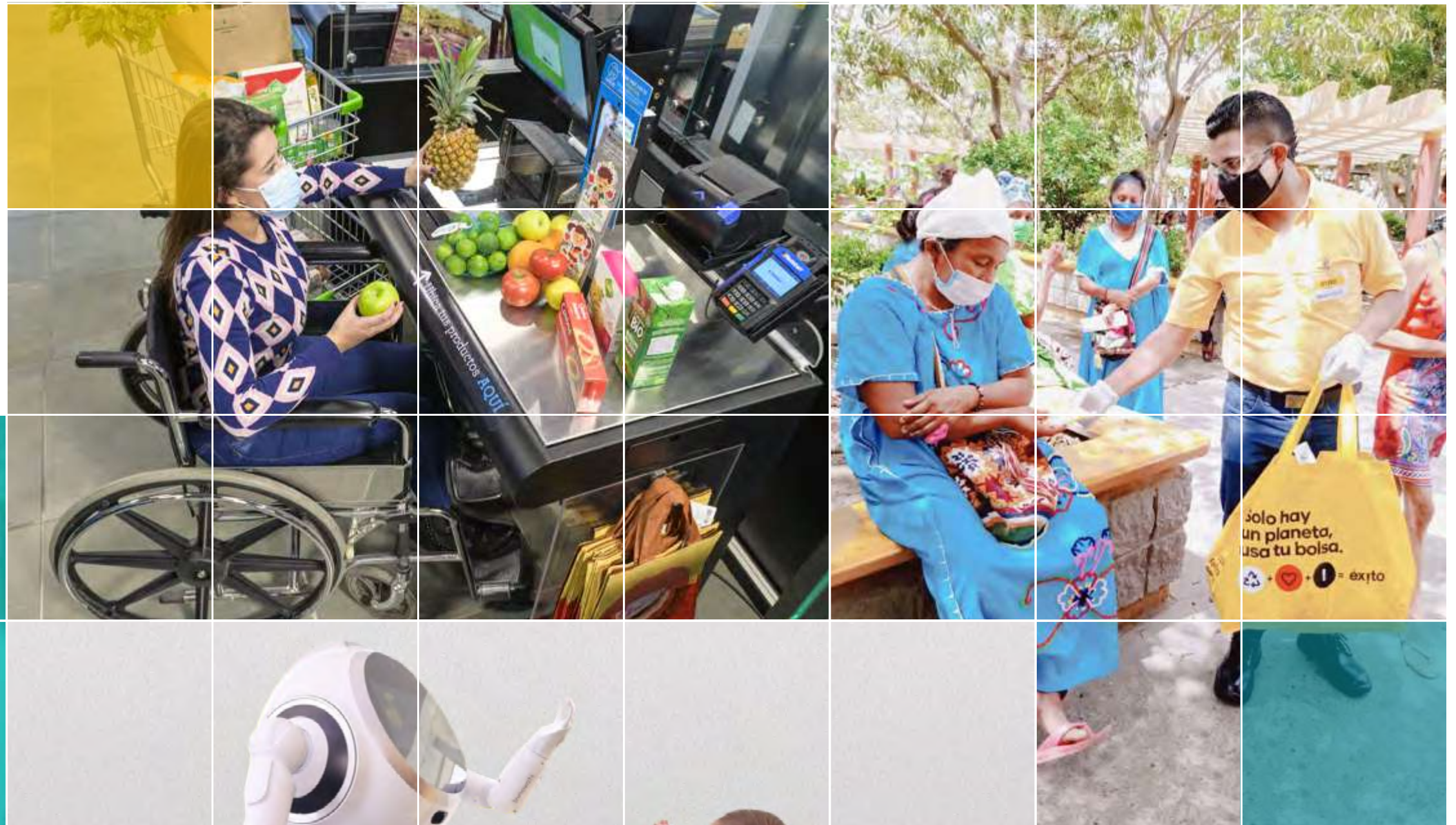


...  
**TRUST**  
TRANSFORMATION  
**AND SOLIDARITY**



**A YEAR OF  
THE MAXIMUM  
POSSIBLE**

**INTEGRATED  
REPORT  
2020**





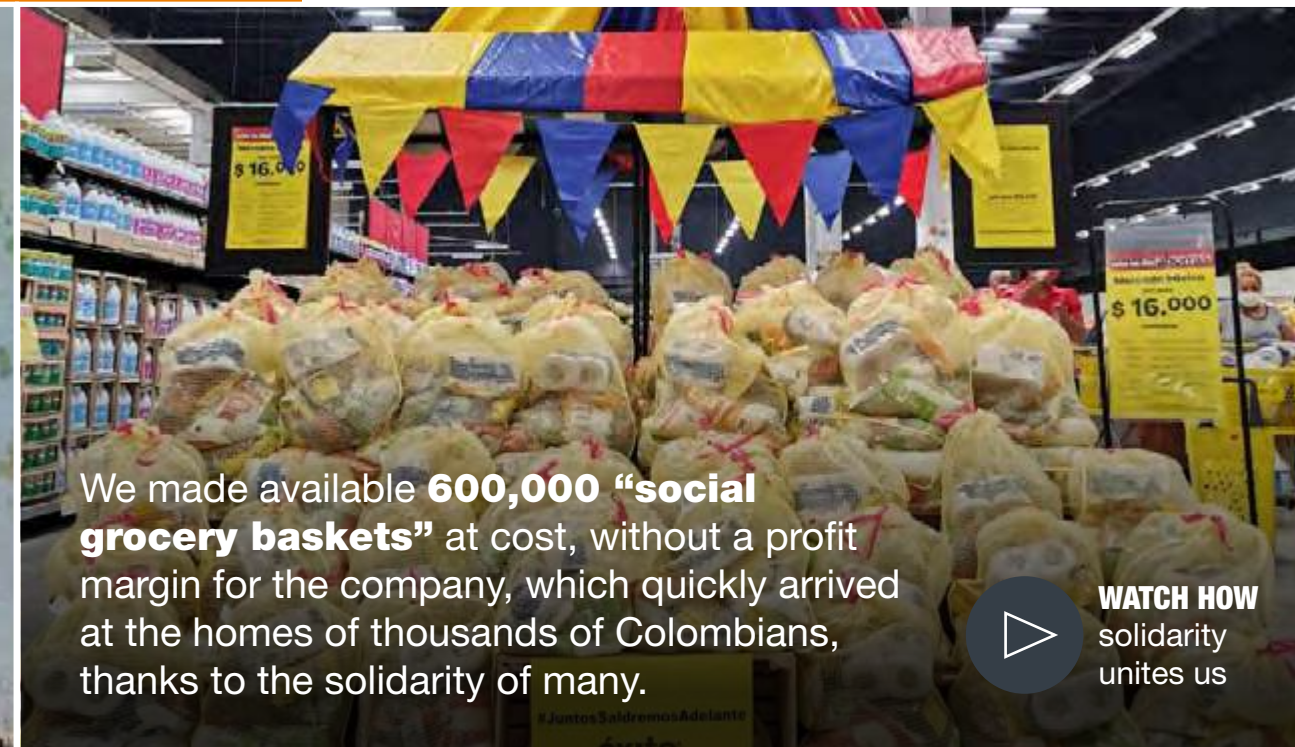
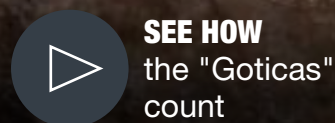
# SOLIDARITY

as a principle for action

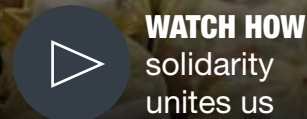
Colombia needed us all to be more united than ever in order to overcome this demanding moment and face its consequences. The year was difficult but we understood that we all have the capacity to contribute to the well-being of others.



We provided more than **254,766 food packages** to children and families in 276 municipalities in 31 departments of Colombia through the Fundación Éxito, with the input of customers, suppliers, allies and employees of the Group.



We made available **600,000 "social grocery baskets"** at cost, without a profit margin for the company, which quickly arrived at the homes of thousands of Colombians, thanks to the solidarity of many.



We donated **1,200 million face masks** to promote the use of this essential life-care garment. The total value of the donation was COP2,400 million.



We created the **"Teléfono blanco"** (White Phone) for prioritized care and no-cost delivery to health care personnel in recognition for their work.



# SECURITY AND TRUST

for partners and customers

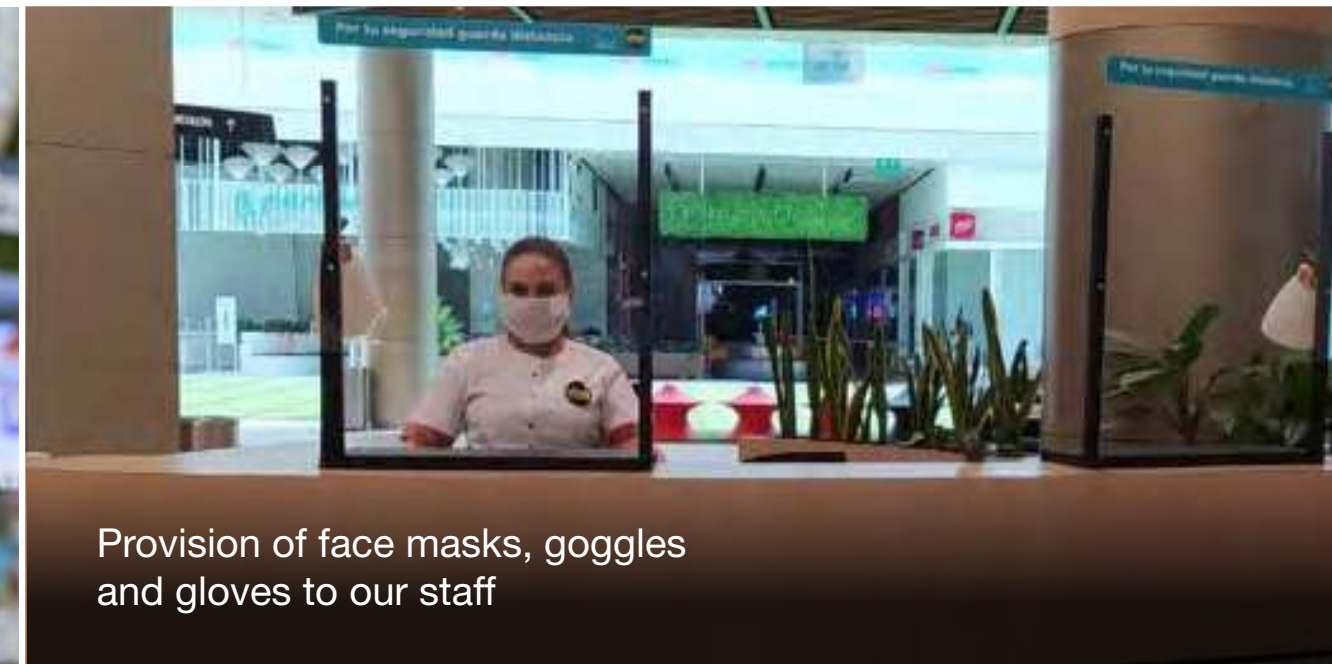
Starting day one of the emergency, our stores and shopping malls became the “second home” of Colombians, a condition we took on with all the biosecurity measures.



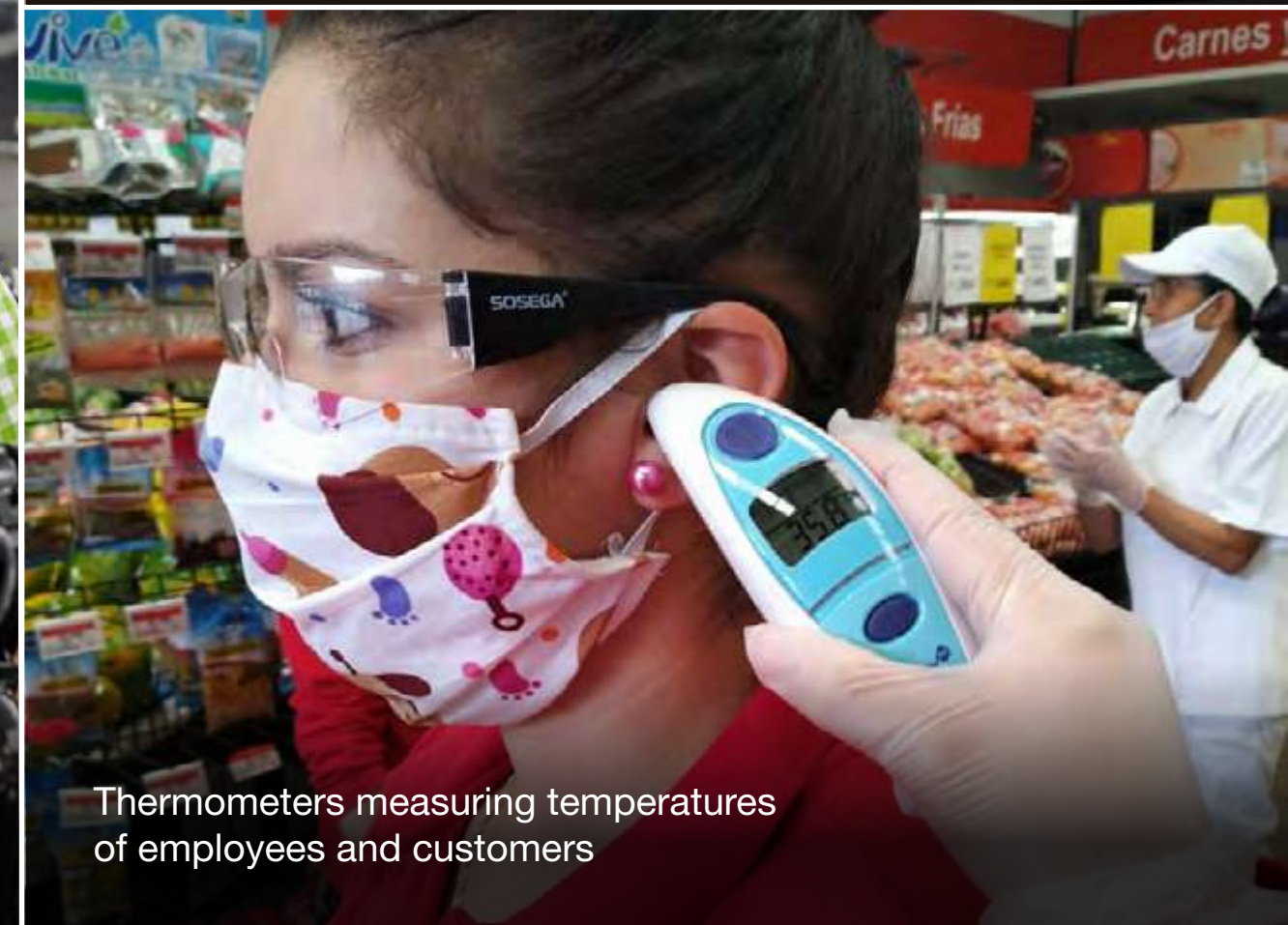
Spraying for constant and deep disinfection, cleaning of market baskets and supermarket carts



Installation of **2,500 acrylic shields** at sale points and cash registers in order to avoid physical contact between customers and employees



Provision of face masks, goggles and gloves to our staff



Thermometers measuring temperatures of employees and customers



# PRESERVATION of employment

One of the major priorities in this emergency was the preservation of employment, both self-employment and that of suppliers and allies.



Since April 2020 and for the rest of the year, the company has made advance payments to about 1,000 SMBs suppliers, as a way of preserving employment. An investment of close to **COP75,000 million per month.**



**WATCH HERE**  
the supplier  
message



At Grupo Éxito we have preserved more than **37,000 employees** all around the country.



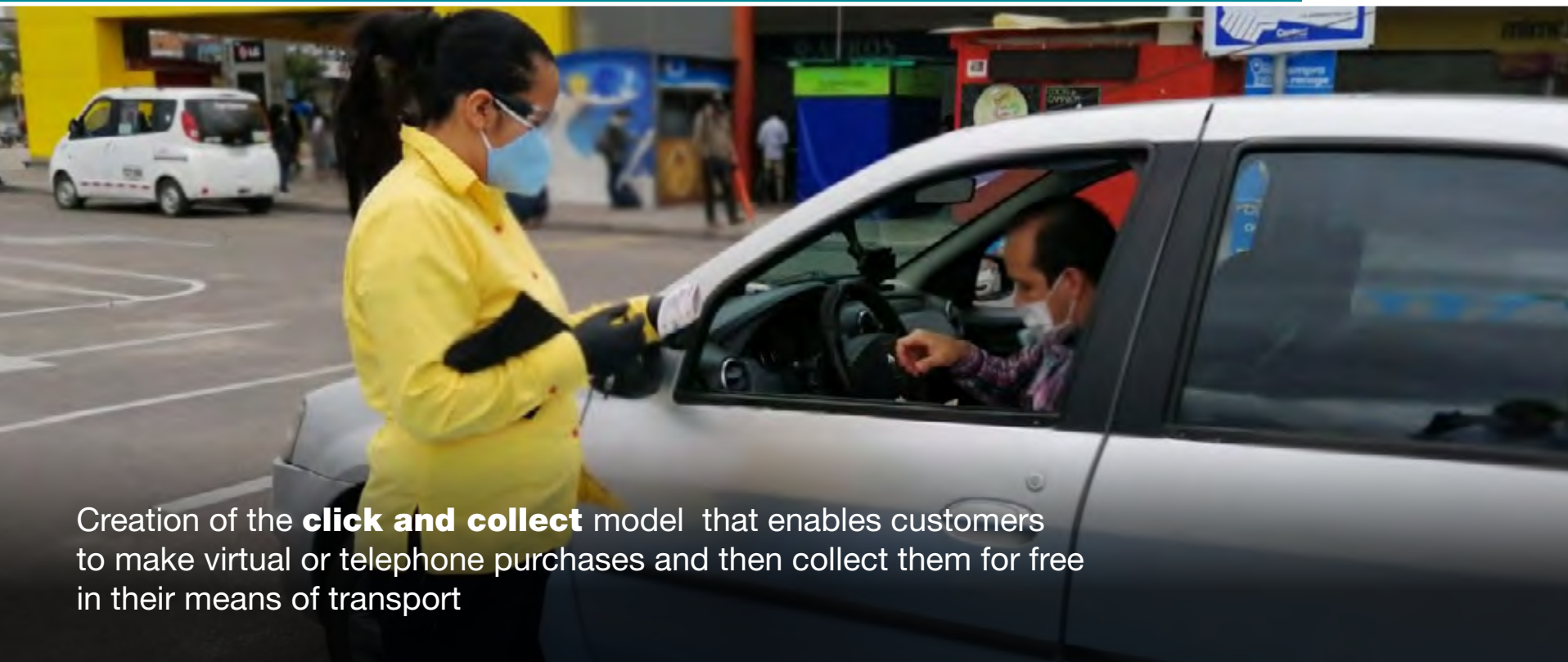
We encourage the production of **13 million face masks** with a dual purpose: to make available to Colombians this basic element of protection and to help preserve employment. We have preserved about 3,500 jobs.



# INNOVATION

## and Transformation

**Agility, innovation and adaptability were the key factors that enables us to understand the environment and its needs and quickly migrate a strategy to give customers effective responses. That is why we are working to strengthen the channels of direct and electronic commerce.**

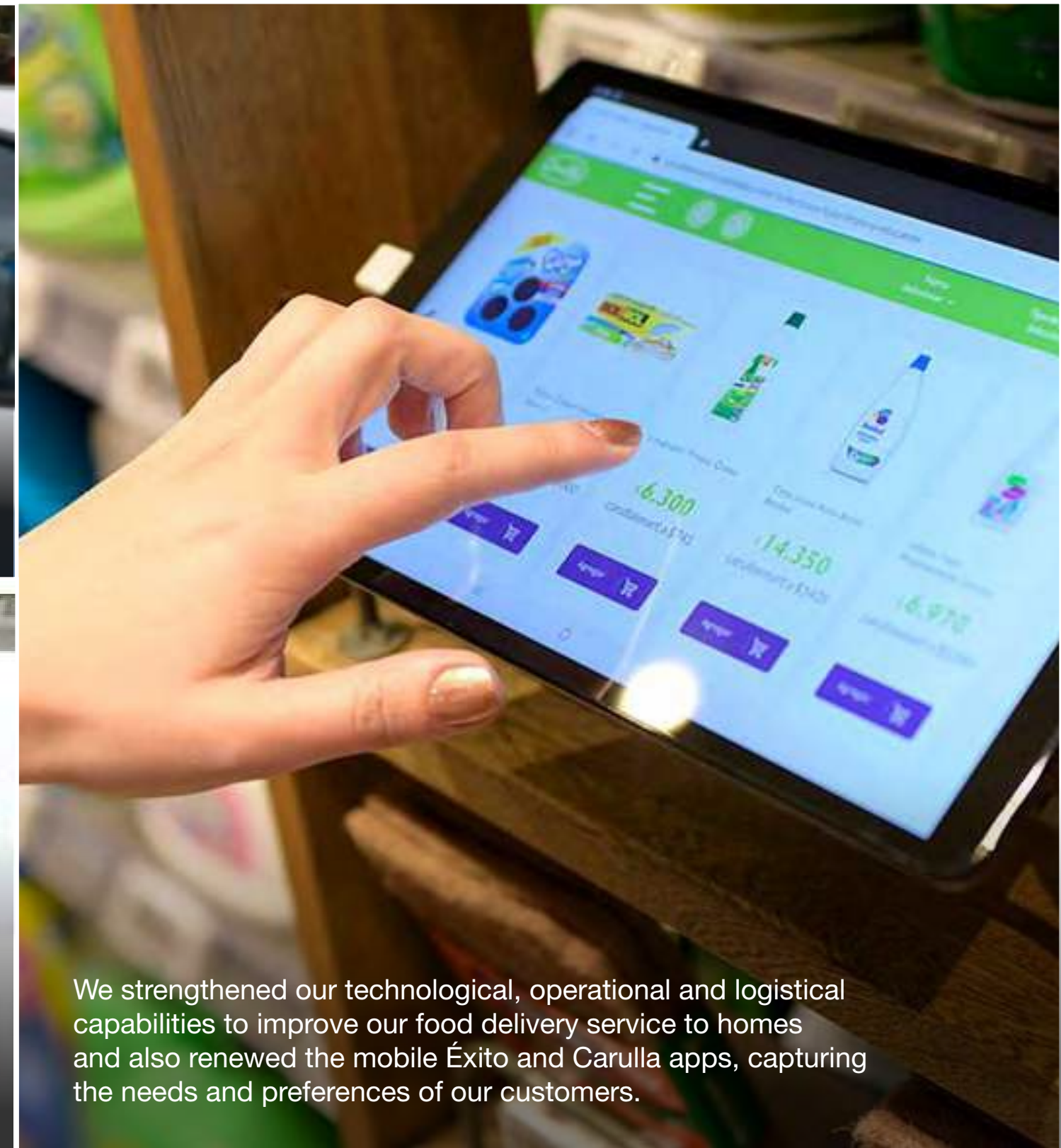


Creation of the **click and collect** model that enables customers to make virtual or telephone purchases and then collect them for free in their means of transport



**Viva Online**, Grupo Éxito's real estate business brand, reinvented and focused on the omnichannel model in order to be closer to customers, generate new buying experiences and decrease friction, thus supporting growth of its business allies, providing them with new alternatives and sales channels.

**WATCH HERE**  
more about  
Viva online



We strengthened our technological, operational and logistical capabilities to improve our food delivery service to homes and also renewed the mobile Éxito and Carulla apps, capturing the needs and preferences of our customers.



# WE BUILD UP

our nation together



**Perhaps this was not the year we expected but we did not expect it to teach us so much either.**



We learned to think about the common well-being above our own, to be more supportive, to recognize the work of those who strive daily to give us their best, to believe in ours as the best option and to continue contributing to the country's development. We understand that no matter how dark the night is, it always dawns the next day.



**WATCH HOW**  
we build up our nation together



# OMNICHANNEL STRATEGY AND INNOVATION, BIG DIFFERENTIALS TO DEAL WITH MARKET CONDITIONS

[GRI 102-4] [GRI 102-7]

## SOME CONSOLIDATED RESULTS

**COP15.7 billion in consolidated net revenues**

**+ 2.9%** more than in 2019

**8.1%** recurring EBITDA margin

**COP230,872 million in net share result**

**+ Four times** more than in 2019

**Libertad**  
25 stores  
105,763 sqm

**Libertad**  
15 stores

**Mini Libertad**

**Petit Libertad**  
10 stores

**Paseo**  
LIBERTAD  
15 stores

**grupo éxito**

513 total stores  
838,532 sqm

**éxito**

241 stores

**Carulla**

95 stores

**Super INTER**

69 stores

**SURTIMAX**

74 stores

**MAYORISTA** surti  
Economía para usted y su negocio

34 stores

**viva**  
Centro Comercial

34 shopping centers and commercial galleries

**GRUPO DISCO URUGUAY**

91 stores  
91,790 sqm

**Devoto**  
59 stores

**Disco**  
30 stores

**Géant**  
2 stores





**February**

Launch by the Fundación Éxito of the series, **"CRÓNICA, LA CIUDAD DE LA DESVENTAJA"** (Chronicle of the City of Disadvantages) to make the problem of chronic malnutrition in Colombia visible.

**VIVA TUNJA**, Boyacá's first shopping center to receive one of the largest awards in sustainable construction from the **US Green Building Council**.

**March**

A union of retailers **to provide a message of confidence in the country's supply and availability of products.**

Start of the **HIGH-MANAGEMENT BOARD** to deal with the **COVID-19 emergency.**

Start of implementation of **BIOSECURITY AND SUPPLY MEASURES** to address the health emergency.

**SIGNING OF THE AGREEMENT** on self-regulation of Colombian trade for the **proper management** of the COVID-19 emergency.

Start of delivery by the Fundación Éxito of **"SOCIAL GROCERY BASKETS"** to vulnerable populations.

**ADVANCE PAYMENTS** to about

**1,000 SMB suppliers** to promote job preservation.

[READ MORE](#)

Positioning of Viva Envigado as **the most sustainable shopping center in Colombia**, according to the US Green Building Council.

# M I L E S T O N E S

**April**

Launch of **COMPRA Y RECOGE (CLICK AND COLLECT)**, the new service by Grupo Éxito **to facilitate online purchase and at-store product pick up.**

[READ MORE](#)

Provision of

**600,000 "social grocery baskets"** at cost, without a profit margin for the company **to promote solidarity among Colombians.**

**May**

**RENOVATION OF SIX SUPER INTER STORES** for differentiating shopping experiences and confidence-building.

Launch of **VIVA ONLINE**, Colombia's **most complete virtual shopping center.**

[SEE MORE](#)

**June**

**LAUNCH** of the first fully on-line promotional event for the **Éxito brand.**

Donation of

**700,000 face masks** to the Presidency, mayors', and governors' offices of the country to promote the use of this garment and to mitigate the spread of the COVID-19.

[READ MORE](#)

[WATCH VIDEO](#)

**July**

Creation of the **Omnichannel vice-presidency** to accelerate the omnichannel strategy.

**OPENING OF SURTIMAYORISTA STORE NUMBER**

**33.**

**FIRST DEVELOPMENT** of a **100% digital experience in Colombia Moda** with the collection of designer Beatriz Camacho.

Entry into the **ZERO AGREEMENT DEFORESTATION** of the meat chain and public declaration and initiation of monitoring to meat suppliers.





August

Record of virtual mobilization to promote breastfeeding through the **LACTATON** (Breastfeeding Marathon) **promoted by the Fundación Éxito.**



#JUNTOSCONSTRUIMOSPAÍS

(We build up our nation together) as a message of optimism and hope for the country, was a **trend in social networks for the second consecutive year.**



**EXPOVINOS,** one of the most important wine fairs in Latin America, held at Éxito and Carulla, **is developed for the first time virtually.**

September

**OPENING OF ÉXITO WOW LAURELES (Medellín),** the first hypermarket in the country to operate with natural refrigerant gases that generate less impact on the environment, reducing emissions. A new step toward technological innovation.

**CARULLA,** the premium brand of Grupo Éxito, **celebrated its 115 years** in the Colombian market.

**OPENING THE ÉXITO WOW VILLA MAYOR, the first of this format in southern Bogotá,** as a bid for job generation in the country in the midst of the health emergency.

**MAGIA SALVAJE turned five years old** and the film was made available at no cost on the Youtube channel of Grupo Éxito.

**Reopening of the food areas** of the Éxito and Carulla brands after the cessation of their service because of the pandemic.



M I L E S T O N E S

We made it through this year with great achievements that make us proud

October

Grupo Éxito received the **Silver Seal “IMPLEMENTATION OF ACTIONS FOR EQUALITY” certification from Equipares,** awarded by the United Nations Development Program together with the Ministry of Labor.

Grupo Éxito was recognized by the Merco indicator as **one of the 10 best-reputed companies in Colombia.**

November

IGD Retail Analysis recognized **CARULLA FRESHMARKET COUNTRY** as one of the world's best stores and **Éxito Wow Laureles as the store of the month.**

Carulla FreshMarket Neutral Carbon **CERTIFIED BY ICONTEC**

Launch, in partnership with Green Yellow, of the **SOLAR FARM PETAL CORDOBA I in Montería.**

The **SURTIMAYORISTA** brand entered digital channels with the launch of the **“Mi Surtii” application and the “El Club del Comerciante”** (Merchant Club).

Opening of **CARULLA FRESHMARKET 140,** Colombia's first accessible retail store and the country's first carbon neutral store.



**ÉXITO AND CARULLA** received **biosafety certification** from Icontec.

December

Launch of the **SUSTAINABLE LIVESTOCK MODEL** for the Protection of the country's biodiversity.

Donation of **500,000 additional face masks** to complete **1,200 million delivered during the year.**



**CARULLA FRESHMARKET 140** received honorable mention for its **good practices in favor of accessibility.**



# INDEX



PAGE 11

**FOREWORD**



PAGE 17

**MANAGEMENT  
REPORT**



PAGE 27

**CORPORATE  
GOVERNANCE REPORT**



PAGE 65

**SUSTAINABILITY  
REPORT**



PAGE 112

**FINANCIAL  
STATEMENTS**



PAGE 125

**GRI INDEX**

## ABOUT THIS INTEGRATED REPORT [GRI 102-1]



**MANAGEMENT  
REPORT**

The 2020 Grupo Éxito report was positive, thanks to its customer-centric strategy which favored its differentiation in the market and enabled the quick adaptation of the company to the needs and new ways of consumption of customers. Its capacity for adaptation and innovation in record time to address the health emergency of COVID-19 and the impact of the pandemic also stands out.

→ [Keep reading](#)



**GOVERNANCE  
REPORT**

For Grupo Éxito, corporate governance is a set of practices aimed at balancing the company's relationship with its different stakeholders.

→ [Keep reading](#)



**SUSTAINABILITY  
REPORT**

The Sustainable Strategy of Grupo Éxito contributes to social development, environmental protection, the promotion of healthy habits, the welfare of its partners and the building of trust with stakeholders.

→ [Keep reading](#)



**FINANCIAL  
STATEMENTS**

The results demonstrate an outstanding business performance, consequence of the assertiveness of the focused strategy on the customer and on omnichannel, innovation and digital transformation.

→ [Keep reading](#)

## HOW TO NAVIGATE THIS REPORT?

← The Table of Contents will always be visible and navigable in the left margin of each page.

These buttons indicate that there is more content:



Takes you to other information within the same PDF



Opens a video on an external page



Takes you to an external page



# INTEGRATED REPORT 2020

## Foreword

Management Report

Corporate Governance Report

Sustainability Report

Financial Statements

GRI Index

## FOREWORD

This integrated report [\[GRI 102-1\]](#) [\[GRI 102-50\]](#) consolidates the main results obtained during 2020. It was also transitionally prepared to essential conformance to standards GRI (Global Reporting Initiative), however still no third party verification or defined compliance [\[GRI 102-54\]](#). The report includes indicators that show how the organization contributes to the achievement of the 17 Sustainable Development Goals (SDGs).

The report is delivered in four chapters:

- Management Report
- Corporate Governance Report
- Sustainability Report
- Financial Statements

The Management Report records the milestones of the year for the company, as well as the results of the operation in Colombia, Brazil, Uruguay and Argentina.

In the Corporate Governance Report, the most important milestones account for the company's commitment to the continuous improvement of its corporate governance standards.

The Sustainability Report lists the results of the company's management that enable it to generate shared social value.

Finally, the financial statements contain the company's financial status, income and comprehensive income statements, cash flow statements and both consolidated and separated statements of changes in equity, all audited by Ernst & Young. You can access the comments on the consolidated and separate financial statements in the Shareholders and Investors section of the company's website [www.grupoexito.com.co](http://www.grupoexito.com.co)

### Scope [\[GRI 102-50\]](#) [\[GRI 102-52\]](#)

The results reported in this integrated report correspond to the management of Grupo Éxito between January 1, 2020 and December 31 of the same year in Colombia, Uruguay and Argentina, with its different businesses, brands and formats. To learn more please visit:

Grupo Éxito [www.grupoexito.com.co](http://www.grupoexito.com.co)  
Libertad [www.libertadsa.com.ar](http://www.libertadsa.com.ar)  
Grupo Disco [www.disco.com.uy](http://www.disco.com.uy)





**Carlos Mario  
Giraldo Moreno**

Chief Executive  
Officer



**Jacky  
Yanovich Mizrachi**

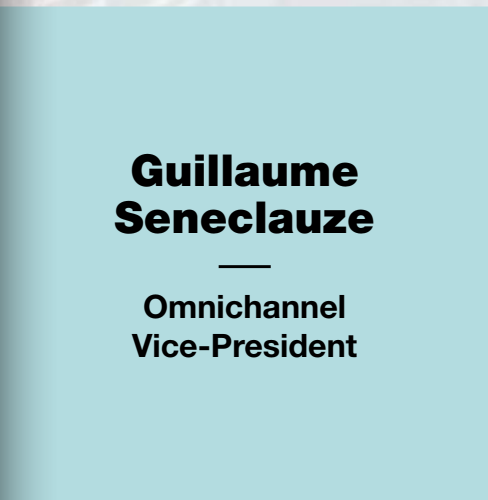
Chief Operating  
Officer



**Ruy  
De Souza**

Chief Financial  
Officer

12



**Guillaume  
Seneclauze**

Omnichannel  
Vice-President



**Carlos Ariel  
Gómez Gutiérrez**

Commercial and Supply  
Vice-President



**Claudia Campillo  
Velásquez**

Vice-President of Corporate  
Affairs and General Counsel



## S E N I O R M A N A G E M E N T T E A M



**LEARN MORE**  
about the management  
team here



**Juan Felipe  
Montoya Calle**

Vice-President  
of Human Resources



**José Gabriel  
Loaiza Herrera**

Vice-president of Business  
Development and Innovation



**Camilo Alberto  
Gallego Ferrer**

Vice President  
of Services



**Camilo  
Reina Ramírez**

Vice-President, Marketing  
and Innovation



**Juan Lucas  
Vega Palacio**

Vice-President of Real Estate  
and Development



**Gladys Elena  
Estrada Yepes**

Auditor Director





# INTEGRATED REPORT 2020

## Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### SHAREHOLDERS AND INVESTORS

- Annual General Meeting
- Integrated Report
- Presentation of annual results
- Presentation of annual quarterly results
- Relevant information publications
- Quarterly meetings with traders
- Meetings with investment and pension funds and analysts
- Corporate website
- Customer services telephone lines

### SUPPLIERS

- Supplier web portal
- Supplier tours
- Releases and quarterly magazines
- Bulletins
- Quality Service Audit (QSA)
- “Proveedores de Éxito” (Successful Suppliers)
- Social audits
- Training events
- Corporate website

### MEDIA RELATIONS

- Information for the media
- Press conferences
- Invitations for fairs, presentations and special events
- Social media
- Telephone line
- Email

### EMPLOYEES

- Presentation of quarterly results
- Intranet, press releases, billboards, email, magazines and internal radio ads
- Occupational health joint committees
- Coexistence committees
- Work environment survey
- Leadership assessment
- Collective bargaining processes
- Retirement interview
- Ethics Hotline
- Surveys on the company’s adaptive capacity

### SOCIETY

- Social media
- Brands and company websites
- Participation in summits and events
- Massive events and fairs call through digital channels
- Ethics Hotline

### CUSTOMERS

- “La voz del Cliente” (The Voice of the Customer) events
- Channels for asking questions and submitting complaints and claims
- Renewed Customer Satisfaction Measurement System (NPS)
- Service lines and emails by brand
- Social media
- Brands and company websites

### GOVERNMENT RELATIONS

- Relevant information publications
- Achievement reports
- Integrated Report
- Participation in trade union meetings

**WE GENERATE SPACES  
OF RELATIONSHIP  
WITH OUR STAKEHOLDERS**

[GRI 102-21] [GRI 102-40] [GRI 102-41] [GRI 102-42] [GRI 102-43]



# MATERIALITY ANALYSIS

[GRI 102 -47] [GRI 103-1]

The company's materiality analysis delivered in 2020 allowed us to identify the expectations of our stakeholders on environmental, social and economically relevant issues.

The programs that we head, guided by our sustainability strategy, are aligned to the materiality analysis and the issues prioritized by our different stakeholders, who include our customers, suppliers, opinion leaders, the media, employees, the Board of

Directors, senior management and the Executive Committee. The issues are also checked by the technical benchmark analysis of the sector and the expertise of the world's business leaders. The issues prioritized as strategic and relevant may, in the future, be cross-cutting and ongoing management issues, as well as emerging issues can become issues of greater relevance according to changes in the market and society.



## Strategic Topics

- 1. Climate Change**  
Management of the carbon footprint and promotion of sustainable mobility on different fronts: logistics, partners and customers
- 2. Support for the local economy and inclusive growth**  
Promotion of local and non-intermediation buying, favoring producing communities in Colombia and vulnerable populations
- 3. Attraction, Retention and Development of Human Talent**  
Providing employees with training, well-being and good conditions to carry out their activities and to recognize their work
- 4. Circular economy – packaging**  
Promotion of the different principles of the circular economy, such as reduction, redesign, reuse and recycling through the provision of post-consumption programs, the correct management of waste in Group Success units and the work toward eco-design
- 5. Diversity and Inclusion**  
Promotion of respect for human rights, equal opportunities, accessibility in facilities and inclusive employability programs
- 6. Protection of biodiversity**  
Protection of biodiversity through strategic management to achieve supply chains that are free of deforestation and that promote conservation

## Relevant Issues

- 7. Geopolitical environment in the region**
- 8. Enabling the Fundación Éxito strategy**
- 9. Supply chain management**

## Emerging Issues

- 10. Food waste**
- 11. Democratization of healthy lifestyles**
- 12. Water management.**
- 13. Animal welfare**
- 14. Construction and sustainable real estate management**

## Transversal Themes

Transversal themes by their level of relevance were not prioritized for the analysis. However, they are managed across the company.

- Corporate governance and risk management
- Innovation
- Consumer education
- Information Security and cybersecurity
- Ethics and Compliance (habeas data)
- Digital transformation
- Public policy and partnerships
- Sustainable economic performance
- Safe and healthy work environment
- Communication and relationship with stakeholders



# OUR COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS (SDG)

[GRI 102-12]

Grupo Éxito is committed to Agenda 2030 for sustainable development, a plan for people, the planet and prosperity. In this way, aware of our role as a private enterprise, we have developed several work fronts aimed at achieving, directly and indirectly, the 17 Sustainable Development Goals of the United Nations, such as eradicating poverty and hunger, promoting prosperity and welfare for all, protecting the environment and generating actions that mitigate climate change on a global scale.





# MISSION

We work for customers to come back

## RECOGNITION THAT VALIDATES OUR EFFORTS

We are among the 10 most sustainable food retailers in the world, and for the eighth consecutive year, we remain the only food retailer in Latin America recognized for its sustainability standards, according to the Dow Jones Sustainability Index of Emerging Markets. The company obtained 69 points, increasing its performance at a sustained pace, compared to previous years. We were rated with the industry's best environmental report on a global scale.

We are one of the 10 companies with the best corporate reputations in Colombia and the number one in the large area sector, according to the Corporate Reputation Business Monitor (Merco).

We are one of the most admired brands by opinion leaders in Colombia and the only company recognized with its main brand and with its foundation, according to the study "Panel of Opinion" of the firm Cifras y Conceptos, which measures the perception of the different opinion leaders of the country in political, economic, social and environmental matters.

We obtained the Silver Seal certification "Implementation Actions for Equality" from the Equipares Labor Equity Program, awarded by the United Nations Development Program together with the Ministry of Labor, which validates the implementation of actions to advance the closing of gender gaps and the promotion of a culture of respect for the legitimate difference in age, gender, ability and ethnicity.

We are one of the 10 most inspiring stores of 2019, according to the publication "10 Magasins Inspirants" that is carried out each year by the French journalist editor specialized in mass distribution, Olivier Dauvers.

Viva Envigado received international LEED Platinum certification. With a rating of 83 points, it became the most sustainable shopping center project in the country.

Viva Tunja is Boyacá's first commercial center to receive one of the largest awards in sustainable construction by the US Green Building Council.

Carulla FreshMarket Mallplaza Buenavista in Barranquilla received LEED certification by the U.S. Green Construction Council (USGBC) in Interior Design and Construction: retail. It is the first Carulla brand store to obtain this certification.

Our Carulla FreshMarket Country brand in Bogotá was recognized by IGD **Retail Analysis** as one of the best stores worldwide.

Carulla FreshMarket 140 was awarded Icontec certification, thanks to actions implemented for compensation and emission reduction that enabled it to achieve a zero-carbon footprint.

We obtained the Icontec certification of biosecure operations in 339 stores of the brands Éxito and Carulla, which demonstrates our responsibility in protecting the health of the more than 26,000 employees and of the customers of each brand.



# CEO AND BOARD OF DIRECTORS' MANAGEMENT REPORT

Foreword

**Management  
Report**

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

→	→	→	→	→	→	→	→	→
<b>PAGE 18</b>	<b>PAGE 20</b>	<b>PAGE 21</b>	<b>PAGE 22</b>	<b>PAGE 23</b>	<b>PAGE 24</b>	<b>PAGE 24</b>	<b>PAGE 25</b>	<b>PAGE 26</b>
<b>KEY BUSINESS HIGHLIGHTS</b>	<b>COLOMBIA GRUPO ÉXITO</b>	<b>INTERNATIONAL OPERATIONS</b>	<b>MITIGATION ACTIVITIES TO ADDRESS COVID-19</b>	<b>CONSOLIDATED FINANCIAL RESULTS</b>	<b>CHANGE OF CONTROL</b>	<b>SUSTAINABILITY</b>	<b>CORPORATE GOVERNANCE AND INTERNAL CONTROL</b>	<b>CLOSING REMARKS</b>
In 2020, the company's capacity for adaptation, innovation and solidarity was put to the test...	Grupo Éxito's net revenue in Colombia increased 3.7% to a total COP12.2 billion...	The operations in Uruguay and Argentina also demonstrated their adaptability, and contributed to the profitable growth...	At Grupo Éxito we understood that the year 2020 required the best of each of us...	Grupo Exito's consolidated net revenue reached COP15.7 billion and grew by 2.9%.	On February 4, 2021, the decisions made on December 31, 2020 at the shareholders' meetings...	Grupo Éxito is one of the 10 most sustainable food retailers in the world and for the eighth consecutive year...	The company continued its process of adopting and consolidating best...	2020 was a historic year for humanity and Grupo Éxito demonstrated its ability to adapt...



# INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index



## Dear Shareholders: [\[GRI 102-14\]](#)

In 2020, the company's capacity for adaptation, innovation and solidarity was put to the test. The pandemic meant a fundamental change in the social, health and economic conditions of our environment.

Grupo Éxito's balance during the year was very positive. The focus on a customer-centric strategy helped the company to differentiate itself in the market and allowed it to adapt quickly to customers' needs and new ways of consumption. Similarly, the company managed to keep the country supplied by providing peace of mind in food security at a time of major uncertainty. The points of sale were transformed into "second homes" for our customers, thanks to the perception of safety offered by the measures of protection and hygiene in all the dependencies. These initiatives allowed us to obtain the biosafe operations certification by ICONTEC in Colombia.

Also, solidarity was a driving beacon for our people throughout the pandemic. We delivered food baskets to infants at risk of chronic malnutrition; we created a basic grocery shopping basket at cost, with no profit for the company, and anticipated payment to about 1,000 micro, small and medium-sized suppliers in order to generate cash-flow to promote the preservation of their jobs.

At the end of 2020, the company projects itself with optimism and hope toward the future based on the growth it had in all channels, a solid financial structure and the opportunity that enlivens to continue generating value for our customers, society, our employees and shareholders.



# KEY BUSINESS HIGHLIGHTS

The COVID-19 pandemic tested the company's rapid adaptation to change, a responsibility we face on three fronts: i) the safety of employees and customers and the availability of food, ii) support for our suppliers, and iii) solidary contribution to the community.

The omnichannel strategy became a factor of differentiation. The Group achieved historic growth in the region thanks to last mile distribution capabilities and consolidation of its marketplace business, with alternatives such as click and collect and the Éxito and Carulla apps. The omnichannel platform accounted for 12.4% share on sales in Colombia and 3.3% in Uruguay in 2020, compared to a share of 4.5% and 2.3% in 2019, respectively.

In Colombia, we served nearly 8.5 million homes directly and our websites had traffic of close to 164 million users, both growing twice compared to the previous year.

Innovation continued as a solid pillar of the strategy. With two new Éxito Wow hypermarkets in Colombia, the company reached 11 stores with this model, which accounted for 20.7% of the brand's sales.

At year-end, the fresh market model totalled 37 stores in Colombia, Uruguay and Argentina, accounting for 26.5% of Carulla's sales, 42.4% of Uruguay's sales and about 29% of Libertad's.



**Trust and security** to be "the second homes" of Colombians.

Surtimayorista, the Cash and Carry format, completed 34 stores in Colombia and was strengthened with proposals on digital channels and relational programs for storeowners. This format together with the other B2B channels accounted for 5% share on sales.

The real estate business achieved occupancy levels above 90%. The company has 34 shopping centers and galleries in Colombia and 15 in Argentina. In both countries it enjoys a leading position as a real estate operator, in Argentina in the territory outside Buenos Aires.

Puntos Colombia reached positive EBITDA levels, registered 4.7 million users with the habeas data policy, which allowed access to more than 105 allied businesses. We also developed a marketplace that allows customers to redeem their points and integrated the real estate business into their platform.

Tuya financial business developed its digital wallet (Tuya Pay), which was integrated with our retail applications, strengthening the integration of our ecosystem of services.

Consolidated expenditures grew by 0.5% and below revenue growth (2.9%), demonstrating the effectiveness of productivity strategies implemented in all countries.

The consolidated recurrent EBITDA margin was 8.1%, benefited from the contribution of the retail and cost-control assertive strategies, which managed to counter the temporary impact of the pandemic on the contribution of real estate and financial businesses.

Net income reached COP230,872 million, four times more than the previous year, thanks to the operational result and a 50% reduction in financial expenses.





Recorded growth thanks to the strengthening of electronic - direct commerce and innovation.

## COLOMBIA – GRUPO ÉXITO

Grupo Éxito's net revenue in Colombia increased 3.7% to a total COP12.2 billion and the recurring EBITDA margin was of 8.0%, close to COP1 billion. This reflected the positive outcome of the retail business and the temporary effect of the COVID-19 on consumption and the lower contribution of real estate and financial businesses to the organization's results.

The evolution of revenues derived from the company's adaptation to the context generated by the pandemic, where

consumers had a greater adoption of digital channels. At the end of 2020, the company succeeded in increasing its market share and strengthening its retail business.

Grupo Éxito maintained its strategy focused on offering its customers various physical and virtual purchasing channels, a differentiated commercial proposal and technological platforms with a superior purchasing experience. The strategy was based on three main pillars:

### Omnichannel

Digital channel sales and purchase deliveries were promoted through the company's own logistics and alliances capabilities, as well as the company's technological adaptation to customers' new buying habits. Omnichannel sales achieved a record COP1.5 billion, 2.7x more than the previous year and accounted for 12.4% share on sales compared to 4.5% in 2019.

This strategy was leveraged by carulla.com and exito.com, the latter ranked as one of the four e-commerce sites with the most traffic in Colombia; both platforms reached about 164 million visitors. In addition, deliveries grew 66% and the strengthened Click & Collect service, implemented in 499 stores, generating a 5.6x increase in sales.

### Innovation

We continued with the expansion and consolidation of value formats in the Éxito banner, which included two openings in 2020, Villamayor in Bogotá and Laureles in Medellín. Sales of this format grew 13.9%, 12.4 percentage points over the other stores of the brand.

Carulla FreshMarket, had 14 stores and increased its sales by 18.4%. The "Carulla FreshMarket 140" was added to the base, with 45 innovative initiatives, and the first carbon neutral store in Latin America.



**LEARN MORE**  
about Éxito Wow, here



## Digital transformation

The strategy was strengthened by investing in technology and leveraging logistics platforms. The relaunching of Éxito and Carulla mobile applications, with usability improvements, customized discounts, the integration with Puntos Colombia and the development of Tuya's digital wallet, stands out.

The Éxito mobile application became the second most downloaded shopping application in the country, and together with Carulla, it reached about 350,000 active downloads. Also, trade fairs such as "Expovinos," "Carulla Es Café," "Vida Sana," among others, presented a new proposal that integrates the best of the physical and virtual worlds.

Furthermore, our private labels continued to position themselves in the market with quality products at low cost and in a well differentiated manner. In high-consumption products, private label, including "Frescampo" and "Taeq," accounted for 16.6% of food sales; "Arkitekt" and "Bronzini" accounted for about 50% of textile sales; and "Finlandek," the homegoods brand, achieved 12% growth.

Traffic monetization strategies highlight the company's rapid adaptation to the impacts of the COVID-19. We highlight, the launch of "Viva Online" as a marketplace platform for tenants in the real estate business; click and collect and "Domicilios Viva" to reach customers on the last mile. In the financial business, Tuya remained the first credit card issuer in the country.



Disco FreshMarket Plaza Italia in Uruguay.

## INTERNATIONAL OPERATIONS

The operations in Uruguay and Argentina also demonstrated their adaptability and contributed to the profitable growth of the company amid a challenging economic and social context.

### Uruguay– Grupo Disco and Devoto

The Uruguayan economy slowed during 2020 due to the context of COVID-19 and GDP fell by 5.9% in the third quarter of 2020. Inflation reached 9.4% at the end of

the year, and consumption was affected by the increase in unemployment in November to 10.9%.

During this context, the operation in Uruguay maintained a strong value proposition in its fresh market model and strengthened its omni-channel model. Income growth was 10.3% in local currency, above inflation, strict control of expenditure was maintained and a strong recurrent EBITDA margin of 10.3% was achieved.



Omnichannel sales grew by 61% and accounted for 3.3% of total sales, 107 basis points above 2019. Likewise, the fresh market format remained a differentiating proposal, with 19 stores whose sales grew by 10.3% and represented 42.4% of total sales.

### Argentina – Libertad

Argentina experienced a 10.2% contraction of GDP in the third quarter of 2020 and an unemployment rate of 11.7%. Inflation closed the year at a 35.3% level.

Libertad proved its resilience thanks to its dual strategy combining retail and real estate. The real estate business kept occupancy levels of 90%, and the Company strengthened e-commerce, click and collect services, and deliveries. The omnichannel strategy accounted for 1% of the company's total sales in this country.

The operation in Argentina showed a 20.7% growth in revenues in local currency and a recurrent EBITDA margin of 1.8% in 2020.

## MITIGATION ACTIVITIES TO ADDRESS THE COVID-19



**Installation of 2,500 acrylics** in payment stations to avoid close contact

At Grupo Éxito we understood that the year 2020 required the best of each of us to face this historical moment for humanity. Therefore, additional to the operational issues, we worked under three pillars:

- Solidarity as a principle of action with initiatives such as, delivery of 254,766 food baskets to children and families in 276 municipalities, through the Fundación Éxito; provision of 600,000 “social grocery shopping baskets” at costs without profit for the company; and donation of 1.2 million facemasks, for a total value of COP2,400 million.
- Security and trust for collaborators and customers: spraying for constant and deep disinfection, cleaning of shopping baskets

and carts; acrylics in payment stations and equipping our personnel with security elements.

- Job preservation: since April, the company made the advance payment to about 1,000 micro, small and medium suppliers, with an investment of about COP75,000 million per month. In addition, nearly 3,500 jobs were preserved, as a result of the creation of 13 million facemasks in the textile workshops that usually make our private label garments.



**LEARN MORE HERE.**  
Actions taken during the health emergency.



## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index

# CONSOLIDATED FINANCIAL RESULTS

[GRI 201-1]

Grupo Exito's consolidated net revenue reached COP15.7 billion and grew by 2.9%. This result was leveraged by the positive sales performance of direct and electronic commerce channels, as well as the strong growth of innovative formats in Colombia and Uruguay. Argentina partially offset the country's economic slowdown with the implementation of digital channels and renegotiations in the real estate business.

Revenues in Colombia in 2020 grew 3.7% compared to the previous year and reached COP12.2 billion, representing 77% of the Group's consolidated revenues, leveraged by the retail business. International operations accounted for 23% of the Group's total revenues of COP3.6 billion and increased in 12.7% excluding the FX effects.

The operation in all three countries maintained continuous productivity improvements that favoured more efficient control of expenditures, allowing them to grow below income and inflation in each country, thereby contributing to the organization's profitability.

Grupo Éxito achieved a recurrent EBITDA of COP1.3 billion with a margin of 8.1%, compared to 8.4% in 2019. The company obtained a net profit of COP231,000 million, 4x the result of 2019, reflecting an excellent result of the retail business; the temporary impact of COVID-19 on the contribution of complementary businesses and lower financial expenditure associated with a better capital structure.



**LEARN MORE HERE**  
Financial Results.

# SARBANES OXLEY ACT (SOX)

During 2020, Grupo Éxito took on the challenge of implementing the Sarbanes Oxley Act (SOX). As an essential part of the implementation of the annual SOX program, a process was developed to identify, analyse and evaluate risks that could adversely and materially affect the Group's ability to record, process, consolidate and report its financial statements.

This process was joined by external consultants (PricewaterhouseCoopers) and an internal team (led by the Accounting Strategy Division) dedicated to the identification, design, implementation and evaluation of sufficient and relevant internal controls to minimize these risks, to strengthen the system of internal control over the financial report, to reduce the Group's exposure to the materialization of errors and inaccuracies in the processes and financial statements, to advance the continuous improvement of information and technology systems and to consolidate financial credibility in our shareholders and investors.

Within the activities of the implementation of the annual SOX program we may mention, among others, (a) the identification of subsidiaries, accounts, processes and material information systems for the Group's financial statements, (b) the assessment of the risks of material error and fraud in these material components, (c) the design, implementation and improvement of control activities that mitigate these risks.

In addition, the evaluation of the effectiveness of the internal control system on the Group's financial report was carried out, and training was carried out to the Group's staff and the Internal Audit on issues related to the definition of an internal control based on SOX. The documentation required to minimize the materialization of error-reporting risks in the financial statements and the responsibility of the administration and management in maintaining these SOX controls, among others. Finally, a permanent communication was held with the Board of Directors and the Audit Committee on the progress of the project. As a result of these activities, a culture was created in the collaborators focused on the demonstration of transparency in the processes and the quality of the information.



## CHANGE OF CONTROL

On February 4, 2021, the decisions made on December 31, 2020 at the shareholders' meetings of Sendas and GPA, were formalized in Colombia, under which the shareholders of these companies approved a proposal for corporate reorganization consisting of: (i) a partial spin-off of Sendas, to segregate its stake on Éxito, and (ii) the transfer of certain operating assets, with the incorporation of the spin-off units into GPA. As a result of this operation, Companhia Brasileira de Distribuição is the majority shareholder of the company.

## SUSTAINABILITY

Grupo Éxito is one of the 10 most sustainable food retailers in the world and for the eighth consecutive year it remained one of the Latin American retail companies recognized for its sustainability standards, according to the Dow Jones Sustainability Index.

Here are some achievements in the sustainability strategy:

### Zero Malnutrition

- 129,960 children under the age of five received better nutrition and comprehensive care to expand their opportunities through donations from customers, suppliers, employees, partners and the company itself.
- Attention to children of the Colombian territory had 100% rate of achievement, a milestone for the Fundación Éxito, since for the first time, it is now present in the 32 departments of the country.

### Sustainable Trade

- In Colombia, 82.48% of the fruits and vegetables traded were purchased directly from Colombian farmers and 90.15% were purchased in the country.
- In April 2020, about 1,000 micro, small and medium-sized suppliers were paid in advance as a value-sharing action with the supply chain in order to promote job preservation.

### Mi Planeta (My Planet)

- The company's environmental MEGA goal increased so that by 2023 the carbon footprint will be reduced by 35%.
- The launching of the sustainable livestock model, with which the monitoring of 100% of the suppliers of cattle farming has been achieved, informed about zero deforestation criteria and respect of the agricultural farming limits.

### Healthy Lifestyle

- Launching of the functionality "Encuentra tu balance" inside our Éxito and Carulla applications.
- More than 1,300 private label products have the Guideline Daily Amount (Voluntary Labeling System), which provides consumers with detailed information on food.

### The Success of Grupo Éxito is in its People

- The company obtained the Silver Seal awarded by Equipares for good practices in gender equity.
- The organizational climate measurement achieved an overall favourability result of 89%, improving three points compared to the previous measurement (Colombian market 74% - regional market 72%).

### Corporate Reputation

- Grupo Éxito was recognized as one of the 10 companies with the best corporate reputation in Colombia and the number one in large scale retailing, according to the Corporate Reputation Business Monitor (Merco).
- The company, by signing an agreement, affirmed its commitment to diversity and inclusion.



# CORPORATE GOVERNANCE AND INTERNAL CONTROL

The company continued its process of adopting and consolidating best practices in corporate governance. These have been the result of the management's analysis of good practices and guidelines on national and international levels, which has enabled it to reach different achievements.

Against the system for the prevention and control of the risk of money laundering and the financing of terrorism, the applicable regulations were complied with, as well as with the set of internal policies and procedures that develop it.

In addition, in compliance with the company's commitment to the fight against fraud, bribery and corruption, the Transparency Program was consolidated, in line with the national and international regulations applicable to the Group. This allowed us to raise the standard of good practice for corporate ethics management.

In terms of risk management, the strategic and business risk profile was updated in 2020, considering the context of the new reality resulting from the COVID -19 and market trends. In addition, the company made progress in maturing the cross-sectional operational risk management model.

The performance of the Company's internal control and financial information disclosure systems was adequate. The

Board of Directors, through the Audit and Risk Committee, carried out the supervision of financial information and reporting, risk management, management of the Internal Audit and the Fiscal Review, the relevant issues of the internal control system and regulatory compliance, primarily with regard to programs to prevent the risks of fraud, bribery and corruption, money laundering and terrorist financing, and the protection of personal data, in addition, related party transactions and the conflict of interest management process at the first levels of senior management.

The company administration certified that the internal control system did not present shortcomings which prevented the recording, processing, summarizing and presenting of the financial information adequately, nor did significant fraud occur affecting its quality and integrity. The disclosure of financial information was verified and complies with the current regulations, ensuring that the information as of December 31, 2020 is appropriate and contains no defects, inaccuracies or errors preventing the knowledge of the Company's true asset situation.

For more information on corporate governance and the company's Internal Control System, please refer to the Corporate Governance Report [by clicking here](#).

# TRANSACTIONS BETWEEN RELATED PARTIES

The transactions between related parties were in full compliance with those of the policy and the procedure for transactions between related parties. Such transactions followed the required corporate process before the Audit and Risk Committee or the Board of Directors, as appropriate. Details of such transactions can be found in the Corporate Governance Report and in note 37.2 of the financial statements.

# INTELLECTUAL PROPERTY AND REGULATORY COMPLIANCE

In the area of intellectual property, the rules were complied with; there are also the corresponding licenses for the use of distinctive signs and other copyrights of which we are not holders.

In relation to copyright, it is reported that the applicable copyright rules and conditions defined in the software license use agreements



## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index

were complied with.

In relation to the protection of personal data, the company carried out the relevant preventive and corrective activities aimed at the effective compliance with the provisions established in the current regulations and based on the principle of continuous improvement of their processes to provide stakeholders with an adequate treatment of personal information and data related to the development of their corporate purpose, thus strengthening their trust in the company.

Finally, it is reported that the free movement of invoices issued by suppliers of goods or services has not been restricted in any way, and that the company is not involved in investigations relating to restrictive practices of competition.

## CLOSING REMARKS

2020 was a historic year for humanity and Grupo Éxito demonstrated its ability to adapt to one of the most important challenges the company and the planet have ever faced. The results show outstanding business behaviour based on the assertiveness of its corporate strategy, focused on omnichannel, innovation and digital transformation.

The omnichannel strategy was one of the most important elements of the year, with a growth of 156% in the region and 166% in Colombia. The company's developments in its technological, logistical and commercial processes have accelerated and have strengthened us competitively and are challenging us to continue developing them into the future.

The trend changes observed during 2020 and the capabilities developed by the company in recent years have enabled the creation of a customer-centred ecosystem, which combines the attractiveness and traffic of retail, with the monetization of real estate and intangible assets, generating increasing profitability amid highly competitive markets.

Uruguay and Argentina operations also leveraged their results in the retail business. Uruguay managed to grow its EBITDA margin levels, consolidating itself as the Group's most profitable operation, and Argentina reached positive EBITDA levels and maintained adequate liquidity levels, amid a complex economic landscape.

The company maintained a strong cash position, which allows for an optimistic look toward the future, maintaining consistency in its strategic pillars: customer, differentiation, omnichannel strategy and efficiency. The plans are geared toward a gradual reactivation of investment levels, continuity of operational excellence processes and a progressive return to historical profitability levels.

To the nearly 43,000 employees, I want to thank you for your heroic commitment to the well-being of our customers and to the values of our organization. We have a great team with whom to build the path of sustainable and profitable growth.

2020 was a year of great lessons learned and results that exceeded our best expectations. For example, we learned to think about the common well-being above our own, to be more supportive to understand that no matter how dark the night is, it always dawns the next day to recognize the work of those who strive daily to deliver the best to us, to believe in our best option and to continue to contribute to the development of the country. We know that this has been a moment of top maximums and we have done so because we are aware of the responsibility with each of our stakeholders and in the countries where we are present.

At Grupo Éxito, we have many reasons to thank and look optimistically and enthusiastically for the days to come.

Carlos Mario Giraldo

Luis Fernando Alarcón Mantilla  
Felipe Ayerbe Muñoz  
Ana María Ibáñez  
Ronaldo Iabrudi dos Santos  
Peter Paul Estermann  
Christophe José Hidalgo  
Rafael Russowsky  
Philippe Alarcon  
Bernard Petit



# CORPORATE GOVERNANCE REPORT



**PAGE 28**

## **INTRODUCTION**

Year 2020 was a challenging one if seen from multiple points of view, and corporate governance issues were not an exception...



**PAGE 31**

## **COMPANY OWNERSHIP STRUCTURE**

Each share registered in the share registry book confers the right to one vote at the General Shareholders Meeting...



**PAGE 33**

## **BOARD OF DIRECTORS**

The Board of Directors of the Company is composed of nine members elected by the General Shareholders Meeting...



**PAGE 47**

## **RISK MANAGEMENT SYSTEM**

Grupo Éxito, during the year 2020, continued to carry out activities in favor of strengthening the internal control system...



**PAGE 60**

## **GENERAL SHAREHOLDERS MEETING**

On January 23, 2020, an extraordinary meeting of the General Shareholders Meeting was held...



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

# INTRODUCTION

Year 2020 was a challenging one from multiple standpoints, and corporate governance issues were not the exception. Based on the situation generated by COVID-19, the Board of Directors and its supporting committees experienced a change in their usual session dynamics; thus, non-face meetings, under the terms of Article 19 of Law 222 of 1995, ceased to be the exception and became the general rule.

The company started the year under the control of Sendas Distribuidora S.A., a 100%-owned subsidiary of Companhia Brasileira de Distribuição (“GPA”) which, under the Public Tender Offer (“OPA”) formulated by the company and duly authorized by the Financial Superintendency of Colombia in the framework of the project to simplify the corporate structure of Casino, Guichard-Perrachon S.A. in Latin America, acquired 96,57% of the company’s total shares **[GRI 102-10]**.

As a result of the aforementioned change of control, in January, the General Shareholders Meeting approved the change of the Board of Directors, which was made up by the following persons for the period 2020-2022: As non-independent members, i) Ronaldo Iabrudí dos Santos, ii) Peter Paul Estermann, iii) Christophe José Hidalgo, iv) Rafael Russowsky, v) Bernard Petit and vi) Philippe Alarcon; and, as independent members, i) Luis Fernando Alarcón Mantilla, ii) Felipe Ayerbe Muñoz and iii) Ana María Ibáñez Londoño.

This new Board conformation shows the diversity that the company promotes, in both professional and academic aspects, as well as in personal aspects, such as gender, nationality, age, race, among others, in order to guarantee complementarity in the members of the Board of Directors and plurality of identities and perspectives for better decision-making. **The promotion**

● ● ●

**The company continued working to apply corporate governance best practices by continuing those previously adopted through different strategies that had contributed to high standards compliance.**

**of the diversity criterion in the election of the Board of Directors allows for prosperity and business growth, thus contributing to better corporate governance.**

In view of the recent change of control and the election of a new Board of Directors, together with the restrictions and different challenges arising from the health contingency, the management of the company focused on providing the necessary tools to ensure the adaptation and consolidation of its new management body, which, within its strategic role, would face the many challenges inherent in this reality.

The new members of the Board of Directors received virtual onboarding, which addressed issues such as the company’s strategy, business model, organizational structure, among other relevant ones. Similarly, at the first meetings of the Supporting Committees held in January and February, they were offered a leveling session on the key issues under analysis and review by each of the Committees.



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

As thus, the onboarding and training forums promoted, heterogeneous and diverse composition, the appropriate implementation of the technological mechanisms suitable for conducting non-face meetings and the timely access to the information required for decision-making, enabled the Board of Directors to adapt to the new reality and include all issues required to be reviewed, providing high-value contributions based on their knowledge.

In July, in line with the present and future challenges faced by the company to accelerate its omni-channel strategy in its different brands and complementary businesses, and in order to respond to new realities based on the new customer habits and behaviors, the Board of Directors, prior knowledge and recommendation from the Expansion Committee, approved the extension of the scope of said Committee, in order to also make it aware of the complementary businesses of the Company, and the change of its name, going from Expansion Committee to Business and Investment Committee. Based on the above, from the date of its approval, the Committee has been consolidating its scope, following up and supporting the Board of Directors in making decisions associated with business, including those of real estate and the most important investments.

During the year, the company continued its previously adopted corporate governance best practices and implemented different strategies that contributed to meeting high standards in this area. This is evident in:

- Its commitment to transparency with shareholders and investors in disclosing the company's relevant financial and non-financial information, through the relevant information mechanism, on the corporate website and on the media, in compliance with the duty of disclosure of information that governs its actions.
- Its interest in adopting and promoting the consolidation of corporate governance best practices within Grupo Éxito, by means of:
  - The implementation of the measures promoted by the Dow Jones Sustainability Index in order to align its actions with the highest international standards in social, environmental, economic and corporate governance issues, with a view toward seeking the generation of shared value to all stakeholders
  - Strengthening the corporate governance scheme of the national subsidiaries that make up Grupo Éxito, by optimizing their corporate governance codes and bylaws, training employees in the most relevant policies and structuring a new defined corporate governance operation model.

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index



**We are among the 10 most sustainable food retailers in the world according to the Dow Jones Sustainability™ Emerging Markets Index and were rated the industry's best in environmental reports worldwide.**

As a result of the practices outlined above, the company received the following awards:

- We are among the 10 most sustainable *food retailers* in the world and, for the eighth consecutive year, we remain the only food *retailer* in Latin America recognized for its sustainability standards, according to the Dow Jones Sustainability™ Emerging Markets Index.
- We obtained an increase of 5 points, from 64 to 69 points over 100, in the Dow Jones Sustainability™ Index.
- We were rated the industry's best environmental report worldwide and were included in *the 2021 Sustainability Yearbook* published by the Dow Jones Index.
- For the eighth consecutive year, we received the Issuers-IR recognition granted by the Colombian Stock Exchange, having voluntarily adopted best practices in the field for disclosure of information and investor relations.

Regarding the management of compliance risks related to fraud prevention, bribery and corruption, the prevention and control of money laundering and terrorist financing, and the protection of personal data, **the company recognized the value it generates toward the achievement of its strategic objectives, the continuous promotion of the highest standards of ethics and transparency among all its stakeholders.** Thus, reflecting the commitment made by the Senior Management, it strengthened its compliance program by updating risk analyses and self-regulating some aspects of risk mitigation.

In addition, by implementing the project on risk mapping for fraud, bribery and corruption, under the guidelines of the French Sapin II Law and the requirements of the French Anti-Corruption Agency (AFA), the company articulated compliance with national and international standards, where applicable. This exercise allowed for the identification of the level of exposure to the aforementioned risks, throughout the processes that make up the value chain and from the exercise of the employees' functions, in order to strengthening the controls implemented for their prevention and response.

An analysis of the main risks and trends was carried out during 2020, with the participation and leadership of the Senior Management, in the light of the new normality, thus obtaining a new profile of strategic risks. These, extended to the different businesses of the company, also served as an expression of a culture of risks entrenched in the company and in attention to the important changes of the environment. In addition, new strategies for the management of these risks were defined and implemented and, in addition, the company made progress in the management of risks at the operational level by maturing the model of risk managers, who were provided methodological accompaniment, training and awareness raising.



# COMPANY OWNERSHIP STRUCTURE

## Capital and Ownership Structure

Each share registered in the share registry book confers the right to one vote at the General Shareholders Meeting, without restriction as to the number of votes that may be cast by the holder or representative, but subject to the prohibitions or inabilities established by law to vote on certain decisions, as in the case of the company's directors and employees, in the events indicated by law, as well as the provisions contained in the Use of Privileged Information Policy set forth in the Corporate Governance Code. Therefore, Grupo Éxito recognizes and guarantees to shareholders the same rights and privileges.

Grupo Éxito has an authorized capital of 530 million common shares, of which 448,240,151 have been issued and 81,759,849 are in reserve. Out of the issued shares, 447,604,316 are outstanding and 635,835 have been reacquired.

As of December 31, 2020, the number of shareholders was 5,085, out of which, 94.32% was comprised of individuals with a 0.73% shareholding, and 5.68% of legal entities with a 99.27% share of the share capital.

## Major Direct and Indirect Shareholders

In 2019, as a result of the tender offer (OPA) submitted by the subsidiary of Companhia Brasileira de Distribuição (GPA), Sendas Distribuidora S.A. (Sendas), it acquired 96.57% of the company's shares, which is equivalent to 432.256.668 shares and is therefore the controlling shareholder.

On February 4, 2021, the decisions made on December 31, 2020 at the General Shareholders Meeting of Sendas and GPA were formalized in Colombia. Those decisions by said shareholders informed the approval of the proposal for a corporate reorganization consisting of: (i) a partial spin-off of Sendas, to segregate the participation of Sendas in the Company, and (ii) the transfer of certain operating assets, with the incorporation of the spin-off units into GPA. As a result of this transaction, GPA is the majority shareholder of the company.

Of the remaining shareholders, none hold a stake equal to or greater than 10% of the company's share capital.

## Shares and Securities held Directly or Indirectly by Board Members, Senior Management and other Administrators, Trading and the Rights to Vote they Grant

As of December 31, 2020, Luis Fernando Alarcón Mantilla is a shareholder with 10,000 common shares. The acquisition of these shares was duly authorized and disclosed in 2016, and no transactions were made that required any information. As of that date, no other member of the Board of Directors was holder of company's shares.

As December 31, 2020, seven members of Senior Management (levels 1, 2 and 3 of the Company's organizational structure) held 11,791 shares. During 2020, members of Senior Management did not make any transactions with said shares.

Currently, the Company does not have any securities other than its outstanding shares.

## Family, Commercial, Contractual or Business Relationships that Exist between Major Shareholders and the Company, or between Major Shareholders

The Company does not have any other major shareholders, which are defined as parties holding 10% or more of the outstanding shares.

## Shareholder Agreements

In 2020, the Company did not receive information about the signing, amendment or termination of Shareholder Agreements.

# COMPANY MANAGEMENT STRUCTURE

[GRI 102-18]

## Composition of the Board of Directors and Committees

The Board of Directors of the Company is composed of nine members elected by the General Shareholders Meeting.

In line with the commitment of the administration to promote the criterion of diversity in the process of election of the Board of Directors and thus contribute to better corporate governance. This social body currently enjoys complementarity among its members (in the professional and academic aspects, and in the personal aspects, such as gender, nationality, age and race, among others) and the contribution of multiple identities and perspectives for appropriate decision-making.



# BOARD OF DIRECTORS

Elected by the General Shareholders Meeting for the period 2020-2022

→ **CLICK ON EACH PHOTO**  
to see profiles of the members  
of the Board of Directors

## I N D E P E N D E N T M E M B E R S [GRI 102-22]

**Luis Fernando  
Alarcón Mantilla**



**Felipe  
Ayerbe Muñoz**



**Ana María  
Ibáñez Londoño**



## N O N - I N D E P E N D E N T M E M B E R S



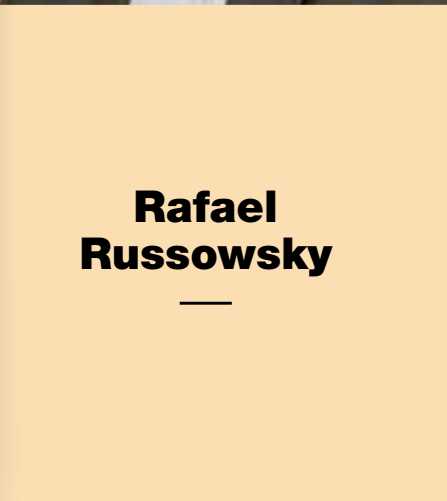
**Ronaldo Iabrudi  
dos Santos Pereira**



**Peter Paul  
Lorenço Estermann**



**Christophe José  
Hidalgo**



**Rafael  
Russowsky**



**Bernard  
Petit**



**Philippe  
Alarcon**



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### Board Members who belong to the Boards of Directors of Subsidiary Companies or Hold Executive Positions thereof

Bernard Petit is a Board member of the subsidiaries Grupo Disco Uruguay S.A. and Libertad S.A.

### Policies Approved by the Board of Directors in the 2020 Reporting Period

During 2020, the Board of Directors approved the Public Server Relationship Policy, a mechanism whose purpose is to align the actions of employees and third parties who carry out lobbying activities for the management of the interests of the company with public authorities and State agencies around decisions and regulations that affect it. This policy abides by the standards and conduct guidelines of the Transparency Program.

In this way, the company is at the forefront of international good practices for the management of this specific risk area, which anticipates any regulatory requirements and thus reflects the commitment to the promotion and drive of the best standards of transparency among its interest groups, being among the pioneering companies in self-regulation in this area.

### Procedure for the Election of Candidates to the Board of Directors [GRI 102-24]

There is a policy and procedure approved by the General Shareholders Meeting for the election of the members of the Board of Directors, which regulate, among others:

- The deadline for appointing candidates
- The process for appointing candidates
- The methodology used for evaluating candidates
- The desired profile of candidates (experience and personal profiles)

This [policy](#) (contained in section 2.2.2 of the Corporate Governance Code) and [procedure](#), as well as the life [curriculum vitae and acceptance letter](#), model are available on the corporate website.

### Board of Directors Remuneration Policy [GRI 102-35]

The Board of Directors Remuneration Policy, approved by the General Shareholders Meeting on June 11, 2015, provides that the members of this body shall be entitled to a fixed remuneration for attendance at meetings, both in person and not in person, whose value for the corresponding period shall be defined by the General Shareholders Meeting at the meeting at which the election corresponds and whose value shall meet a series of principles and criteria.

The remuneration system of the Board of Directors adopted by the company does not provide for the recognition of a variable component linked to the good performance of the company in the medium and long term.

For more information on this policy, please refer to section 2.2.3 of [the Corporate Governance Code](#). Similarly, to find out the remuneration approved by the General Meeting of Shareholders at its regular meeting on January 23, click [here](#).



### Board of Directors and Senior Management Remuneration

On January 23, 2020, the General Shareholders Meeting approved keeping the same allocation of Board of Directors’ fees that had been approved by the General Shareholders Meeting on March 27, 2019, in considering that such an allocation complies with the principles set out in the Board of Directors remuneration policy and maintains competitiveness. Therefore, the remuneration for the period 2020-2022 was approved under the following terms:

	Board of Directors	Committees
Chairman of the Board	For the Chairman of the Board, a fee of <b>COP11,550,000</b> was approved for preparation and attendance of each Board meeting.	A fee of <b>COP7,700,000</b> was approved for preparation and attendance of each meeting of the respective Committee.
Other members	For other members of the Board a fee of <b>COP7,700,000</b> for preparation and attendance of each Board meeting.	A fee of <b>COP3,850,000</b> for preparation and attendance of each meeting of the respective committees.

Based on the foregoing, in 2020, the company paid the members of the Board of Directors, for their attendance to the meetings of the Board of Directors and its committees, the amount of COP1,736 million.

The Senior Management Remuneration and Assessment Policy, as approved by the Board of Directors in September 2016, establishes the criteria and guidelines that must be taken into account to set the remuneration and other economic benefits granted to members of Senior Management, i.e., the CEO, Chief Operating Officer, Vice Presidents, General Counsel and Internal Auditor Director.

The remuneration for Senior Management members is disclosed in note 37.1 of the Company’s financial statements and can be reviewed on the corporate website: [www.grupoexito.com.co](http://www.grupoexito.com.co)

### Committees of the Board of Directors Meetings<sup>3</sup>



## Quorum for Board and Committee Meetings

**Board of Directors:** The quorum was 97%.

For more details, click [here](#).

### BOARD OF DIRECTORS COMMITTEES

Committee	Quorum (%)
Audit and Risks Committee	93%
Financial Committee	97%
Appointments, Remuneration and Corporate Governance Committee	96%
Sustainability Committee	91%
Business and Investment Committee	96%

For more details, please click [here](#).

## Chairman of the Board of Directors [GRI102-23]

Luis Fernando Alarcón Mantilla is the Chairman of the Company's Board of Directors. He was elected as Chairman on June 11, 2015.

In addition to taking the lead and ensuring that the Board meetings are conducted in an orderly fashion, complying with the agenda and addressing all the issues proposed, the Chairman of the Board also performs the functions stipulated for said position in Article 31 of the Company Bylaws. You can review [here](#).

Considering the scope of the specific functions of the Chairman of the Board and his increased time-consuming, he has differentiated treatment from the other members, both in his duties and in his remuneration.

## Board of Directors Secretary

Claudia Campillo Velásquez, who, since January 2017, had been appointed Chief Legal Officer of the company, has served since December 9, 2019 as Secretary of the Board of Directors and the General Shareholders Meeting, as well as Vice President of Corporate Affairs.

During 2020, she led the adoption of the Diligent Boards application for the meetings of the Board of Directors and its Supporting Committees, strengthening the participation of these social bodies in the company's digital transformation process, through a digital solution for the secure and agile management of support material required by its members for informed decision-making.

The functions of the Secretary-General are provided for in article 43 of the Bylaws, which can be consulted [here](#).

## Relationships of the Board of Directors with the Statutory Auditor, Financial Analysts, Investment Banks and Rating Agencies, and External Consulting Services Received by the Board of Directors

The relationship between the Board of Directors and the Statutory Auditor was characterized by the active participation of the members of the Audit and Risks Committee in the follow-up of auditing processes on the quarterly and year-end financial statements conducted by the Statutory Auditor. In the Audit and Risks Committee meetings, the Statutory Auditor reported progress regarding the external auditing plan, the findings and recommendations related to the accounting and financial processes and systems; as well as the follow-up of compliance with the action plans proposed by the management.

In developing the functions that the company's Audit and Risks Committee performs in relation to the fiscal review, after knowing the considerations of the GPA Audit Committee

## INTEGRATED REPORT 2020

Foreword

Management  
Report

● **Corporate  
Governance  
Report**

Sustainability  
Report

Financial  
Statements

GRI Index

on technical qualification (qualified opinion) included by the independent auditors in *their Audit Report on the financial statements as of December 31, 2019* of GPA. The Committee issued two statements on the matter, stating the reasons why it would not be necessary to re-state the company's financial statements as of December 31, 2018, which was made known to shareholders and the market through the corporate website.

The Board of Directors, by virtue of the monitoring and supervision work carried out by the Audit and Risks Committee in connection with the above-mentioned matter, had a permanent knowledge of the matters related to it.

As a result of the SOX implementation project in Grupo Éxito, the Board of Directors and the Audit and Risks Committee were aware of the hiring of PricewaterhouseCoopers as a consulting firm to advance in the work plan and the progress presented.

### Management of Board of Directors Information

During 2020, the company met the deadline set forth in the Company's Corporate Governance Code for sending information to the Board members regarding the items on the agenda for the respective meeting. This information was prepared by the Secretary of the Board of Directors and Senior Management under the leadership of the Chairman of the Board.

At the end of each meeting of the Board of Directors and of the respective committees, the Secretary-General and the secretaries of each committee kept the information and ensured that it was used as support for the preparation of the minutes of the respective meetings, and, where applicable, such information was included in the minutes themselves.

During 2020, the Company initiated the use of the Diligent Boards application, through which, prior to each meeting, support material for each session is made available to members of the Board and its Support Committees.

Through this application, managers can permanently review all documents that will be treated in each session; this ensures secure custody of the information, provides traceability in the updates and provides tools for interaction with its content. This integrates digital transformation to the management of information required for informed decision-making by the Board and its committees.

Additionally, the Chief Financial Officer, as the person responsible for disclosing relevant information to the market, led the process of disclosing the decisions made by the Board of Directors when they were deemed relevant, in coordination with the Company's Information Disclosure Committee.

## Activities of the Board Committees

### AUDIT AND RISKS COMMITTEE

The Audit and Risks Committee, made up of three independent directors of the Board of Directors, carried out its role of support in the surveillance and supervision of accounting processes, financial information and reporting, risk management, internal control system and architecture, internal audit and fiscal review processes, compliance with internal laws and regulations and internal codes of conduct, and related party transactions and conflicts of interest within their jurisdiction.

In 2020, the Committee's activities focused primarily on the following:

- Analysis of the individual and consolidated interim and year-end financial statements prior to the disclosure of information to the market.
- Follow-up the Information Disclosure Policy (financial, non-financial and relevant information), complying with the regulations established in the Corporate Governance Code, the Financial Superintendency of Colombia and the Country Code.
- Review and approval of the scope, resources and annual plan of the internal audit including key issues to be ensured in the context of the contingency by COVID-19. The Committee was



## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index

responsible for its follow-up based on its performance, independence, indicators and results of evaluations of the reviewed processes and investigations; in addition, it considered the level of implementation of the main action plans agreed with Senior Management to improve the Group's internal control system.

- The follow-up included relevant recommendations and/or the results of audits carried out at national and foreign subsidiaries. In addition, it followed up on the initiatives of the internal audit transformation strategy, focusing on the provision of superior service, which adds value to interest groups and strengthens governance, risk and control processes; also, that they were aligned with the international standards and the company's strategy.
- Follow-up to the scope, plan, results and independence in the provision of the Statutory Auditor service and review the opinion issued on the individual and consolidated financial statements.
- Review of the 2020 strategic risk management and maps, which included the identification of three new risks arising from the pandemic: cybersecurity, safe environment and biosecurity and demand behavior; addressing issues such as scenarios, impacts, control measures, projects and strategies. Thus, the Committee supervised and informed the Board of Directors of the effective implementation of the Risk Policy in relation to the identification, management and communication of the main risks (financial and non-financial) to provide an integrated view of the Group by businesses, subsidiaries and/or areas of activity, and guide corporate strategy.
- Knowledge and approval of transactions between related parties submitted by the Senior Management; In addition, it issued recommendations on transactions, including analyses of the materiality of transactions, the protection of the interests of the parties, the generation of value, the equal treatment of shareholders and the sustainability of market conditions.

- Review of conflict of interest situations of the Board of Directors and Senior Management (levels one and two); the Committee also issued recommendations on the treatment of these conflicts of interest.
- Monitoring the efficiency and proper functioning of regulatory compliance, including transparency programs, personal data protection programs and the system for preventing money laundering and terrorist financing, for which it reviewed the Compliance Officer's management reports prior to approval by the Board of Directors, reviewed the statistics of internal reports of unusual operations and external reports to the Financial Information and Analysis Unit (UIAF).
- Consideration of the proposal for re-election of E&Y for the provision of Statutory Auditor services for the period 2020-2022, as well as its fees. These include exclusive fiscal auditing and audit-related work on the implementation of the SOX project in the company.
- Review and approval of PriceWaterhouseCoopers as a consulting firm for the SOX Compliance Implementation Project in Grupo Éxito. In addition, the Committee followed up on the progress of the project and the most relevant issues in its development.
- Alignment with the Audit Committee of parent company Companhia Brasileira de Distribuição (CBD), within the framework of the corporate governance of both entities, in order to work on common purposes and generate synergies. In addition, supporting the areas leading the Group's control architecture, mainly the Internal Audit, in its communication with the Internal Audit Committee, on issues such as structure and methodology, risk management, relevant internal control issues, financial processes and management, internal audit and external audit.
- Surveillance and supervision of the relevant facts of the investigation of Vía Varejo related to alleged accounting irregularities and deficiencies in internal control, which was finalized without impacts for the company, considering that the effects resulting from the investigation on the financial statements of Vía Varejo were not significant and, moreover,

## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index

corresponded to periods in which CBD was no longer the controlling company of Via Varejo. The Audit and Risks Committee delivered its opinion on the website on February 19 and May 11, 2020.

- Training in cybersecurity as part of the strategic management of the organization, as well as the main cyber-threats in the current environment.

Within the framework of the management carried out, the Committee regularly reported to the Board of Directors its main activities, recommendations and/or approvals in the scope of its competence. This included recommendations and/or approvals on matters under its responsibility. It also validated the Corporate Governance Report prepared by the Company and recommended its approval for the Board of Directors.

The Audit and Risks Committee, made up of the three independent directors, focused on:

- Analysis of the **individual and consolidated interim and year-end financial statements**, prior to the disclosure of information to the market
- Carrying out the follow-up of performance, results and transformation strategies of the Internal and Statutory Auditing
- Review of the company's risk management and compliance processes, primarily those elevated by the pandemic; and focus on greater assurance of these with internal audit processes
- Review of transactions between related parties, ensuring compliance with defined policies and procedures
- Review and follow-up on Board and Senior Management **conflict of interest situations** (Levels 1 and 2)
- Follow-up to the SOX Compliance Implementation Project

- Alignment with the Audit Committee of parent company Companhia Brasileira de Distribuição ("CBD"), to work on common purposes and generate synergies

### APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

The Committee followed up on the policies and main indicators relating to the company's human resources strategy, including: labor expenses, staff turnover, short-and long-term compensation schemes, and staff cost reduction plans. With regard to the long-term variable compensation scheme, the Committee approved the investment of resources for the year 2019 and followed up on the investment of resources from previous years.

It also presented to the Board of Directors: **the salary increase for 2020** applicable to the base staff, which was due to the negotiation that the company advanced with the union organizations; the proposed salary increase for the rest of the employees, the inter-administrative credit regulation, and the different **restructuring plans and savings in personnel costs and expenses**.

Similarly, during 2020, the Committee conducted a management talent planning exercise and was responsible for analyzing **the company's pandemic situation** throughout the year.

Good corporate governance practices promoted by the Committee have helped the company maintain its corporate governance standards at a high industry percentile in the Dow Jones Sustainability Index.

### FINANCIAL COMMITTEE

During 2020, the Financial Committee closely monitored the company's cash levels in order to ensure liquidity and proper management of its resources, ensuring compliance with investment policies. In addition, it regularly monitored macroeconomic and market indicators.

At the same time, the Financial Committee worked to review and monitor the Company's debt position and derivatives of interest



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

and FX rates, supporting the Board of Directors in structuring strategies and proposals, which enabled optimization of financial expenses and improvement of the Company's financial indicators.

This Committee also provided regular guidance for obligations derived from credit contracts and/or covenants, especially the debt ratio landing (net financial debt/adjusted EBITDA).

### BUSINESS AND INVESTMENT COMMITTEE

As a consequence of the need to accelerate the company's omni-channel strategy, the Board of Directors, with prior knowledge and evaluation by the Expansion Committee, approved the refocusing of such Committee, with the aim of having it deal with, in addition to the issues of expansion, brand and complementary business issues, changing its name to Business and Investment Committee.

During 2020, the Committee actively participated in the definition and follow-up of the strategy designed for the expansion of the company's real estate and retail businesses, closely monitoring the implementation of Capex (capital investments) to ensure the solid and profitable growth of the organization's various businesses and investments. In addition, the Committee expanded its approach to monitor retail formats and the performance of complementary businesses; thus, the name of the Expansion Committee is modified and renamed as Business and Investment Committee.

In line with the Group's differentiation and innovation pillars, the Committee supported key initiatives for the expansion strategy on the following key areas:

- Review of the progress of the omni-channel project with focus on the fronts of the content manager, customers, orders and discounts, highlighting the advances and benefits delivered to the organization and awaiting its conclusion in 2021

- It analyzed the positive effects on the organization's results and especially on the EBITDA margin of the different conversions to the Éxito Wow and Carulla Freshmarket formats for the 2021 plan.
- Presentation of the 2021 investment plan with a net value of COP 365,000 million
- Analysis of the conversion potential of the Carulla Freshmarket format and Éxito Wow, in line with the positive performance of the 11 Éxito Wow and 14 Freshmarket stores
- Performance monitoring during 2020 of Éxito, Carulla, Surtimayorista, Super Inter businesses
- Follow-up to retail expansion that, for its last estimate of 2020, will close with nine projects between conversions and reforms
- The rethinking of the Viva brand's customer care strategy and the creation of initiatives resulting from the macroeconomic change of COVID19: "Click and Collect," "Deliveries" and "Viva Online."
- Follow-up to the implementation schedule, payments and profitability of the transformation project derived from the sale of Parque Industrial Montevideo for a value of COP170,000 million
- Renegotiation and termination of the Éxito Calle 80, resulting from the non-favorable conditions in the costs of occupancy. This will result, during 2021, in a plan to move the corporate offices of this headquarters, the strategy of retention of customers, the restitution of the premises to the Grupo Kala and the plan of closing this Éxito store.
- The monitoring of the performance of the shopping centers and the consolidation of Viva Malls as the leading fiduciary vehicle in the development and operation of commercial real estate assets under the Viva brand, which, as of November 2020, closes with a GLA of 569,361 m<sup>2</sup>, a market value of COP2,5 billion and recognition of LEED Gold certification for Viva Tunja and LEED Platinum for Viva Envigado, as the most sustainable shopping center in Colombia.

## SUSTAINABILITY COMMITTEE

During 2020, the Sustainability Committee followed up on the updating of the Corporate Sustainability Policy and the policies and declarations associated with it, as well as the projects that mobilize the strategy.

The following work carried out by the Committee during the period is worth highlighting:

- Approval of the update of the Sustainability Policy and its associated policies.
  - Human Rights Policy
  - Climate Change Policy
  - Packaging and container Policy
- Follow-up of the social corporate MEGA (Large and Ambitious Strategic Goal) whose objective is to eradicate chronic malnutrition by 2030 in Colombia.
- Follow-up and update of the environmental corporate MEGA that proposes the reduction of 35% of the carbon footprint for year 2023.
- Creation of the sustainability monitoring system through follow-up to the Strategic Indicators Board.
- Follow-up to local and direct purchasing programs, highlighting work in municipalities most affected by poverty and violence (PDET municipalities), in partnership with the national government and civil society organizations that promote new inclusive business models.
- Approval of the results of the annual carbon footprint measurement, follow-up to the climate strategy and updating to the corporate environmental mega.
- Approval of the risks associated with the sustainability strategy.
- Follow-up of the implementation of the model of diversity and gender inclusion and equity.

- Follow-up to each of the sustainability strategy challenges:
  - Zero malnutrition
  - Sustainable Trade
  - Mi Planeta (My Planet)
  - Healthy Lifestyle
  - The success of Grupo Éxito is in its people
  - Somos Íntegros
- Follow-up of the implementation of models associated with the protection of livestock biodiversity and sustainable palm oil.



## Board of Directors and Senior Management Assessment **[GRI 102-28]**

Pursuant to the Corporate Governance Code, the company conducts an annual assessment process to evaluate:

- The quality of the members of the Board of Directors and its committees
- The individual performance of each one of the members
- The overall performance of each respective governmental body

A mixed contribution and performance evaluation system has been established for this assessment, which involves alternating the type of evaluation between internal and external each year.

In 2020, the external evaluation process was to be carried out; however, considering that the Board of Directors had recently been appointed (on January 23) and that, as a result of the health emergency arising from COVID-19, there were some matters in the process of consolidation, the Board of Directors, after positive evaluation by the Appointments, Remuneration and Corporate Governance Committee, authorized to dispense with the evaluation under the currently defined model. This decision was due to the circumstances that referred to the fact that it was not appropriate to conduct an evaluation of the Board of Directors that would generate a value analysis for the company's management and shareholders.

Notwithstanding the above, an internal analysis was carried out whereby the members of the Board of Directors informed the management of the company, in addition to the strategic issues that said body and its committees should address in 2021, strengths in the functioning of the Board of Directors and opportunities for improvement.

Based on this analysis, the following strengths are highlighted:

- Extensive knowledge of the company's business and experience of its members. The value of their contributions is highlighted by virtue of the technical and multidisciplinary knowledge they possess.
- Composition of a heterogeneous and diverse board in professions, nationalities, experience and gender of its members.
- Open atmosphere of deliberation among members of the Board of Directors that allows constructive and positive exchanges for the company.
- Adequate implementation of technological mechanisms suitable for conducting non-face meetings under the terms of Article 19 of Law 222 of 1995.

Members of the Board also highlighted timely access to the information required to conduct the analyzes and oversight the deliberations necessary for decision-making.

Regarding opportunities for improvement, the following are mentioned: the striking of a balance between face-to-face and non-face meetings when conditions are appropriate and achievement of a closer and more knowledgeable relationship between the members of the Board, since, as a consequence of the pandemic, not all conditions were given for them know each other in greater depth.

# TRANSACTIONS BETWEEN RELATED PARTIES

## Decisions by the Board of Directors about transactions between related parties and conflict of interest situations

In accordance with Article 34.4 of the company's Bylaws, it is the responsibility of the Board of Directors to define the regulations governing the evaluation and authorization of transactions between related parties.

In compliance to the aforementioned, the Board approved, in January 2016, the Transactions Between Related Parties Policy, which is also the seventh chapter of the Corporate Governance Code and regulates the identification, classification, evaluation, approval, revelation and follow-up on such transactions. This policy can be reviewed in Chapter 7 of the Corporate Governance Code by clicking [here](#).

The objective of this policy is to ensure that transactions between related parties always occur at market prices in order to guarantee the fulfillment of the following principles:

- Satisfying the interest of the company and not causing it any harm
- Offering better service, better prices or better conditions to the company's customers
- Generating value for the company
- Not undermining or putting at risk the capacity of the Group to fulfill its obligations to third parties
- Respecting the rights of minority shareholders
- Transparency
- Promoting the exploitation of synergies in accordance with the limitations and restrictions established by law

In addition to said policy, in 2018, the Audit & Risks Committee approved the procedure for the proper treatment of the company's transactions between related parties, which can be reviewed by [visiting](#).

Throughout this process, the company strives to ensure that the transactions between related parties occur at market rates, with the goal of fulfilling the following principles, previously mentioned in this report when referring to the Related Party Transactions Policy. In the case of transactions with the majority shareholder or its subsidiaries and affiliates, the market price analysis shall be carried out by an independent transfer price expert.

## Detail of the most relevant transactions conducted between related parties as determined by the organization:

Transactions between related parties made in 2020, correspond to revenue from the sale of goods and services, as well as to costs and expenses related to risk management and technical assistance support, and to the purchase of goods and services received. The most relevant transactions between related parties in 2020 were the following:

- With respect to GPA, the company received revenues of COP 93 million, which correspond to the reimbursement of personnel expenses.
- There were transactions that generated income from the Casino Guichard Perrachon S.A. companies, primarily from (i) the provision of services for COP 7,891 million, and expenses primarily for the provision of energy-efficient services and intermediation in the import and purchase of merchandise for COP 44,363 million.



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

- As regards to the national subsidiaries, the main transactions carried out correspond to income from (i) sale of goods to Éxito Industrias S.A.S.; (ii) the provision of administrative services to Almacenes Éxito Inversiones S.A.S., Transacciones Energéticas S.A.S. (formerly GEMEX O&W S S.A.S.), Logística, Transporte y Servicios Asociados S.A.S. and Patrimonios Autónomos; and (iii) leasing of property to Patrimonios Autónomos and Éxito Viajes y Turismo S.A.S. The income from these transactions surpassed COP56,042 million.
- The costs and expenses generated with domestic subsidiaries for COP363,527 million are mainly due to (i) purchases of merchandise and goods for commercialization from Éxito Industrias S.A.S.; (ii) transportation services received from Logística, Transporte y Servicios Asociados S.A.S.; (iii) leases and property management with Patrimonios Autónomos; (iv) the purchase of corporate plans to Almacenes Éxito Inversiones S.A.S., and (v) services received, purchase of goods and reimbursements with the other subsidiaries.
- As regards to joint ventures, the company obtained revenues of mainly COP21,911 million for (i) bond and coupon yields and energy with Compañía de Financiamiento Tuya S.A., (ii) participation in the business collaboration agreement with Compañía de Financiamiento Tuya S.A., (iii) leases of real property to Compañía de Financiamiento Tuya S.A., (iv) the provision of services to Compañía de Financiamiento Tuya S.A., and (v) the provision of services to Puntos Colombia S.A.S. The costs and expenses generated with joint ventures of COP87,161 million were mainly due to the cost of the loyalty and liability management program to Puntos Colombia S.A.S., and the commissions generated from payment methods with Compañía de Financiamiento Tuya S.A.

- Finally, with other related parties, such as the case of the Board members, expenses were generated from the provision of services (fees) amounting to COP1,736 million. It should be noted that the company did not enter into any transactions with members of the Board of Directors other than the payment of fees described above.

The breakdown of transactions with related parties can be consulted in note 37.2 of the individual Financial Statements.

### Conflicts of Interest [GRI 102-25]

The Company's Bylaws define the responsibilities of the Board of Directors with respect to conflicts of interest as follows:

- Investigate and manage conflicts of interest that arise between the company and its Shareholders, Board members and Senior Management
- Approve policies to manage conflicts of interest and use of privileged information by any employee
- Regulate the creation and operation of the Conflict of Interest Committee

Additionally, the Board of Directors Audit and Risks Committee is responsible for fulfilling the following roles related to conflicts of interest:

- Assess and inform the Board of Directors of conflicts of interest in which a Major Shareholder or member of the Board of Directors or Senior Management could be involved directly or indirectly or through a related party, making the necessary suggestions 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

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

entities, or between Administrators and related parties, making the necessary suggestions to manage the situation.

- Following prior authorization from the Board of Directors, examine and inform the Board about direct or indirect operations of the company with Board Members, Controlling or Major Shareholders, as defined in the company's ownership structure, or members of Senior Management at levels one through three, and of operations between companies of the Corporate Group or entities related thereto (operations with related parties) that, because of their value, nature or terms, pose a risk for the company.
- Verify that operations are carried out according to fair market conditions and do not compromise equal treatment of shareholders.

### Conflicts of Interest that Arose, Action of Board Members, and Mechanisms to Resolve Conflicts of Interest between Companies of the Same Conglomerate and their Application during the Fiscal Year

The main activities carried out in 2020 that demonstrate this compliance are described below:

#### a. Reports defined for the Board of Directors and Senior Management Quarterly Report of conflicts of interest:

To report and identify potential conflicts of Board of Directors members the Board of Directors and Senior Management were requested on a quarterly basis to update information on companies in which they hold 10% or more of the share capital or over which they hold significant influence, or any other situation that could result in a conflict of interest.

#### b. Analysis of reported situations

In order to analyze the reported situations, the Conflicts of Interest Committee was formed on the basis of the reporting structure of the conflicts of interest subject to analysis, according to the guidelines established in the policy that regulates it. For the specific case of the members of Senior Management, the Conflicts of Interest Committee was composed of the Audit and Risks Committee of the Board of Directors, as provided for in the Conflict of Interest Policy contained in the Code of Ethics and Conduct.

#### c. Management and resolution mechanisms for conflicts of interest

The company, oriented toward promoting a culture of transparency in relationships between the members of the Board of Directors and of the Senior Management for the timely communication and

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**The Company has adequate mechanisms for the report, analysis and management of conflicts of interest disclosed by the Company's Board of Directors, Senior Management, complying with the policy that regulates this issue.**



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

the proper management of those situations in which their objectivity and independence may be affected, it favored spaces and tools for reporting conflicts of interest. The reported situations consist mainly of the participation of a relative in boards of other companies or entities, as well as the shareholding in other companies with possible links with the company.

In the face of these reports, recommendations were issued by the respective Conflict of Interest Committee for the adoption of the relevant actions and measures with a view to the solution and administration, to guarantee objectivity and impartiality in the proceedings and to protect the reserve of confidential and privileged information of the company. In addition, the members of the Board of Directors who, due to the positions they hold, could be involved in potential conflict of interest situations, abstained from participating in the evaluation, discussion and voting for the corresponding decision.

None of the situations they reviewed affected the overall operations of the company nor were they of such a magnitude that they made it impossible for the employees involved to fulfill their work obligations. None of the employees reporting the cases were forced to resign.

# RISK MANAGEMENT SYSTEM

## Internal Control System and its modifications during the year

Grupo Éxito, during the year 2020, continued to carry out activities in favor of strengthening the internal control system, in accordance with the provisions of the Corporate Governance Code.

Of the components deployed by the system, the following points are highlighted during the year:

### Control Environment

The control environment operates within the established guidelines of the Bylaws, the Corporate Governance Code and the policies and procedures. It is also backed up with a strong commitment performance, led by Senior Management and supervised by the Board of Directors and its supporting committees.

- The company reviewed the strategy, challenges, and initiatives that guide it toward strategic pillars, objectives, mission, and corporate values.
- In the context of the contingency arising from the COVID-19 pandemic, the company adapted the structure, operating model and structuring of its processes in an agile manner, maintaining the principles of responsibility, authority and commitment needed to ensure compliance with internal control in an environment of innovation and flexibility for different stakeholders.
- The company applied corporate governance standards, consolidating good practices and building value relationships with stakeholders.
- The company initiated the redesign of the process of risk and control self-assessment (Autocontrol Program) as an enabler and value enhancer in operational risk management and as

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**The company's Senior Management affirmed its commitment to diversity, inclusion and equity in the workplace; this commitment, which began in 2018, promotes initiatives that foster the culture of respect for legitimate differences in age, gender, skills and ethnicity.**

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

a support to tactical and strategic risks in line with the new organizational dynamics. In addition, it applied the principle of self-control, in which the process owners are responsible for monitoring the risks of their processes and for applying the corresponding controls.

- The company continued to advance the continued adoption of best practices and standards for preventing the risks of fraud, bribery, corruption, money laundering and terrorist financing, complying with local standards and international regulatory requirements that are applied indirectly by its parent company.
- The company strengthened its Personal Data Protection Program, an issue that continues to be seen as a strategic risk and has the highest level commitment of the organization to its management.
- The adoption of the Personal Data Protection Program was aimed at complying with the applicable regulations and recommendations of the authority for personal data treatment, as well as at strengthening respect for the right to privacy from the stage of design of the new strategies, especially those originating as part of the new normality.
- In October 2020, the company was awarded the Silver Seal “Implementing Actions for Equality” of the “Equities” Labor Equity Program by the National Government.
- The company’s Senior Management confirmed its commitment to diversity, inclusion and equity in employment. This commitment, which began in 2018, promotes initiatives that foster a culture of respect for legitimate differences in age, gender, capacity and ethnicity. As part of this, it complemented the guidelines of conduct set forth in the Code of Ethics and Conduct with actions aimed at promoting diversity and rejecting any discrimination between all its stakeholders.

## Risk Management

The Risk Management System of Grupo Éxito is administered from the Risk Management Department, part of the Vice Presidency of Corporate Affairs and is responsible for designing and implementing the methodology and risk model at different levels of the organization and promoting the culture of risk management.

The system has a risk policy that establishes the overall framework for action and a risk management guide that contains the model and methodology aligned with the ISO 31000 standard. Progress in risk management is presented in the chapter on description of the risk policy and its implementation during the financial year.

## Control Activities

Control activities are framed within internal policies and procedures for process management and are characterized by a permanent search for operational optimization and excellence, technology and digital transformation in processes and the application of methodologies for continuous improvement.

- Throughout the year, the company implemented the control framework under Sarbanes Oxley Act (SOX) compliance standards, due to the simplification of the Casino Group structure in Latin America region, where Grupo Éxito changed its position as a significant component of the Companhia Brasileira de Distribuição (CBD) listed on the New York Stock Exchange.
- The company continued to apply mechanisms to optimize processes, with practices such as Six Sigma, Lean, and Agile, among others.
- The company has management systems that strengthen the control system, mainly related to occupational safety and health, road safety, BASC (Business Alliance for Secure Commerce) and OAS (authorized economic operator, for its acronym in Spanish) for its logistics and transport operations.



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

In addition, within the framework of the contingency, it obtained Icontec certification in biosecure operations for the Carulla and Éxito Express brands.

- Focusing on omni-channel and digital strategy, the company has advanced on the implementation of technological tools and operational processes that enhance business sustainability in a control environment with compliance with internal policies and current regulation.
- Advances were made in technological solutions to facilitate collaborative and remote work through isolation conditions, allowing business continuity, digital connectivity, information management and interaction between users and equipment with information security and technology controls.
- The company advanced on the upgrade of Éxito and Carulla mobile applications to be in line with customers' new consumer habits, gain greater transaction assurance control for sales, discounts and means of payment and boost the use of available technology.
- Grupo Éxito increased its store formats with technologies focused on improving service, processes and controls as part of the purchase experience.

●●●

**28,787** employees were trained in the Guardianes Éxito (Éxito Guardians) virtual module, a training program that explains the concepts and risk events in these three thematic areas of compliance.

### Compliance

The company, committed to the promotion of articulation and compliance with the various legal norms for the promotion of business ethics among its different interest groups, the prevention of money laundering and terrorist financing risks, as well as compliance with the legal provisions on the protection of personal data, it details below, the main activities carried out in these three compliance programs during year 2020.

#### TRAINING AND AWARENESS [GRI 205-2]

With a view toward integrating employees to the management and prevention of the risks of fraud, bribery, corruption, money laundering and terrorist financing, as well as compliance with the applicable rules on the protection of personal data, during 2020, the company trained 28,787 employees in the Guardianes Éxito (Éxito Guardians) module, an innovative training program in which, in close proximity, through everyday cases occurring in the context of a family, risk concepts and events are explained in these three areas of compliance.

In addition, the company trained 2,403 operational employees in the system of prevention and control of money laundering and terrorist financing and conducted 569 targeted training for employees who are part of areas with the greatest exposure to possible breaches of personal data protection regulations.

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

In addition to the above, 2,943 suppliers of goods, services and products were informed about the Transparency Program, through the newsletter **Nos acerca** — disclosed to suppliers through the corporate website, in which key and fundamental guidelines that make up the Transparency Program were shared and how, from their task, suppliers contribute to the generation of transparent and sustainable relationships.

### MANAGEMENT OF THE TRANSPARENCY PROGRAM

During 2020, the company consolidated the Transparency Program as an integral part of the strategic sustainability pillar **Somos íntegros**, which aims to promote a culture of transparency and integrity, by exalting the role of employees and other interest groups as part of the commitment of zero tolerance to fraud, bribery and corruption in any form.

In accordance with the provisions of the parent company, the company advanced in the project for risk mapping of fraud, bribery and corruption, under the guidelines established in the French Sapin II Law and the requirements of the French Anti-Corruption Agency (AFA), these are in harmony and consistent with the applicable national regulations. The purpose of this exercise was to identify, throughout the processes that integrate the company's value network and from the exercise of the employee's functions, the level of exposure to the risks mentioned, as well as the controls implemented for their mitigation.

As part of the management carried out during 2020, the following activities are highlighted:

### Communication

The company, in constant implementation of actions aimed at generating value relationships, gave continuity to the usual annual internal campaign of communications in transparency, under the concept “**Soy transparente**,” aimed at all employees of the company, including the national subsidiaries. The purpose of this campaign was to recognize, in every leader, and every employee how each one can from his role to the generation of transparent and sustainable relationships, based on the coherence between what we say, think and do. In turn, the news and updating of related policies and procedures were disclosed to employees.





## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### [GRI 102-29] [GRI 102-17] Reporting Channels

One of the structural pillars of a strengthened anti-corruption program is the reporting channels, which operated permanently through telephone lines, e-mail and web ethical forms. These channels are widely disclosed and administered by an independent and specialized third party, who guarantees confidentiality and the possibility of anonymity of the person who makes the report; in addition, the Transparency Program defines that no complainant shall be subject to reprisals or sanctions for the sole fact that he or she has denounced it.

[GRI-205-3] In this way, the company received and investigated 949 reports for alleged failure to comply with the provisions set out in the Transparency Program and other policies and procedures that develop it during 2020, which is reflected, mainly, in the following five typologies:

476

Non-compliance with internal controls

250

Events against good treatment among employees

83

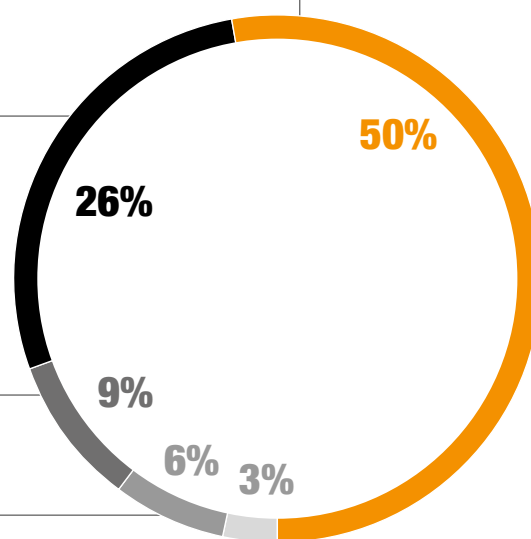
Theft

61

Conflicts of interest

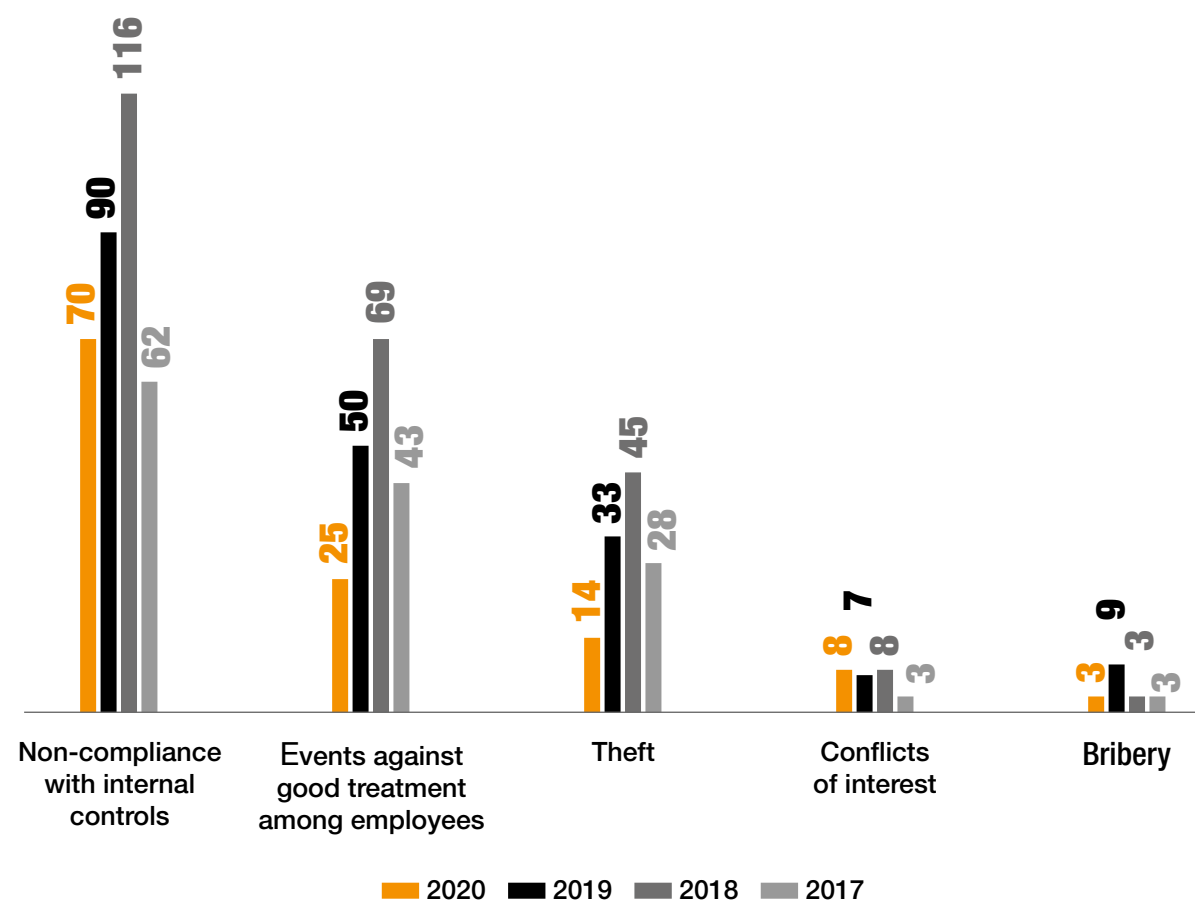
29

Bribery - Private



All reports, without exception, were evaluated and investigated by their respective internal manager, with the accompaniment of the compliance area, under the guidelines and supervision of the Operation Committee to Combat Fraud and Corruption.

As a result of the application of the research framework, 14% of the cases concluded were verified. The five main typologies were: Non-compliance with controls, acts against the good treatment of employees, theft, conflict of interest and bribery, reflected in the last four years:



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

In the face of the events found, relevant measures were taken in accordance with the consequences provided for in the Code of Ethics and Conduct to punish violations of transparency. The following actions were exercised: 52 disciplinary measures consisting of reprimanded or warnings and suspension, 32 administrative decisions for termination of the employment contract, 6 judicial actions and 3 actions with suppliers. It is important to note that none of the events have a bribery or corruption case been set up with a public official, or a loss or material affectation to the company, and the company currently has no ongoing administrative or judicial investigation into bribery or corruption.

- **Management of employee conflicts of interest:**  
In addition to the management of conflicts of interest described in the chapter concerning the members of the Board of Directors and of the Senior Management, the company, in its continuous management of healthy relationships, sustainable and objective among employees and different stakeholders, promoted the importance of the application of the Conflict of Interest Policy in the roles and activities of employees where objectivity and impartiality in decision-making might be affected.  
Thus, in 2020, it leveraged on the annual day of declaration of conflicts of interest, a record of 974 declarations with possible conflict of interest was reached; the largest number of situations correspond to the category of “working with a relative or affective partner in the company” with a 49% of cases.  
On the reported situations, the Conflict of Interest Committee, for levels 3 to 7 of the corporate structure, made recommendations for the proper management of the possible risks in which employees in conflict situations can be immersed, in order to guarantee, in this way, the prevalence of the interest of the company on the particular interest.

- **Relationship with the government:** In the exercise of the activities for the management of the interests of the company, especially in the relationship with the public servants, the guidelines and protocols established in the Policy of Relations with Public Servants were followed, approved by the Board of Directors and included in the Code of Ethics and Conduct.  
Since 2015, the company has not made donations to campaigns, candidates or political movements. Contributions to non-profit entities, for the purpose of supporting social and sustainable initiatives related to the company’s Sustainability Policy, and which amounted to a value of COP1,983,241,22, attended to the guidelines and procedures established in the Donations Policy and its associated procedures, to ensure management within the framework of the Transparency Program.



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### MANAGEMENT OF THE PROGRAM FOR THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

In compliance with the policy for the prevention of money laundering and terrorist financing risks, the company carried out due diligence processes based on risk management, with the aim of mitigating the possibility of establishing links with third parties associated with them. In addition, in the exercise of due diligence, it made progress in designing mechanisms to assess and measure the effectiveness of the treatment measures implemented for the management of this risk.

Similarly, it complied with the provisions of the applicable regulations concerning legal reports to the authorities, which include the management of internal reports of unusual operations, the reporting of suspicious transactions of which it was aware, and the other reports established in the standard.

In the framework of the certification process as an authorized economic operator (OEA, for its acronym in Spanish), the requirements and measures to comply with the project's requirements for the prevention of money laundering and terrorist financing were evaluated and implemented.

Due diligence processes were automated in the process of selection of personnel and e-commerce payments, which allowed to improve the opportunity in response times and decrease the margin of human error.

### MANAGEMENT OF PERSONAL DATA PROTECTION PROGRAM

In developing the corporate commitment to the protection of personal data, the company carried out actions aimed at effective compliance with the provisions established in the regulations in force in the field, based on the principle of continuous improvement of its processes to provide its stakeholders with an adequate treatment of the personal information to which it has access in the development of its social object.

As part of the above, the company deployed activities that aim at the constant search for opportunities for improvement of the effective protection of the right to privacy and *to habeas data* of data owners. The following activities are highlighted:

- **Senior Management Commitment:** The Personal Data Protection Committee met periodically and provided guidelines for compliance with personal data protection framework in new businesses, projects or events that represent a material risk to the company. In addition, the company strengthened the incorporation of privacy principles into the design, operation and management processes of the organization's systems to achieve a comprehensive protection framework for the protection of personal data.
- **Risk-based approach:** The company has defined non-compliance with the data protection framework and privacy policies as a strategic risk, on which control measures were established for its mitigation. In addition, the Risk Matrix was developed, which was endorsed by the Personal Data Protection Steering Committee and presented to the Audit and Risk Committee of the Board of Directors. In this way, considering the criticality of the risk events evidenced, a work plan for their mitigation was designed and implemented.
- **National Database Registry – RNB (for its acronym in Spanish):** The company has complied with the legal duty to update the databases registered in the National Database Registry (RNBD).
- **Managing *habeas data* queries and claims:** All requests made by data owners through channels used for the exercise of *their data rights* were handled in accordance with established procedures. In 2020, 9,140 applications were received. The most recurring

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

request type is Data Update 45,37%, followed by Communication Preferences 31,24% and Customer Creation Requests 15,26%.

- In addition, it highlights compliance in terms of the legal duty to report to the National Database Registry (RNBD) of the claims submitted by the holders in the first and second periods of 2020, corresponding to 5 claims regarding the exercise of the right to *habeas data*, on which the company advanced all the relevant requirements for its proper attention.
- Furthermore, the company met the requirements of the personal data protection authority in a timely manner and sought to demonstrate its continuing orientation to the implementation of the principle of demonstrated responsibility. In 2020, no sanctions were filed for violation of the personal data protection framework.

### INITIATIVES IN WHICH GRUPO ÉXITO PARTICIPATES

- The company is still a member of the Antioquia Compliance Officers Committee, an initiative made up of major real-sector companies whose aim is to share experiences and best practices for the prevention of compliance risks on money laundering and terrorist financing, fraud, bribery, corruption and personal data protection.
- In 2020, the company entered into a cooperation agreement with the Latin American Compliance Network, which aims to share good compliance practices. The network is made up of public and private sector companies and is led by the International Institute of Anti-Corruption Studies.
- The company also participated as speaker in the II Compliance Congress | Chamber of Commerce of Medellín and OlarteMoure, in which was able to share experiences on how compliance programs are a value-generating tool within companies.

### Information and Communication

- During the year, communication channels enabled the reception of complaints operated uninterruptedly.
- The operation of the Company is supported by platforms and information and communication systems as part of a framework and centralized government of the Group, which also manages the risk of information security.
- The Company's Senior Management maintained contact with key collaborators and third parties to report relevant issues in the framework of the COVID-19 contingency and the operation of the business. The main topics included health issues, biosafety, human resource management, operations, omnichannel, new projects and financial and commercial results. In addition, it has internal support committees for the management of the company's key business, processes and risks.
- During the year, the company, within the framework of the pandemic, promoted communication campaigns and internal training to promote and strengthen elements of corporate governance structure and processes, compliance with the main regulatory regimes and good practices in some relevant risks such as information security, health and biosafety, which became more relevant.
- As usual, the company conducted the annual transparency communication campaign, inspired by the promotion of consistency in the ethical conduct of the company and its members. Through this campaign, updates to the Transparency Program policies and procedures were disseminated.
- The Disclosure of Financial and Non-Financial Information Policy was applied and the communication of information was coordinated based on the Disclosure of Information Policy and good corporate governance practices.



## Monitoring and Supervision

- The support committees of the Board of Directors—Audit and Risk, Financial, Sustainability, Business and Investment, Appointment, Remuneration and Corporate Governance—carried out their functions of managing and monitoring important elements of the company's government.
- The Audit and Risk Committee supported the Board of Directors in the supervision of financial information and reporting, risk management, internal audit management and fiscal review, relevant internal control and regulatory compliance issues, transactions between related parties and conflicts of interest within their competence.
- To address common purposes, Grupo Éxito and CBD audit committees have worked together on oversight tasks.
- Internal Audit served as independent assurance of compliance with corporate governance standards and regulations, risk and control management, and major strategic projects. Likewise, the processes of the company were audited within the framework of a risk-based plan and previously put to the consideration of the management and the Audit and Risk Committee, with greater emphasis on processes impacted under the framework of the COVID-19 contingency, to support the achievement of business objectives covered by the Group's national and international entities.
- Furthermore, Internal Audit also supports the company in the investigation of possible fraud cases submitted via reporting channels. Recommendations were made from the assessments, and action plans were established with Senior Management and process leaders to improve the design and operation of the Internal Control System.
- The External Audit Firm, Ernst & Young Audit S.A.S., conducted assessments, which covered the accounting and financial processes and systems; the preparation

and disclosure of financial information; the risks and internal control that have an impact on financial information; and compliance with the legal regulations, the Company Bylaws, and the decisions made by the Board of Directors. In addition, in 2020, the company emphasized on SOX compliance assessment.

- The Audit and Risk Committee oversaw the significant facts resulting from the Via Varejo investigation. Its conclusion does not have any relevant impacts related to alleged accounting irregularities and deficiencies in internal control.

## Description of the risk policy and its application during 2020

Risk management contributes to the sustainability of the company, its continuity and the fulfillment of its strategic objectives, through a systematic and approved process of risk and opportunity management.

The policy for comprehensive risk management sets out the purpose, scope, principles and overall framework of action for comprehensive risk management within the corporate governance scheme defined by the company. It describes the different levels of risk management, which include the strategic, project, business, and process levels.

The risk management methodology is an integral part of the policy and is based on the ISO 31000 standard. The methodology in turn refers to six main stages including context setting, risk identification, analysis, risk assessment, treatment and monitoring, and review, in order to define the management measures necessary to reduce the likelihood of risks and their economic and reputation impact.

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### IMPLEMENTATION OF RISK POLICY DURING 2020 [GRI 102-30]

The past year has brought unprecedented challenges and has driven companies to take action immediately. That is why, during 2020 and to promote long-term sustainability, the company constantly sought new opportunities and demonstrated a resilient culture that allowed it to manage those risks that might impede the achievement of its objectives in the short and medium-term.

In order to comply with the risk policy and to ensure the continuity and sustainability of the business, during 2020, and with the participation and leadership of Senior Management, an analysis of the main risks and trends was carried out in the light of the new normality, thus obtaining a new profile of strategic risks, which in turn extended to the different businesses of the company. Strategic level risks and their management measures were reviewed periodically by the Audit and Risk Committee and validated by the Board of Directors.

In addition, as part of the improvement of the Crisis Management Plan, a new protocol was created for the attention of cybersecurity events and adjustments were made to the current model. With regard to the Business Continuity Plan and considering the current context, new processes considered critical to the BIA (Business Impact Analysis) and related mainly to the direct food trade business were added.

In addition, during the year, an awareness process was advanced with 15 risk managers responsible for managing specific and prioritized operational risks in the organization, which permeate different processes and therefore require cross-cutting management. In this way, progress was made in accompanying four of these managers for the implementation and approval of the risk methodology, which enabled the identification and characterization of 22 risks in total.

The Department of Integral Risk Management, with the support of areas specialized in cross-cutting issues, carried out risk workshops framed in different strategic projects of the

company, evaluating a total of 33 risks. In addition, in procurement risk management advanced with the renegotiation of the insurance coverages, under technical and economic conditions available to the suppliers, as well as in the negotiation of a collective lease policies for the locatees and dealers of stores, galleries and shopping centers.

During the year, the company implemented a new comprehensive audit model for **164** private label suppliers in Colombia, which assessed the risks associated with the following:

- Recruitment of child labor
- Forced labor
- Diversity and Inclusion
- Disciplinary practices. Harassment and abuse
- Freedom of association and complaint mechanisms
- Working hours and overtime
- Occupational health and safety
- Quality and safety
- Environment

In addition, the company audited **12** international private label suppliers, under the multi-sectoral initiative ICS (Initiative for Compliance and Sustainability), seeking to improve working conditions in the international supply chain.

In addition, the company analyzed **12** processes supporting the international supply chain, and studied **37** risks in total, including the identification of its controls and treatment plans related mainly to IT monitoring and control systems, operations logging, training and disclosure, security inspections, report and documentation.



## STRATEGIC RISKS [GRI 102-15]

### Risks monitored by the Audit and Risks Committee and informed to the Board of Directors

1. **⊕ Macroeconomic:**  
Prolonged recession with rising unemployment rates leading to changes in consumer capacity
2. **⊖ Political and Legal, and Country Situation:**  
Deterioration of public order and regulatory uncertainty in the countries of operation
3. **⊛ Cybersecurity:**  
Disruption of critical company processes and/or commitment of digital information due to an attack on through technological means

### Risks monitored by the Senior Management and informed to the Audit and Risks Committee when they are outside the risk appetite versus risks annual assessment.

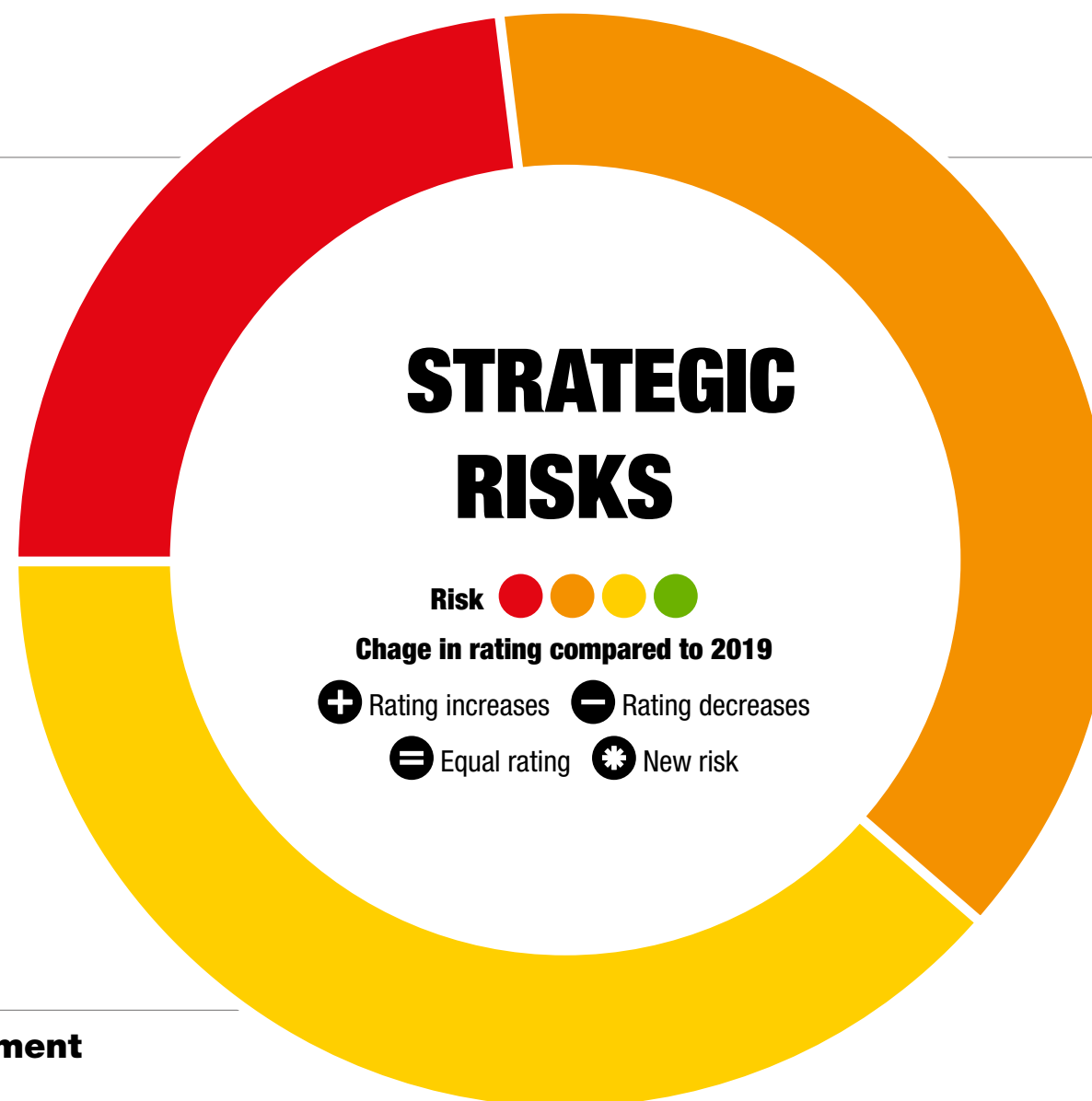
9. **⊕ Financial:**  
Pressures on the company's liquidity that generate constraints on strategic programed investments, as a result of financial constraints resulting from the new reality

10. **⊛ Demand behavior:**  
Lack of adaptation to the new trends that respond to the acceleration of the process of de-globalization by the spread of the COVID-19

11. **⊖ Human Resources:**  
Long periods of confinement that could lead to talent leakage and low retention capacity of staff

12. **⊖ Retail Operation:**  
Possible massive negative impact on customers due to quality and safety incidents

13. **⊖ Natural Hazards:**  
Increase in severity of extreme weather events, change in precipitation patterns and extreme climate variability affecting supply, logistics and consumption behavior



### Risks monitored by Senior Management and informed at the Audit and Risk Committee

4. **⊕ Information Technology:**  
Obsolescence of critical equipment supporting the operation for its omni-channel strategy and innovation formats
5. **⊖ Market Share:**  
Material losses of market share in the food business
6. **⊖ Information Security:**  
Leakage of critical or sensitive information such as customer or employee database, strategic and/or financial
7. **⊖ Compliance – *habeas data*:**  
Failure to comply with the framework of protection of personal data in the development of business strategies
8. **⊛ Safe environment and biosafety:**  
Possible flaws in the implementation of biosafety protocols

# STRATEGIC RISKS

## Administrative measures for priority risks

### MACROECONOMIC

- Measures to ensure energy efficiency and optimization of energy rates
- Implementation of methodology for zero-based budgeting
- Exchange rate coverage for US dollar procured services

### POLITICAL, LEGAL, AND COUNTRY SITUATION

- Strengthening the crisis management and training plan

### CYBERSECURITY

- Evolution of operational to predictive monitoring and control management in corporate clouds.
- Detection and removal of trademark impersonation

### EMERGING RISKS

#### Emerging Carbon Pricing Standards and Regulations

**Description:** Possible increase in the cost associated with carbon footprint management in response to new carbon pricing regulations. Also, new standards required by the market regarding the communication and transparency of the actions implemented by the company in this field.

#### Main mitigation actions:

- Development of initiatives for renewable energy replacements
- Reduction of refrigerant gases
- Purchase of solar energy production for on-store demand

#### Biases in algorithms

**Description:** Possibility of incurring economic or reputational effects due to bias in algorithms in different areas such as human resources, financial services, marketing, among others.

#### Main mitigation actions:

- Consideration of a multidisciplinary perspective in the review of systems equity, including social and human science professionals as sociologists and psychologists
- Construction of a good practice guide for those models using personal data
- Establishment of an Artificial Intelligence ethics committee



MAIN BUSINESS RISKS

<b>Safe environment and biosafety</b>	Possible failures in the implementation of <b>biosecurity protocols</b> that generate low perception of security by clients and employees, affecting the confidence of different stakeholders
<b>Failure to meet customer expectations</b>	Ability to breach commitments made with customers, suppliers and third parties in the stated promises
<b>Loss</b>	Possibility of economic losses due to higher inventory decline as expected
<b>Unavailability of critical information systems</b>	Possibility of interruption of operations in the company affecting the continuity and generating economic losses
<b>Prevention of money laundering and terrorism financing</b>	Possibility that the company will be used for related offenses with money laundering and/or financing of terrorism
<b>Environmental - Weather events</b>	Increase in severity of extreme weather events, change in precipitation patterns and extreme climate variability affecting supply, logistics and consumption behavior

MATERIALIZATION OF RISKS  
DURING THE FISCAL YEAR

- Economic losses related to property damage of approximately COP340 million, associated with social mobilizations during the month of September 2020, resulting in affectations to buildings, assets and looting of goods.
- Negative effects on different businesses as a result of the situation generated by COVID-19, mainly in financial, textile, tourism businesses and by discounts granted to tenants of the real estate business.

TRANSFER OF RISKS  
AND RETENTION INITIATIVES

Within the company’s risk management is the transfer of those viable risks to treat under a scheme of traditional mechanisms or insurance policies, with which it is sought to cover mainly risks of severity and not frequency, such as the affectations to company property, the liability of managers, internal and external fraud, property liability for damage to third parties, cyber risk, and risks arising from the contracting of goods and services.

During the year, progress was made in the calculation of PML (Probable Maximum Loss) in order to identify its maximum exposure to risk and thus define the limits for an optimal transfer of risk. Further progress was made in quantifying fraud and cyber security risks, identifying the level of risk assumed by the company and defining the best alternatives for its transfer.

# GENERAL SHAREHOLDERS MEETING

## Extraordinary meeting of the General Shareholders Meeting

On January 23, 2020, an extraordinary meeting of the General Shareholders Meeting was held, with 17 participants (among present and represented shareholders), holders of 440,504,270 shares and a quorum of 98,41%.

### MAIN DECISIONS

During said meeting, the General Shareholders Meeting adopted the following decisions:

- Approved the proposed election of the members of the Board of Directors for the 2019 - 2021 period presented by Sendas, as follows:

#	Non-Independent members
1	Ronaldo Iabrudi dos Santos Pereira
2	Peter Paul Lorenço Estermann
3	Christophe José Hidalgo
4	Rafael Russowsky
5	Bernard Petit
6	Philippe Alarcon

#	Independent members
1	Luis Fernando Alarcón Mantilla
2	Felipe Ayerbe Muñoz
3	Ana María Ibáñez Londoño

- The meeting agreed to retain the allocation of fees of the Board of Directors approved by the General Shareholders Meeting on March 27, 2019, for the period 2020-2022, as set out in the remuneration section of the Board of Directors and Senior Management, as set out above.

## Ordinary meeting of the General Shareholders Meeting

On March 19, 2020, the ordinary meeting of the General Shareholders Meeting was held, with the participation of 20 participants (among present and represented shareholders), holders of 440,507,845 shares and a quorum of 98.41%.

In line with the decisions made by the National Government, the declaration of public calamity and the sanitary emergency throughout the Region of Antioquia, decreed in March in the face of the risk of expansion of the COVID-19 virus, and considering the limitation of the number of attendees to any event in the country (maximum 50 people), the company was authorized by the Financial Superintendency of Colombia so that the shareholders who voluntarily wished to grant a power with the sense of vote in front of each of the proposals submitted to its consideration could be granted to one of the agents that the company placed at its disposal.

The above-mentioned strategy was implemented with the purpose of adopting preventive measures for the protection of the health of those attending said meeting in the following terms:

- Its adoption by shareholders was voluntary and did not generate any charge at their expense. In addition, this measure did not prevent shareholders who so wished to choose to grant power to any other person who was in their trust, who, in accordance with the current regulations, could not be an employee or administrator



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

of the company and who could enter the meeting of the General Shareholders Meeting provided that the maximum number of attendees allowed had not been exceeded in accordance with the current guidelines.

- ii. The conditions for the granting of powers were clearly, sufficiently and timely reported on the corporate website and by means of a press release published in two newspapers of wide national circulation. They were made available to shareholders on the corporate website:
  - The models of power that could be used.
  - The list of proxies suggested by the company along with a description of its profile, so that the decision on the granting of power was made in an informed manner. It should be noted that, in compliance with Article 185 of the Colombian Commerce Code, the agents were neither employees nor administrators of the company.
- iii. A corporate email was enabled for the receipt of the powers by the shareholders, as was the delivery of the powers to the company's premises on the day of the meeting.
- iv. The necessary controls were implemented to ensure the legality of the powers granted and to minimize the potential risks of implementing this measure.

### MAIN DECISIONS

During said meeting, the General Shareholders Meeting adopted the following decisions:

- Approved the Board of Directors and CEO Management Report
- Approved the Annual Corporate Governance Report
- Approved the individual and consolidated financial statements as of December 31, 2019, together with their attachments and other legally required documents
- Approve the following profit distribution proposal:
  - v. Allocate the net group share result for the period ended December 31, 2019, which amounts to fifty-seven thousand six hundred and two million two hundred and ninety-six thousand one hundred and forty-seven Colombian Pesos (COP57,602,296,147.00) to increase the reserve for future expansion and improvements.
  - vi. Remove a sum equivalent to one billion ninety-one thousand two hundred fifty-nine million three hundred twenty-two thousand four hundred and eight Colombian Pesos (COP1,091,259,322,408.00) from the reserve for future expansion and improvements, under the terms of Article 453 of the Commerce Code.
  - vii. Distribute as a dividend an amount equivalent to one billion ninety-one thousand two hundred fifty-nine million three hundred twenty-two thousand four hundred and eight Colombian Pesos (COP1,091,259,322,408.00).  
The total amount decreed corresponds to an annual dividend of two thousand four hundred thirty-eight pesos per share (COP2,438.00) for the four hundred forty-seven million six hundred four thousand three hundred and sixteen (447,604,316) outstanding shares.
- Approve the following proposal in terms of donations: Authorize the CEO of the company, to appropriate the reserve of "future expansion and improvements," the sum of one thousand six hundred and three million four hundred and eighty thousand three hundred and twenty Colombian Pesos. (COP1,603,480,320), to make donations under the policy and procedure.

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

- Approved amendment to the company's bylaws to adjust the wording of Article 58 (Board Committees) in accordance with Article 45 of Law 964 of 2005.
- Approved the proposal for the re-election of EY for the provision of Statutory Auditor services for the period 2020-2022.
- It approved the proposal of the Statutory Auditor's fees for up to six thousand one hundred and eighty-nine million five hundred thousand four hundred thirty-five Colombian Pesos. (COP6,189,500,435) for the period 2020-2022.

### Differences in the Operation of the General Shareholders Meeting between the Minimum System of Current Regulation and that Defined by the Company's Bylaws and Rules of Procedure for the General Shareholders Meeting

The activities required for adequate development of the General Shareholders Meeting in 2020 were different to the minimum legal requirements established in the following aspects:

- The company has surpassed the legally provided timeframe for the call to the General Shareholders Meeting in order for shareholders to have a greater time period to familiarize themselves with the matters to be discussed. The company's bylaws and the rules of procedure for the General Shareholders Meeting establish a 30-day call period for ordinary meetings and 15 calendar days for extraordinary meetings<sup>5</sup>, higher than those officially required.
- The Ordinary General Shareholders Meeting held on March 19, 2020, was called on Friday, February 14, 2020.
- The company granted the shareholders a term of five calendar days following the call to the ordinary meeting of the General Shareholders Meeting, which began on February 15, 2020, and ended on February 19, 2020, to: (i) propose the inclusion of one or more points on the meeting's agenda, (ii) submit new proposals for decisions on matters included in the agenda, and (iii) request additional information or raise questions about said matters.

- In order to provide equitable treatment to its shareholders, on February 26, 2020, the company published a proxy template form on its corporate website that included the vote on each of the items on the agenda to be discussed and/or approved at the Ordinary General Shareholders Meeting held in 2020, so that shareholders could indicate to their proxies how they would vote.
- The company published the call for the Ordinary General Shareholders Meeting (i) in a widely distributed local and national newspaper; (ii) through the relevant information mechanism provided by the Financial Superintendency of Colombia; (iii) in the offices of Fiduciaria Bancolombia, which manages the Company's Shareholder Department; (iv) on the corporate website; and (v) in the newsletter (News to Investors) sent by the Investor Relations Department.

5. Colombian legislation states that the call for the ordinary meeting of the General Meeting of Shareholders must be made at least fifteen (15) working days in advance, and in the case of extraordinary meetings, at least five (5) calendar days (Commerce Code, Article 424).



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### Actions Taken during the Year to Encourage Shareholder Participation

During 2020, the company fully complied with Circular Externa 028 of 2014 published by the Financial Superintendency (Country Code Survey) and provisions of the company's Bylaws and Corporate Governance Code in terms of timely sending clear and complete information to shareholders and with adequate notice regarding the General Shareholders Meeting. In this way, the company encourages the shareholders' participation and guarantees respect of their rights.

The following activities were carried out to promote the participation of shareholders in 2020:

- Four publications on quarterly results
- Four teleconferences on quarterly results
- Two meetings of the General Shareholders Meeting: one ordinary and one extraordinary
- A call with a local pension fund
- A visit from an international investor
- Ten online conferences on market issues capital and corporate governance
- Twenty-three calls with local and international analysts and investors

### Information and communication to stockholders

In January of 2016, the company Board of Directors crafted the Financial and Non-Financial Information Disclosure Policy, which is in the fifth chapter of the Corporate Governance Code.

The purpose of this policy is to provide the company's interest groups with information of the status, evolution and progress of its business units so that their members will have enough knowledge to make wise decisions.

Implementation and enforcement of this policy is the responsibility of the Disclosure Committee, whose composition and responsibilities can be consulted in the disclosure procedure approved by the Audit and Risks Committee, available on the corporate website. This procedure is based on the Financial and Non-Financial Information Disclosure Policy of contained in the Corporate Governance Code of the company and the Code of Corporate Best Practices of Colombia (Country Code Survey).

The following documents were published on the corporate website, in the section of the "Shareholders Meeting" for the meeting held on January 23, 2020:

- Call
- Proxy template forms for legal entities and individuals
- Press release inviting shareholders to submit their lists of candidates for Board of Directors
- Presentation of a proposal by Sendas for the election of the Board of Directors for the 2020- 2022 term
- Evaluation report of candidates to form the Board of Directors
- Curriculum Vitae of candidates to form the board of directors and letter of application and acceptance. In addition, in the case of independent members, there is their declaration of independence
- Board of Directors remuneration proposal

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

The following documents were published on the corporate website, in the section of the “Shareholders Meeting” for the meeting held on March 19, 2020:

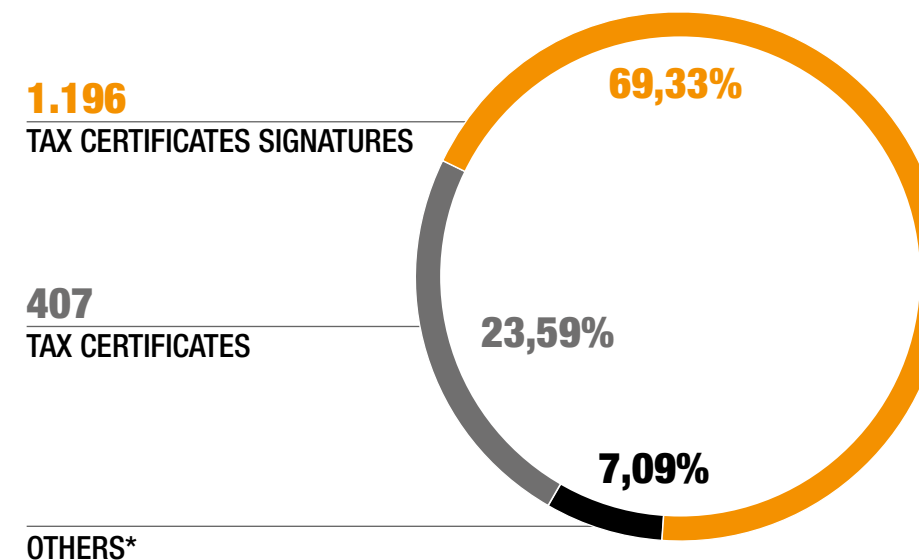
- Call
- Proxy template forms for legal entities and individuals
- List of proxies suggested by the company given the health emergency
- The conditions for granting powers to the proxies suggested by the company in the face of the health emergency.
- The description of the profile of each proxy suggested by the company in the face of the health emergency
- The press release published in a newspaper of wide national circulation and a local one, in which the conditions for the granting of powers to the agents suggested by the company in the face of the health emergency were reported
- Management Report
- Corporate Governance Report
- Sustainability Report
- Financial Statements as of December 31, 2019 together with their attachments and other legally required documents
- Profit distribution proposal
- Donations proposal
- Proposal to amend the Company’s Bylaws
- Re-election proposal for the Statutory Auditor.
- Statutory Auditor fees proposal

During 2020, the company published 38 press releases through the relevant information mechanism of the Financial Superintendency. By way of these the company informed the markets on important decisions made by the Board of Directors and the General Shareholders Meeting, the signing or modification of relevant contracts, the quarterly and annual performance of the company, and matters related to the proposed corporate reorganization of Sendas and GPA.

## Number of Requests and Matters on which Shareholders have requested Information from the company

The company addressed the requests of approximately 119 shareholders in a timely manner during 2020. Out of these, 10 were in-person visits and 109 were telephone calls through Fiduciaria Bancolombia, which manages the Company’s Shareholder Department.

In addition, 1,725 shareholder requests were handled, including rights of petition, related to the following matters:



\* Secondary data update (0.93%), change of title due to update (1.10%), rights of petition (0.23%), historical certificates (0.58%), embassy certificate (0.06%), Deceval entry certificate (0.99%), general certificates (0.64%), transfers (1.04%), dividend payment updates (1.22%), information news updates (0.06%), Éxito exchange (0.23%).



# SUSTAINABILITY REPORT



**PAGE 66**

## **SUSTAINABILITY RISKS**

We updated the identification of the main strategic risks associated with the company process's sustainability...



**PAGE 67**

## **SUSTAINABILITY STRATEGY**

The year 2020 brought enormous challenges. How to promote solidarity, work for child nutrition, development of suppliers, strengthen actions for the care of the planet...



**PAGE 68**

## **ZERO MALNUTRITION**

It moves us to achieve zero chronic child malnutrition.



**PAGE 76**

## **SUSTAINABLE TRADE**

We buy locally and directly and work with our suppliers and allies...



**PAGE 83**

## **MI PLANETA**

We work to reduce, mitigate and compensate our impact on the planet...



**PAGE 92**

## **HEALTHY LIFESTYLE**

We promote and democratize healthy living habits; educate customers, employees and suppliers for a healthy life...



**PAGE 97**

## **THE SUCCESS OF GRUPO ÉXITO IS IN ITS PEOPLE**

We improve the quality of life of our employees...



**PAGE 105**

## **SOMOS ÍTEGROS**

We build trust relationships with our stakeholders, promoting good corporate governance practices...

# SUSTAINABILITY RISKS

[GRI 102-15]

We updated the identification of the main strategic risks associated with the company process's sustainability, led by the Integral Risk Management team and using the ISO methodology and subsequent validation with the Corporate Committee.

The risks encountered allow us to size up impacts and establish control measures and strategies associated with social, environmental and economic issues.

## Risks related to the sustainability strategy



### CLIMATE CHANGE MANAGEMENT

Physical risks related to extreme weather events and market transition risks, reputation, norms and/or regulations.



### PROTECTION OF BIODIVERSITY

Risks of damage to biodiversity and/or deforestation linked to private label products (edible palm oil and beef products).



### DISCRIMINATION - DIVERSITY AND INCLUSION

Risk of non-compliance with the company's commitments in the fight against discrimination and the promotion of diversity.



### SOCIAL IMPACTS ON THE SUPPLY CHAIN

Risks of non-compliance by suppliers in the regulations and commitments made by Grupo Éxito with respect to human rights and fundamental freedoms: child labor, forced labor, discrimination, freedom of association, minimum wage, health and safety, among others.



### CIRCULAR ECONOMY - PACKAGING

Economic and environmental risks related to non-reduction of problematic plastic (eco-design, bulk), re-use and recycling of packaging (especially plastic).



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index

# WHEN WE WORK TOGETHER, WE BUILD A BETTER COUNTRY

[GRI 103-2]

The year 2020 brought enormous challenges. How to promote solidarity, work for child nutrition, development of suppliers, strengthen actions for the care of the planet, promote healthy habits, the well-being of our partners, and build trust with stakeholders, were the priorities. That is why the renewal of our Sustainability Policy 2020, framed within six challenges, guided the company's performance and resulted in significant achievements.



### Zero Malnutrition

Through Fundación Éxito, we strive to reach the first zero chronic malnutrition generation in Colombia by the year 2030.



### Sustainable Trade

We build ~~value~~ valuable relationships with our partners and suppliers, through the promotion of sustainable practices and support programs that contribute to their growth, local and direct procurement and support for productive sectors and vulnerable populations.



### Mi planeta

We work to reduce, mitigate and compensate the impacts of our operation on the planet, as well as to contribute to the generation of environmental awareness in our different stakeholders.



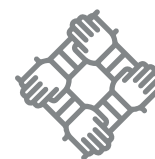
### Healthy Lifestyle

We mobilize customers, partners and providers towards a healthier and more balanced lifestyles through a portfolio of products and services that enable them to generate healthy living habits.



### The success of Grupo Éxito is in its people

We improve the quality of life of our partners by promoting diversity, inclusion and social dialogue.



### Somos íntegros

We build trust with our stakeholders within the framework of integral performance, under corporate governance, ethics and transparency standards, and respecting human rights.



## WE ARE MOVED TO ACHIEVE ZERO CHRONIC CHILD MALNUTRITION.

We work on these fronts to achieve this

- Generation and dissemination of knowledge
- Generation of alliances and resources
- Communication and awareness
- Influence in public policy



“  
The Fundación Éxito has enabled me to strengthen the bond of love with my daughter. Thanks to their nutrition and breastfeeding promotion programs, children in the country will have a better future.”

AURA PATIÑO  
beneficiary mother of Fundación Éxito in Bogotá.

## A CHILDHOOD WITH BETTER NUTRITION IN COLOMBIA

**129,920** boys and girls  
in 32 departments

in the country benefited from nutrition programs and complementary offerings led by the Fundación Éxito.  
**201% more than 2019.**

- The Fundación Éxito reached the department of Arauca for the first time through investment in public policy advocacy programs.



**Carla Arnia, Rene Armas and Alan Armas Arnia**, beneficiaries of the Fundación Éxito through the Fundación Uno Más in Medellín.



**LEARN ABOUT**  
the Foundation's 2020 report here,  
thanks to the joint work of employees,  
suppliers, allies and customers.



# BODY AND SOUL NUTRITION FOR THE EARLY CHILDHOOD

**117,691**

children benefited

from nutrition programs.

- **67,588** children under two years of age received food supplementation in their first thousand days.
- **44,115** children between the ages of two and five they received food supplementation.
- **5,988** children benefited from the breastfeeding counseling program.

**12,229**

boys and girls

participated in complementary offer programs (promotion of reading, musical initiation and promotion of protective and healthy environments for early childhood).

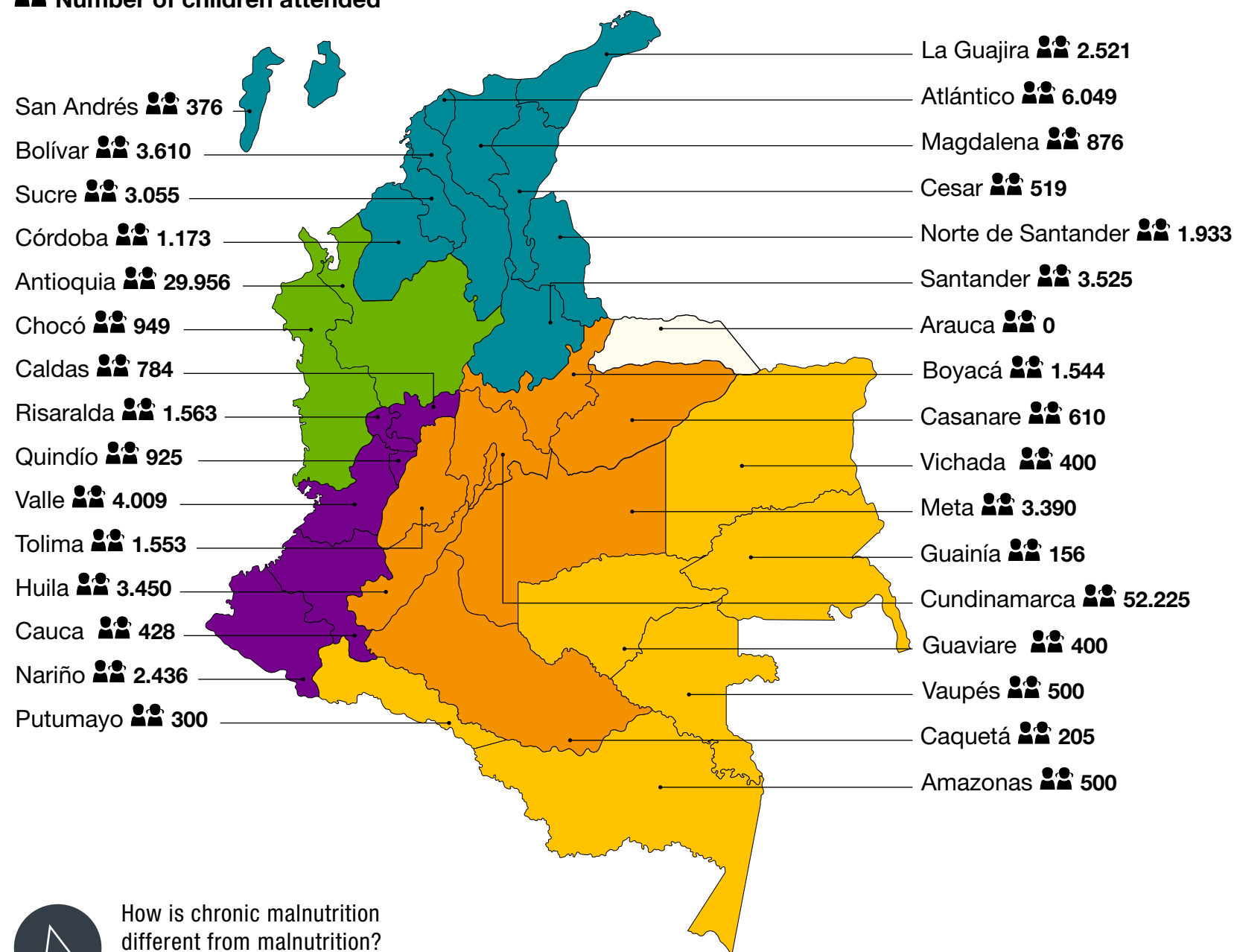


**Chronic malnutrition is a condition that alters the physical and cognitive development of childhood. The damage caused during pregnancy and the first five years of life is the most serious and can be irreversible.**

**234 partner**

institutions in **32** departments of Colombia.

Number of children attended



How is chronic malnutrition different from malnutrition?  
**WE WILL TELL YOU HERE.**

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

INTEGRATED  
REPORT  
2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

# BUILDING A COUNTRY IS ACHIEVING ZERO CHILD MALNUTRITION



More than half a million children suffer from chronic malnutrition or stunting in Colombia, indicating that their brain is not growing well. 85% of brain development occurs in the first thousand days of life, from gestation to five years; that's why timely intervention is key to achieving height recovery ~~enabling healthy~~ growth in physical, cognitive, and emotional aspects. (Your baby's developmental milestones | UNICEF: Parenting, 2007).

Following COVID-19, the risk of chronic malnutrition was maximized. Through the Fundación Éxito, in permanent coordination with the Presidency of the Republic, the Colombian Institute of Family Welfare (ICBF), the contribution of customers, suppliers, partners and employees of Grupo Éxito and the company itself, **254,766** food packages were delivered to **111,703** vulnerable children and families in **276** municipalities of **31** departments of Colombia.

## Solidarity with those affected by the Hurricane Iota and the winter wave in Colombia

- More than **55,000** food units were delivered to San Andrés and Providencia, thanks to the joint work with the Ministry of Children and Adolescents, led by the First Lady of the Nation, María Juliana Ruiz, and the Fundación Solidaridad por Colombia.
- **230** food packages and **20** drinking water filters were delivered to Bolívar and Chocó to benefit a population of **250**.



Of the

**129,920**

children served by the Fundación  
Éxito:

- **80,600 (62%)** were treated as part of the health emergency following COVID-19.
- **49,320 (38%)** were assisted in regular projects and through the "Lactatón virtual" (Virtual Breastfeeding Marathon)



# CHRONIC MALNUTRITION INDEX



## Official information on chronic malnutrition in Colombia

The Chronic Malnutrition Index conducted by Fundación Éxito approximates of this nutritional situation in Colombia based on **12 variables** that, according to academic studies, are social determinants of chronic malnutrition. Those variables were chosen with official information available annually and with disaggregation at the municipal level:

- Low birth weight
- Family birth order
- Proportion of births of teenage mothers
- Proportion of births of mothers with primary birth
- Proportion of births of with secondary school
- Health affiliation
- Proportion of births of mothers with fewer than four visits to the doctor before delivery
- Proportion of institutional births
- Deliveries attended by qualified personnel
- Aqueduct coverage
- Water quality risk index
- Child mortality

“

More than knowing how many children live in hunger in the country, it is about understanding what other shortcomings prevent them from developing their true potential and acting to avoid it. Not only is it a question of preventing chronic malnutrition but of caring for children in a comprehensive manner.”

PAULA ESCOBAR,  
Director of Fundación Éxito.

The Chronic Malnutrition Index shows the conditions under which children are growing in **95%** of Colombian municipalities, with official information available in the 12 variables to 2018. The remaining municipalities do not report at least one of the 12 variables, so they are not part of the study.

The results of the index show how chronic malnutrition is distributed in the municipalities of the country in five categories: critical (1) critical, (2) low, (3) medium, (4) satisfactory and outstanding (5). With this classification, the 2020 report shows **that 58%** of the municipalities included are on alert, that is, located under categories 1 and 2 (26%), and 3 (32%).



**CLICK HERE**

Download the full annual report of the Chronic Malnutrition Index

# WILLS THAT ADD UP FOR THE CHILD NUTRITION OF THE COUNTRY

The Fundación Éxito had total revenues of

**COP30,907 million**

thanks to the contribution of different allies.

**1% more than 2019**

**COP11,970 million**

Contributed by Grupo Éxito

**COP10,029 million**

Sale of recyclable material delivered by Grupo Éxito, thanks to the marketing of 20,892 tons of recycling  
**5.8% less than 2019**

**COP1,297 million**

Grupo Éxito donations approved by shareholders

**COP644 million**

Raised by commercial campaigns plus Netflix's contribution to the Magia Salvaje film

**COP8,412 million**

Donations from Customers (Goticas, change and piggy banks)  
**8% more than 2019**

**COP5,001 million**

Own resources

**COP2,539 million**

Donations from suppliers and partners, 88 related companies, 68 of them suppliers of Grupo Éxito

**COP1,941 million**

Donations from Grupo Éxito employees and partners

**COP828 million**

Digital proceeds donations

**COP216 million**

Other contributions

**COP20,475**

million invested

in nutrition and complementary care of children

**102,211**

donation certificates were given to customers who joined in support of child nutrition with their voluntary contributions.



Foreword

Management Report

Corporate Governance Report

**Sustainability Report**

Financial Statements

GRI Index





In 1999, Grupo Éxito accompanied the creation of the first food bank in Colombia and South America and, since then, has supported its mass development throughout the country.

## RECOVERY OF FOOD FOR THE BENEFIT OF THE COLOMBIAN PEOPLE

More than  
**1,719** tons  
of food  
and **191** non-food products  
donated to **22** food banks  
and **298** institutions

**2% less than in 2019**

- Valued at **COP9,402** million



**Grupo Éxito is the retailer in the country that donates more food and non-food products in good condition to food banks.**



**LEARN MORE**  
about the donation of food  
by Grupo Éxito here.

## THE "FUNDACIÓN ÉXITO" COMMITTED TO MAKING GOOD USE OF FOOD.

The Fundación Éxito funded the program of recovery of agricultural surpluses (Reagro, for its name in Spanish), whose management in Antioquia prevented the loss and waste of **2,744** tons of surplus crops of farmers for the benefit of **170,255** people, including:

- 6,639** boys and girls under five years of age
- 1,978** pregnant mothers.

Through the Fundación Éxito, Reagro expanded to the national territory with the recovery of **4,894** tons of food through **17** food banks.

This endeavor prevented fruit and vegetables from being lost in the production, transport and distribution process. It also prevented dairy, meat and other products that are part of the basic food basket from being lost and classified as garbage.



**We are a bridge between lack and abundance. The Fundación Éxito was one of our first benefactors, which has been decisive in this program and we hope they will continue to accompany us on this adventure for love."**

PEDRO NEL GIRALDO,  
General Manager Fundación Saciar.

# NEW RECORD IN THE PARTICIPATION OF NURSING MOTHERS IN THE SIXTH “LACTATÓN”



**Breastfeeding can save** more than 823,000 boys and girls worldwide per year, according to data from the World Health Organization.

**27,481** Colombian mothers

delivered their testimony of love and nutrition during the sixth virtual "Lactatón" (Breastfeeding Marathon).

**28% more than in 2019**

Active participation of **111** territories between departments and municipalities

**40** institutions allied with Fundación Éxito



**The Virtual “Lactatón” was conducted to enable more children to receive, during the first six months of life, only breast milk, and up to two years of age, complementary feeding.**

# RECOGNITION TO THOSE WHO WORK FOR CHILDHOOD NUTRITION IN COLOMBIA

During the month for child nutrition, the Fundación Éxito celebrated the **17th Award for Child Nutrition**, which highlights projects and activities that contribute to improving nutrition, especially in the first thousand days of life.

- Honors were given in five categories: family, business, research, government, and journalism.
- 10 territories were recognized for their performance during the 2020 Lactatón Virtual: Bogotá, Boyacá, Cundinamarca, Chocó, Envigado, Madrid, Medellín, Nemocón, Santander and Villagómez.
  - The 10 territorial entities received complete equipment and furniture for a space dedicated to promoting breastfeeding or for mobile solutions.
- Éxito, Carulla, Super Inter, Surtimax and Surtimayorista stores were recognized for their resource management in favor of child nutrition.



**REPLAY**  
the 17th Child Nutrition  
Prize ceremony here.





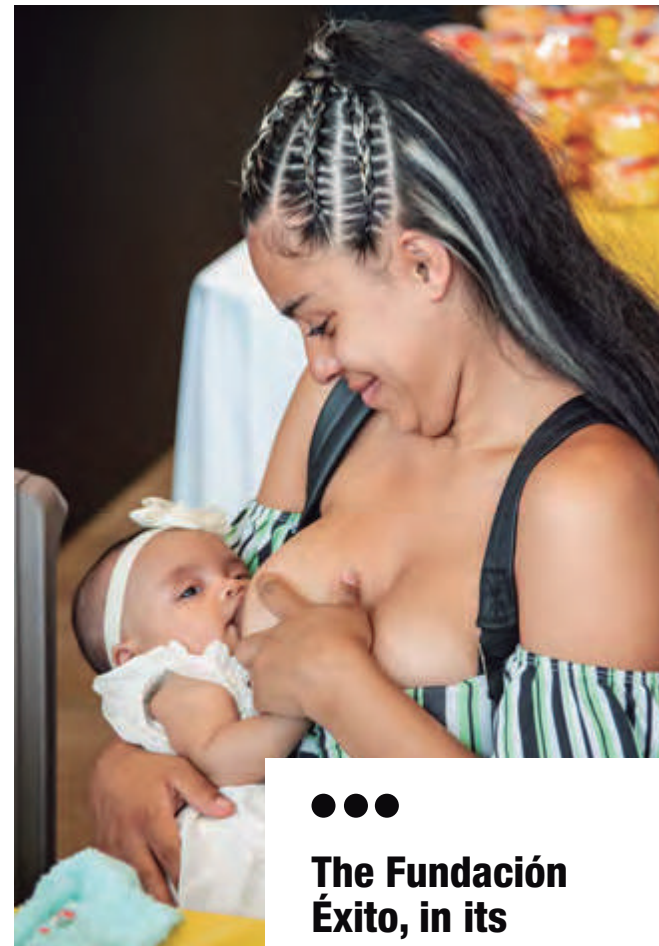
## LAUNCH OF “CRÓNICA LA CIUDAD DE LA DESVENTAJA”

(CHRONICLE OF THE CITY OF DISADVANTAGES)

**To join as Colombians to help almost 500,000 children who are not growing up healthy because they suffer from this silent evil.**

- 5-chapter web series
- **13,977,752** views

## BREASTFEEDING IN COLOMBIA AS A PUBLIC POLICY FOR THE NEXT 10 YEARS



● ● ●

**The Fundación Éxito, in its commitment to child nutrition, supports and promotes initiatives that give breastfeeding the place of privilege it deserves as a natural, irreplaceable and protective practice.**

In the framework of the celebration of World Food Day, the partnership agreement was signed, which sets out the road map for the construction of the Ten-Year Plan for Breastfeeding, with the aim of bringing the public policy of breastfeeding to the territories for the next decade.

The signing of the Minute of Initiation of the agreement was made by Carlos Arango, director of the Fundación Salutia, and Carolina Salgado, presidential adviser for children and adolescents, as witness. This event was attended by Maria Juliana Ruiz Sandoval, First Lady of Colombia.

### IN 2020, FUNDACIÓN ÉXITO [GRI 103-3]:

- Invested **COP20,475** million in the **32** departments of Colombia
- Serviced **80,600** boys and girls in the context of the health emergency following COVID-19
- Made the problem of chronic malnutrition visible through the web series “Chronicle of the City of Disadvantages.”

### IN 2021, FUNDACIÓN ÉXITO’S CHALLENGERS ARE:

- To maintain assistance coverage in nutrition programs
- To achieve the new record of participation in the seventh edition of the Virtual Breastfeeding Marathon.
- To maintain revenue generation, especially from digital donations and vendor partnerships.
- To understand the effects of the pandemic on the nutrition of our country’s children.
- To influence presidential campaigns on early childhood and child nutrition issues.



## WE BUY LOCALLY AND DIRECTLY AND WORK WITH OUR SUPPLIERS AND ALLIES

**To achieve these goals, we are working on:**

- Direct and local trade
- Developing partners and suppliers
- Promoting sustainable supply chains

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index



“  
Working with Grupo Éxito has been  
an opportunity to give Colombia passion,  
perseverance, solidarity and the best  
of local production, of believing in what  
is ours and together and build up our  
nation together.”

GUSTAVO LLANO,  
founder and partner of Manitoba, Grupo Éxito's supplier  
of its own brand line, including Taeq, the healthy product line.



**FIND OUT HERE**  
how we build up a nation  
joined by Manitoba



**117 inmates of the prison of Yarumal**  
produce 20,000 private label jeans monthly which  
are then sold in Éxito stores.

## WE BUILD VALUE RELATIONSHIPS WITH OUR SUPPLIERS

- **3,050** commercial suppliers
- **1,343** suppliers of goods and services
- **1,269** real estate suppliers
- **85** direct and **200** indirect textile suppliers



# WE BELIEVE IN OUR PRODUCTS - WE BUY COLOMBIAN [GRI 204-1]

- **90,15%** of the fruits and vegetables sold in our stores were purchased in the country. **0.93% less than in 2019**

- Of these, **82.48%** were acquired without intermediaries, through **651** associations of farmers and peasant families. **0.5% more than in 2019**

- **92%** of beef, pork, beef and buffalo meat was purchased in Colombia from **140** producer associations.

- We acquired **84%** of fish and seafood through national fishermen.

## 1. ANTIOQUIA

Fruits and Vegetables: **17.45%**  
Fish: **19%**  
Meat: **20%**  
Textiles: **82%**

## 2. CALDAS 3. CAUCA 4. NARIÑO 5. QUINDÍO 6. RISARALDA 7. VALLE DEL CAUCA

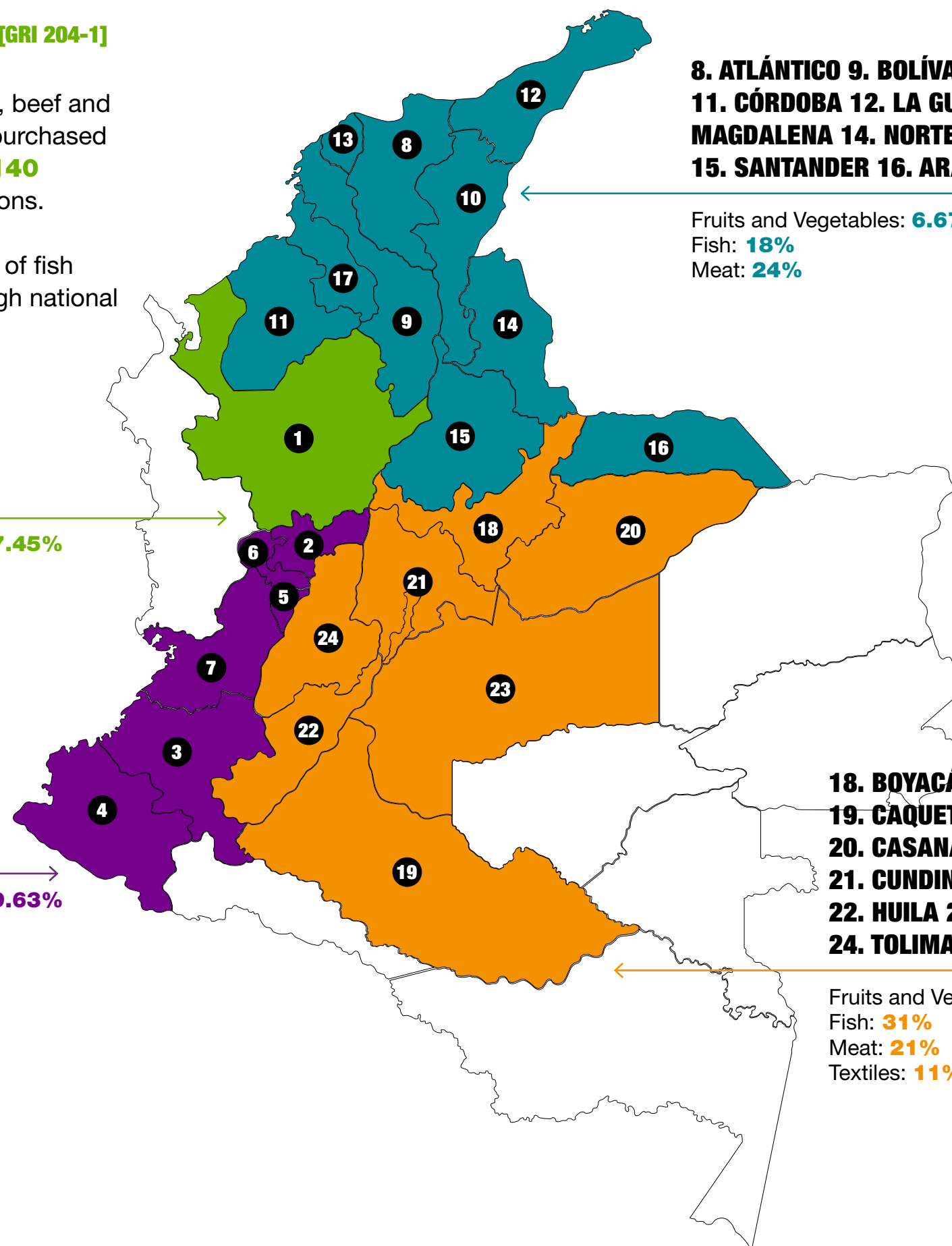
Fruits and Vegetables: **19.63%**  
Fish: **15%**  
Meat: **29%**  
Textiles: **7%**

## 8. ATLÁNTICO 9. BOLÍVAR 10. CESAR 11. CÓRDOBA 12. LA GUAJIRA 13. MAGDALENA 14. NORTE DE SANTANDER 15. SANTANDER 16. ARAUCA 17. SUCRE

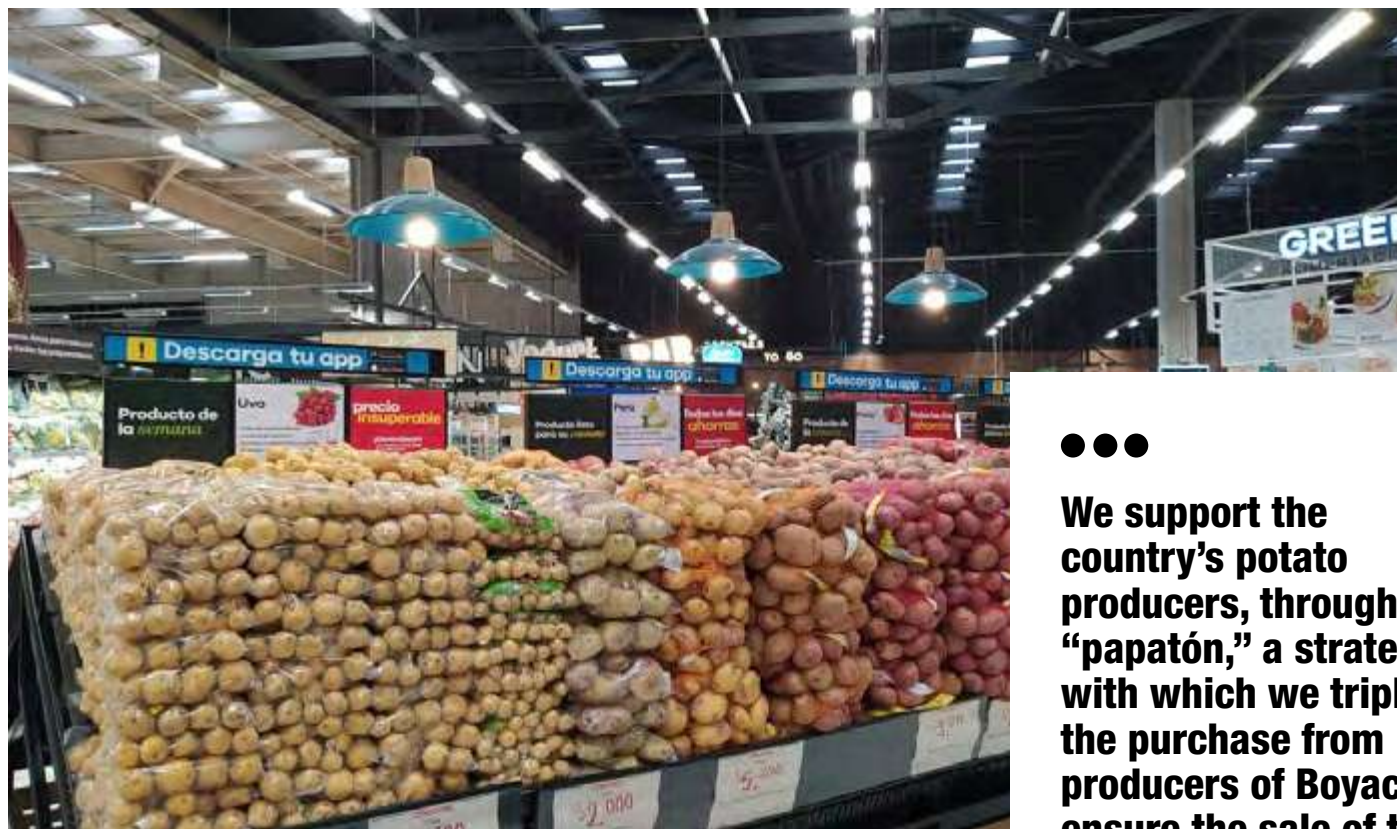
Fruits and Vegetables: **6.67%**  
Fish: **18%**  
Meat: **24%**

## 18. BOYACÁ 19. CAQUETÁ 20. CASANARE 21. CUNDINAMARCA 22. HUILA 23. META 24. TOLIMA

Fruits and Vegetables: **31.39%**  
Fish: **31%**  
Meat: **21%**  
Textiles: **11%**



We are dedicated to national purchasing, without intermediation, to boost the country's economy, generate employment, contribute to the well-being of communities and populations and develop more sustainable supply chains.



## STRATEGIES THAT STRENGTHEN LOCAL AND DIRECT PURCHASING

We work together with **20** peasant associations and foundations that benefit farmers in 23 departments of the country: Antioquia, Atlántico, Bolívar, Boyacá, Caldas, Cauca, Caquetá, Casanare, Cesar, Córdoba, Cundinamarca, Huila, La Guajira, Magdalena, Meta, Nariño, Norte de Santander, Quindío, Risaralda, Santander, Sucre, Tolima and Valle del Cauca.

**6** million units  
marketed during the year.

● ● ●

We support the country's potato producers, through the "papatón," a strategy with which we triple the purchase from producers of Boyacá to ensure the sale of tons of their produce and prevent crop loss.

For the past 5 years, we have been an ally of Comproagro, a digital company created in Boyacá (Colombia) that generates 100 direct jobs and benefits 1,000 peasant families in the country.



**LISTEN TO  
OUR PODCAST**  
*We build up our nation together, the story of Ginna Jiménez and how Comproagro changes the lives of rural women.*

## WE DEVELOP INCLUSIVE AGRIBUSINESS

### "COSECHE Y VENDA A LA FIJA" (HARVEST AND SELL FOR SURE)

With **3,504,914** units of agricultural products purchased from 10 suppliers during five peasant trade shows, we are the main ally of the National Government in the program "Coseche y Venda a la Fija" (Harvest and Sell for Sure), a strategy aimed at improving the income and quality of life of Colombian farmers.  
**47% more than in 2019**

### SALVATERRA

We commercialize purple onion, cucumber, mandarin, pineapple and Tahiti lemon from the Territorial Areas of Reincorporation (ETCR) in Catatumbo and Cauca, benefiting **441** families.



### COMPROAGRO

We directly buy **1,036,183** units of fruits and vegetables in Antioquia, Boyacá and Cundinamarca.



## WE ARE SUPPORTING THE STRENGTHENING OF OUR SUPPLIERS

Joining forces with Promotora de Comercio Social, an entity that accompanies the commercialization of the products of small entrepreneurs in Colombia

- **265** microentrepreneurs market their products in Éxito, Carulla, Surtimax and Super Inter stores.
- **29%** growth in sales during the year through the Promotora de Comercio Social



**The Promotora de Comercio Social, together with Grupo Éxito, materialize the dream of more than 265 Colombian small businesses. We impact more than 6,000 jobs and thus generate growth and sustainability.”**

DIANA BENJUMEA,  
Director of the Promotora de Comercio Social.

## WE ARE AN ALLY OF OUR SUPPLIERS FOR THEIR DEVELOPMENT

In partnership with different institutions, such as EAFIT University, through EAFIT Social, Promotora de Comercio Social, Medellín Mayor's Office, Centro Tecnológico de Antioquia and our corporate volunteering, we impact 93 suppliers through training programs on digital environments, diversity and inclusion with a gender focus, ethics and sustainability, creative and inspiring leadership, continuous improvement projects, among others.

- **5** supplier development programs within **441** training hours
- **12** corporate volunteers

We train **519** suppliers together with strategic partners in sustainable forest management systems, good livestock practices, sustainable oil palm plantation management, Food Defense & Food Fraud, cross-contamination prevention, implementation of safety and quality cultures, among others.

- **53** hours of training

## We anticipate payment to small and medium suppliers during the health contingency

**1,000**

**micro, small and medium-sized commercial**

and goods and services suppliers received advanced payment of their invoices during the pandemic, with the aim of promoting the preservation of employment and contributing to improving their cash flow to enable them to maintain their productivity.

**COP75,000**

**million paid monthly**



**LEARN ABOUT**  
the message of gratitude and solidarity that the suppliers gave after receiving the advance payment here.



## FASHION MADE BY COLOMBIAN HANDS

- **93.4%** of the garments we sell are purchased in Colombia.  
**0.6% more than in 2019**
- **80%** of the fabric used in making our private label clothing is Colombian.

Of the **37 million** garments we sell each year, **61%** are private labels. Of these, about **89%** are made in the country.

- We promote about **8,000** jobs, of which **70%** are held by women in **285** workshops located in four departments.
- We export **342,235** garments from our own brands to **12 countries**, which encourages the growth of the textile industry.

**Creytex makes Colombian garments** for the world because of work between hard-working people and entrepreneurs.

*hecho en colombia*

“We are proud to be an ally of Grupo Éxito, because it enabled us to deliver garments made in Colombia, thus contributing to its development.”

LINA BUSTAMANTE,  
Creytex CEO.



### LISTEN TO THE PODCAST

*We build up our nation together*, the story of how Creytex has worked as a team to transform and contribute to building up our nation.

## WE PROMOTE JOB PRESERVATION DURING THE PANDEMIC



**Asmodel is one of the companies that has joined** the production of face masks as one way of contributing to the development of the country.

Committed to the building up our nation, we encourage the manufacture of **13 million face masks** with a double purpose: to make this basic element of protection available to Colombians and to help preserve employment, because these were made in **50 workshops** where our private label garments are usually created, located in Antioquia, Cauca, Caldas, Tolima and Valle del Cauca.

- During the pandemic we donated **1.2 million** face masks to promote the use of this essential life-care garment. The total value of the donation was **COP2,400** million.
- We preserved close to **3,500** jobs.



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index



...

In 2020, we launched the Misurtii mobile application, which seeks to digitize the traditional channel and support Colombian shopkeepers, allowing them to place their orders without leaving their business.

## WE BUILD VALUE RELATIONSHIPS WITH OUR SUPPLIERS

- Conjunction with the High Council, we work on positioning and mobilizing support around the importance of linking the private sector in stabilization processes, within the framework of the Peace Policy with Legality, specifically in the development programs with a territorial approach (PDET, for its acronym in Spanish).
- We enable the geo-referencing form in the communication channels with our suppliers, to know, collect and self-manage their information.

## WE GENERATE GROWTH OPPORTUNITIES TO MOM-AND-POP SHOPS AND SELF-SERVICE STORES

The Aliados Surtimax and Super Inter program seek to generate win-win relationships that enable the growth of the mom-and-pop shops and self-service stores of Grupo Éxito.

**1,468** merchants are part of the Aliados Surtimax and Aliados Super Inter programs.



**1,251** Aliados Surtimax  
in **15** departments



**217** Aliados Super Inter  
in **5** departments

**180** Aliados trained in diplomas and seminars

# PROVEEDORES DE ÉXITO 2020, A RECOGNITION OF ADAPTIVE CAPACITY AND OF BUILDING UP OUR NATION



Alpina, Fundación Salvaterra, Coca-Cola, FEMSA, Cueros Vélez, Dibuffala, HP Colombia, Colombiana de no Tejidos y Acolchados, Hermeco, Manitoba



**We thank Grupo Éxito for the trust it has given us, because it has believed in us. This is the beginning of a road to rebuilding the social fabric that you are looking for, a moment of hope and opportunity.”**

DAVID VILLEGAS,  
Executive Director of the Fundación Salva Terra, winner of the Sustainable Development category.

We celebrated the 12th edition of the Proveedores de Éxito contest in a virtual event, inspired by the concept of “feeling our origin,” in which attendees were invited to connect with essence and hope to continue working on building up our nation.

- **12** winners out of **120** nominees from different categories
- The winners of each category were defined based on their adaptability to change, considering the challenges of this year with the arrival of COVID-19 and other matters assessed from environmental, social, logistical, and service excellence, value generation, innovation, quality and teamwork.
- **2,500** suppliers and employees connected to the event and the special participation of Laureano Turienzo, founding president of the Spanish Retail Association.



**SEE THE SUMMARY**  
of the event, made as a tribute to our suppliers here.

## IN 2020, WE [GRI 103-3]:

- Strengthened local and direct procurement from agricultural producers - **90,15%** of the fruits and vegetables sold in our stores were purchased in the country.
- During the peaks of agricultural crops, serviced and procured and strengthened working with the National Government through the program “Coseche y venda a la fija” (Harvest and Sell for Sure). In addition, through five peasant trade shows in Boyacá, Meta, Risaralda, Santander and Sucre, we acquired about 2,800,000 product units from peasants.
- Promoted the preservation of **3,500** employees in **50** textile production workshops that produced **13** million face masks during the pandemic.
- Facilitated the reinvention capacity of suppliers affected during the pandemic and anticipated payments for sustainability during the crisis.

## IN 2021, OUR CHALLENGES ARE:

- Strengthening existing partnerships with universities and allies as part of the Supplier Development Program, including training through EAFIT Social and the Promotora de Comercio Social to reach **120** suppliers
- Strengthening our value chain information through supplier georeferencing data
- Continuation of strengthening work in the municipalities most affected by poverty and violence (PDET, for its acronym in Spanish), building value relationships and sustainable productive projects

## INTEGRATED REPORT 2020

Foreword

Management  
Report

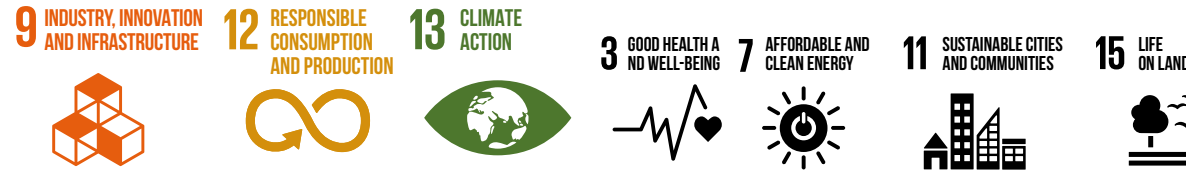
Corporate  
Governance  
Report

● **Sustainability  
Report**

Financial  
Statements

GRI Index





# WE WORK TO REDUCE, MITIGATE AND COMPENSATE OUR IMPACT ON THE PLANET

## We work on these fronts to achieve that:

- Take action to manage climate change
- Promote circular economy
- Lead initiatives in favor of sustainable mobility
- Manage the real estate operation with sustainability standards
- Contribute to the protection of biodiversity
- Educate and mobilize toward the protection of the environment



“Working with Grupo Éxito in transforming livestock production practice in the country to protect its biodiversity has been a great achievement because we have contributed to the care of the environment.”

MAURICIO MARTÍNEZ,  
Agropecuaria Tabaidá CEO.

# OUR CORPORATE ENVIRONMENTAL MEGA

We expanded our emissions reduction target to a **35%** reduction in our carbon footprint by 2023. **This means an increase in our commitment of 13% compared to the previous target.**



The 38 points “Soy RE” are part of the Grupo Éxito post consumption model placed in stores where the materials are properly separated, thus allowing packaging cycle closure.



**LEARN HERE**  
how Grupo Éxito is committed to the biodiversity of the country.

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index

# WE WORK TO REDUCE OUR CARBON FOOTPRINT

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-5]

## 191.167,756

tons of CO<sub>2eq</sub>

due to direct emissions of fuel,  
natural gas and refrigerants  
(Scope 1)

**Percentage of reduction  
in Scope 1 vs Base line in 2015\***

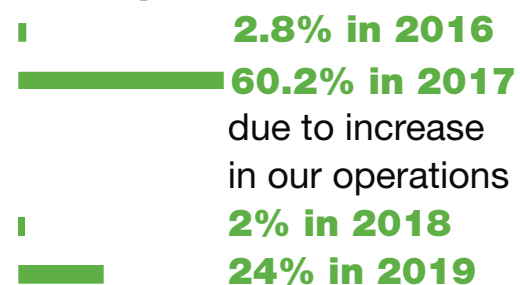


## 76.152,606\*

tons of CO<sub>2eq</sub>

from emissions from the  
company's energy consumption  
(Scope 2)

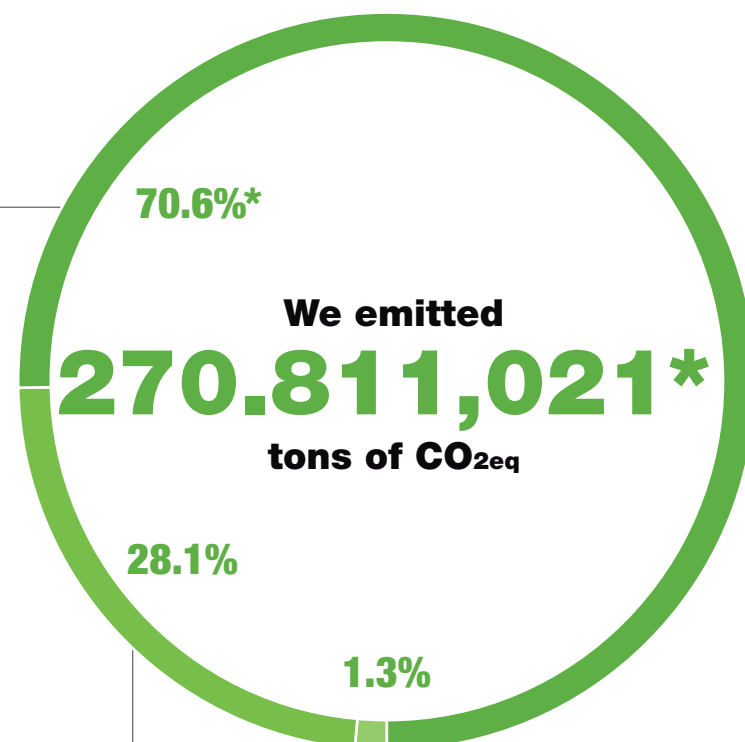
**Percentage of reduction  
in Scope 2 vs Base line in 2015\***



## 3.490,66

tons of CO<sub>2eq</sub>

due to other  
indirect emissions  
associated with waste  
management  
(Scope 3)



**We emitted  
270.811,021\*  
tons of CO<sub>2eq</sub>**

**Reduction percentage  
vs. 2015 baseline:**

**2016: 18.1%**  
**2017: 34.4%**  
**2018: 15.4%**  
**2019: 5%**  
**2020: 19.5%\***

**Reduction vs  
previous year: 15.3%**

\*This data will be updated once the Ministry of Mines, through the Planning Unit on Mining and Energy updates the emission factor for Colombia on energy consumption associated with Scope 2.

## We are the first retailer in Colombia to implement natural refrigerant gases

- We reduced the number of refrigerants required by **22.3%** compared to other traditional systems.
- We stopped emitting **51.501,14** tons of CO<sub>2eq</sub> into the atmosphere during the year.
- We are in line with the Paris Agreement and the Kyoto and Montreal Protocols.

● ● ●

**In Éxito Wow Laureles, Carulla FreshMarket 140 and 9 more stores, we implemented a natural refrigerant gas model to protect the planet, considering that cold generation consumes 50% of the total energy of a facility.**

- We generate **3,151,644.809 kWh/year** of energy with solar projects, which prevents the emission of **2,228\*** tons of CO<sub>2eq</sub> to the atmosphere per year.
- **8** dependencies with photovoltaic plants (Carulla 140, Carulla Oviedo, Viva Envigado, Viva La Ceja, Viva Wajira, Viva Tunja, Viva Barranquilla, Viva Sincelejo).



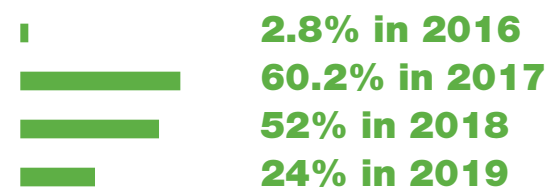


Joined by GreenYellow, we inaugurated the first Solar farm “Pétalo” in Montería, Córdoba, with which 27 stores using its energy, 6,000 tons of CO<sub>2</sub>eq will stop being emitted into the atmosphere.

## Energy efficiency programs for generation of solar energy (Scope 2)

Since 2016, the dependencies and businesses of the company have energy efficiency programs implemented by our ally GreenYellow.

- We achieved a **16.5%** reduction in energy consumption on the retail business in 2020 vs. our 2015 baseline.



“These types of projects demonstrate Grupo Éxito’s commitment to bringing about changes in favor of the environment and significantly reducing its environmental impact. We hope to continue implementing these changes in other stores in Colombia.”

ROMAIN VISCAVE,  
Technical Director, GreenYellow  
Colombia.



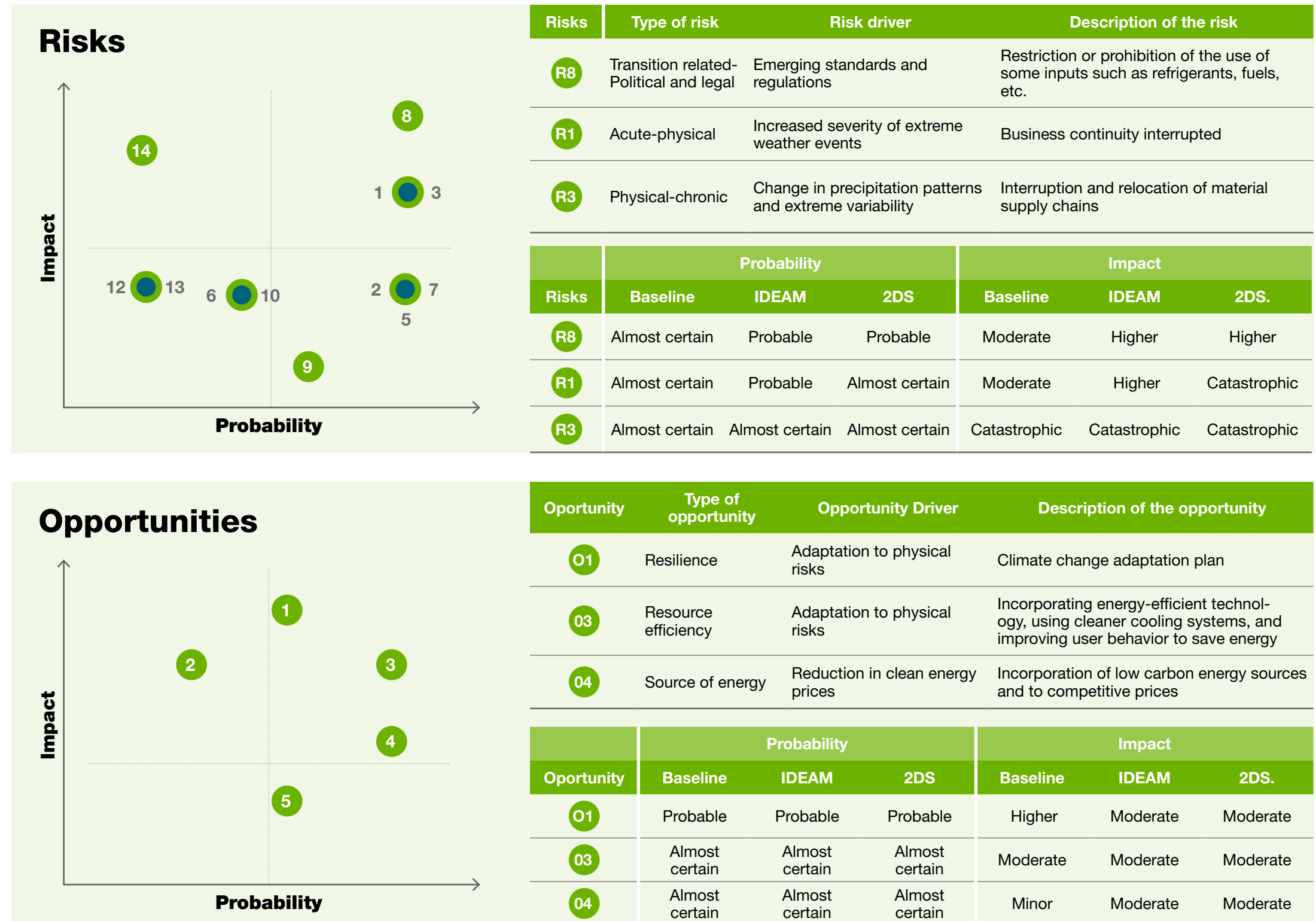
Grupo Éxito, in its commitment to climate action, through Carulla FreshMarket 140, consolidates its fresh market format as Colombia’s first net-zero carbon food retail. Thanks to the actions implemented for compensation and emission reduction, it was possible to achieve a carbon footprint equal to zero.

**LEARN HERE**  
how Carulla FreshMarket achieved a neutral carbon footprint certified by Icontec.

# RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

[GRI 102-15]

The risks and opportunities associated with the sustainability strategy were identified as having the potential to generate substantial changes in operations, revenues or expenditures under the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD) and an analysis of scenarios for their rating. The purpose of this is to determine the impact and probability. The process of qualifying the financial implications of probability and impact is carried out from its impact on the company's EBITDA.



## INTEGRATED REPORT 2020

Foreword

Management Report

Corporate Governance Report

Sustainability Report

Financial Statements

GRI Index



# WE PROMOTE CIRCULAR ECONOMY

[GRI 301-2] [GRI 301-3]

## INTEGRATED REPORT 2020

Foreword

Management Report

Corporate Governance Report

**Sustainability Report**

Financial Statements

GRI Index



**We started the implementation of recycling labeling in the packaging of food and cleaning products of our private labels, indicating to the consumer how to dispose each, once the product is used or consumed.**



**HERE YOU CAN LEARN MORE**  
about the Soy RE post-consumer model.

**We reduced the use of plastic**

**bags by 63.4%**

in the points of sale accumulated since 2015, thanks to the commitment of our customers and our internal strategies.

**Zero use of styrofoam**

(expanded polystyrene) in fruits, vegetables and prepared meal section.

**Since 2019, we have eliminated the supply and marketing of plastic straws** and stirrers from our stores.

**More than**

**2,681,583**

**million reusable bags and 34,301** privately owned shopping carts were purchased by our customers.

**38 points Soy RE**

for the reception and disposal of usable material from post-consumption in the country.

**20,389 mesh bags**

for the fruit and vegetable section were purchased by our customers in **247** stores.

**131 tons of material recovered**

through the post-consumer model Soy RE to close the packaging cycle of glass, multilayer (Tetra Pak), aluminum, tin plate, rigid plastic and other plastics through the alliance with the Fundación Botella de Amor

**We delivered**

**15,972,337**

**million of Puntos Colombia** to our customers in recognition of their commitment to the environment by re-using the stock exchange.

**36.9 tons of material from other post-consumption**

materials such as pesticides, bulbs, batteries and small appliances

## Waste is properly disposed

[GRI 306-3] [GRI 306-4]

- We recovered **111.74** tons of used cooking oil, with potential for additional use and marketing, from customers after consumption and as part of our operation.
- More than **77.5** tons of hazardous, non-incinerated waste, with potential for additional use and incinerated for stabilization or other treatment or for recovery, commercialization and post-consumption  
**17.42% more than in 2019**
- We used **1,977.35** tons of organic waste with potential for use in soil bioremediation.  
**83% less than in 2019**
- **24,685** tons of waste from being sent to landfills.  
**10% less than in 2019**

## We are the retailer with the largest in-store recycling in the country



**16,478**  
tons cardboard



**1,712**  
tons scrap metal



**1,231**  
tons of plastic



**1,085**  
tons of\* PET,  
kraft paper,  
newspapers,  
magazines, glass,  
and others.



**387**  
tons of  
plastic hooks

=

...

**20,893** tons of  
recycled material  
recovered and commercialized generated  
COP10,029 million to promote child nutrition  
by Fundación Éxito







**Sustainable mobility parking** lots at Carulla FreshMarket 140



**Viva Envigado, Colombia's first LEED**  
Platinum certified shopping center

...  
With a rating of 83 points, Viva Envigado is the highest scoring commercial complex in the system, making it the most sustainable shopping center project in the country.

## PROTECT AIR QUALITY THROUGH SUSTAINABLE MOBILITY

- **33** EVs for deliveries in the Éxito and Carulla brands
- **6** natural gas trucks for the distribution of products that reduce the carbon footprint by 50%
- In partnership with Oasis Group, we began the installation of a new infrastructure of sustainable, active and/or electric mobility ecosystems in four stores and shopping centers.



**LEARN MORE HERE**

about initiatives to promote sustainable mobility.

## WE BUILD PROJECTS WITH INTERNATIONAL STANDARDS OF SUSTAINABLE CONSTRUCTION

Stores and Viva shopping centers have the LEED (Leadership in Energy & Environmental) certification, awarded by the Green Building Council of the United States, which recognizes works with superior performance design, construction and sustainable operation.

- **2,073,932.9 m³** of water consumed during the year

# WE CONTRIBUTE TO THE PROTECTION OF BIODIVERSITY IN COLOMBIA

## INTEGRATED REPORT 2020

Foreword

Management Report

Corporate Governance Report

**Sustainability Report**

Financial Statements

GRI Index

### We are leaders in the transformation of the productive livestock industry in the country

- Satellite monitoring for the review of expected minimums: Ecosystem conservation, respect for the agricultural frontier and meat quality
- **100%** of the livestock suppliers in scope 1 have been evaluated and 147 farms have been monitored by satellite in nine departments of the country.
- **100%** of suppliers committed to the conservation of strategic ecosystems
- **100%** of suppliers are within the agricultural frontier
- **41,207** hectares monitored, which revealed a portion of **11,700.69** hectares of forest cover and a loss of **2.35%** of these forests (gross deforestation) in relation to the baseline (year 2011) and a gain of **465.04** hectares (net deforestation) in relation to the same baseline in the country. This information was determined by the Institute of Hydrology, Meteorology and Environmental Studies (Ideam, for its acronym in Spanish).
- Audit by Ganso (Sustainable Livestock), partner in monitoring by Climate Focus and the Tropical Agriculture Research Center (CIAT, for its acronym in Spanish). This is done with the Global Forest Watch tool
- For tier 1 cattle suppliers that have production below the desired maximums determined in the Grupo Éxito corporate declaration of sustainable livestock, the company made an invitation to participate in the Ganso Endorsement to obtain the sustainable livestock label under de Pomona brand and receive financial incentives for being an example of the extra mile in the meat production chain in Colombia.



● ● ●  
**100% of the livestock suppliers in Scope 1 have been evaluated and 147 farms have been monitored by satellite in nine departments of the country.**

#### ALIGNED WITH:



#### PARTNERS FOR MONITORING:



**Solidaridad**

#### PARTNERS FOR CONSERVATION:







**We ratify the agreement of wills for zero deforestation in the palm oil chain in Colombia and the agreement for zero deforestation in the meat chain.**

**100%** of our private label edible palm oil suppliers are Roundtable for Sustainable Palm Oil (RSPO) certified or in the process of certification.

- **2** training sessions with the World Wide Fund for Nature (WWF) and RSPO (Roundtable on Sustainable Palm Oil) for ecosystem conservation



**“I thank Grupo Éxito for its commitment to caring for the planet. The aim now is that we create new dynamics for environmental care in all sectors and in our homes.”**

CARLOS EDUARDO CORREA,  
Minister of Environment and  
Sustainable Development of  
Colombia.



**LEARN HERE**  
about our sustainable  
livestock declaration.

**IN 2020, WE [GRI 103-3]:**

- Launched the sustainable livestock model and monitoring of 100% of suppliers.
- Implemented the change model for the company's cold systems, moving to natural refrigerant gases and inaugurating the first two solar farms that supply 100% renewable energy.
- Achieved the first Carulla FreshMarket brand net-zero carbon supermarket.
- Implemented the post-consumer pilot Soy RE, exceeding the target for the year by **118.3%**.

**IN 2021, OUR  
CHALLENGES ARE:**

- To build and declare Group Éxito's carbon neutral vision.
- To initiate the implementation of the conservation program in the sustainable livestock model.
- To implement packaging and containers guidelines in our private labels





## WE PROMOTE AND DEMOCRATIZE HEALTHY LIVING HABITS

**We work on these fronts to achieve this:**

- Promote healthy living habits
- Educate customers, employees and suppliers for a healthy life
- Commercialize products and services that encourage healthy lifestyles



“  
Grupo Éxito teaches us, through its Vida Sana expo, that by engaging physical activities, such as yoga and meditation and looking inside ourselves, we discover how to maintain good habits in our lives.”

TOYA MONTOYA,  
Ambassador of the Vida Sana Expo 2020.



**Taeq, Grupo Éxito's private label,** is the second healthy brand with the highest sales in Colombia.

## WE PROMOTE AND CREATE HEALTHY LIVING THROUGH NATURAL FOODS

**4,200** natural and nutritional products

**23.5% more than in 2019**



# FOOD, SPORTS AND WELL-BEING AT THE VIDA SANA EXPO



The expo was experienced in 95 points of sale of the Éxito and Carulla brands and in 13 live venues through social networks of the brands.

“A proper diet is created from the combination of foods. No food is bad per se; the bad thing lies in the excess of its consumption because it generates nutritional imbalances and these, in turn, consequences for one’s health.”

LUISA MARÍA VÉLEZ,  
nutritionist.



The fourth edition of the Vida Sana expo was held, for the first time, by the Éxito and Carulla brands, as a hybrid **on-site and virtual** event.

- The expo grew **39%** in visitors (on-site and virtual) compared to its version in 2019.
- **36,000** visitors at the Vida Sana microsite at [exito.com](http://exito.com) and [carulla.com](http://carulla.com), digital spaces to promote healthy living habits through three pillars: nutrition, movement and awareness
- 14 live spaces with **30,000** connected people



## Find your balance in the Éxito and Carulla mobile apps

“**Encuentra tu balance**” (Find your balance) is a technological development for the mobile applications of Éxito and Carulla, whose goal is to recommend balanced consumption of food for a healthier life to customers, in line with the recommendations of the Food-Based Guidelines (**GABA**, for its acronym in Spanish) of the **Ministry of Health** of Colombia and the **Colombian Institute of Family Welfare**. In addition to analysis, it also provides nutritional advice and delivers valuable content, such as recipes and discounts.

- More than **380,000** people have visited the functionality.

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

● **Sustainability  
Report**

Financial  
Statements

GRI Index



[GRI 102-12]

### We provide consumers with information on healthy lifestyles

We are part of the Consumer Goods Forum's Feel Good Project, an organization that brings together the CEOs of retailers, producers and consumer goods service providers to "create better lives through better business," to inform consumers about healthy and balanced lifestyles and strengthen personal and home care habits.

- Activities at **60** selling points of sale of participating companies
- **45,000** consumers have participated in the activities carried out.



**LEARN MORE HERE**  
about the Feel Good Project  
of the Consumer Goods Forum.

● ● ●

**Grupo Éxito,  
through  
supporting major  
sporting events  
in Colombia,  
contributes  
to building up  
a nation.**

## WE FOSTER PHYSICAL ACTIVITY AND SPORTS



**In partnership with our  
brands** Éxito, Bronzini Active,  
Taeq, the Viva shopping centers  
and Tuya, we were the official  
jersey by points classification  
of the bicycle race.

### We sponsor sports activities and professional teams to encourage physical activity

#### TOUR COLOMBIA 2.1

For the second consecutive year, we sponsored one of the most important sports competitions in Colombia and the world, alongside Egan Bernal, a prominent sportsman, yellow pride and insignia of Colombian cycling. **27** teams and **161** cyclists participated in this version.

#### RUTA COLOMBIA

We were part of Ruta Colombia, the biggest event for recreational cycling lovers in Colombia.

- **331** connected to the virtual class
- **160** attendees

#### CLUB AMERICA DE CALI

We sponsored the soccer team of the Colombian Professional League.



## WE FOSTER A HEALTHIER LIFE AMONG OUR EMPLOYEES



We hosted the 21-day challenge virtually, in which, for 21 days, we scheduled physical activities, nutrition workshops and emotional health and financial support to foster a life in balance between mind and body. 10,000 employees and their families participated in Vida Sana activities during the year.



## WE OFFER NATURAL AND NUTRITIONAL PRODUCTS

- **713** products with nutritional benefits are part of the portfolio.
- **4,213** references to healthy foods endorsed by the Nutritionist team under the Food Standards Agency (FSA) standards

### Taeq, the second healthy brand in Colombia

- **100%** of Taeq's high-consumption products apply the Voluntary Labeling System, Guideline Daily Amount for Customers to learn the risky nutrients in food.
  - **10%** represents portfolio sales in the high food consumption category.

•••

Taeq launched **70** organic products, some for vegan preference customers and some with local producers.





**Food section** at Carulla FreshMarket 140

## WE SHARE A FRESH, CONSCIOUS AND DIVERSE EXPERIENCE AT CARULLA FRESHMARKET 140

We think about our customers' new consumption habits.

### **Carulla FoodMarket**

Store department for prepared meals with a wide range of balanced products

### **Carulla GreenMarket**

Store departments dedicated to customers looking for a wide range of products adapted to different types of diets, vegetarian preferences, low sugar and gluten-free foods, among others



## WE BRING HEALTHY LIFE EXPERIENCES TO OUR STORES

We work with our suppliers and customers to promote the production and consumption of natural products with nutritional benefits in our stores.

- **190** suppliers with products in the nutritious food portfolio
- **27%** sales increase

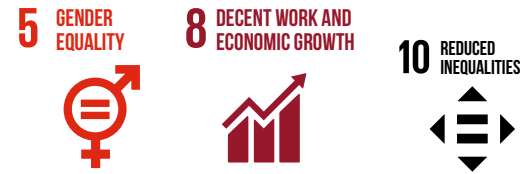
### **IN 2020, WE [GRI 103-3]:**

- Consolidated a portfolio of more than 330 products with nutritional and health benefits for our customers through the Taeq brand.
- Published the functionality Vida Sana "Find Your Balance" inside the mobile apps Éxito and Carulla.
- Carried out the "Vida Sana" expo on-store and virtually, in 95 points of sale and 13 live streaming with classes for physical conditioning, kitchen and well-being.

### **IN 2021, OUR CHALLENGES ARE:**

- To include the Non-Foods in the Vida Sana portfolio.
- To integrate into the physical and virtual world the Vida Sana's portfolio of products.
- To continue with benefits for employees by promoting work-family balance and balanced diets.

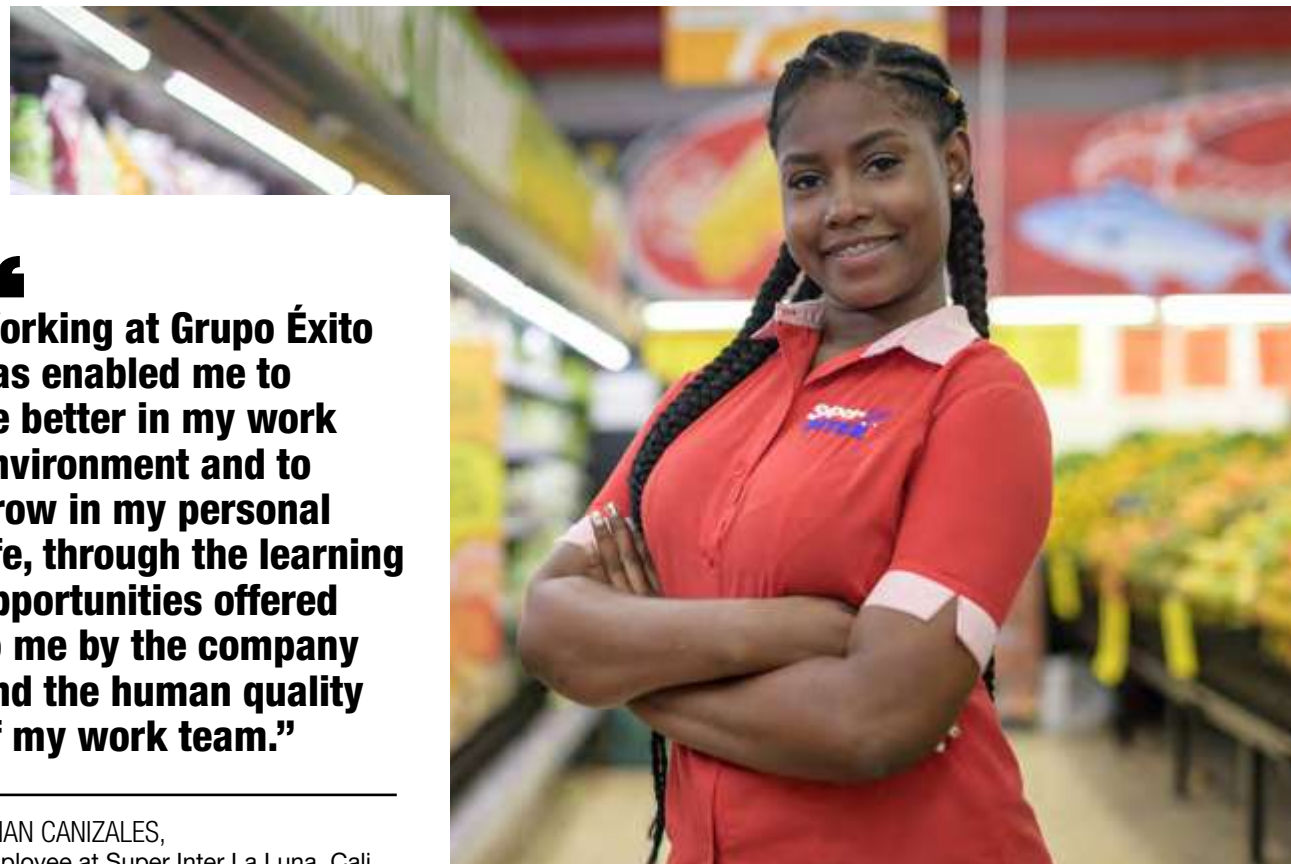




# WE IMPROVE THE QUALITY OF LIFE OF OUR EMPLOYEES

**To achieve these goals, we are working on:**

- Developing our people in being, knowing and doing
- Being attractive, diverse and inclusive
- Promoting gender equity
- Encouraging social dialogue



“**Working at Grupo Éxito has enabled me to be better in my work environment and to grow in my personal life, through the learning opportunities offered to me by the company and the human quality of my work team.”**

YILIAN CANIZALES,  
employee at Super Inter La Luna, Cali.



**Thanks to the commitment of our partners and suppliers,** we kept the supply in our stores at a challenging time for the country. This is how we build confidence in the people.

## WE ARE THE LARGEST PRIVATE EMPLOYER IN COLOMBIA

**37,033** employees

throughout Colombia are contributing to building up a nation.

# WE CREATE 37,033 JOBS IN 24 DEPARTMENTS IN COLOMBIA [GRI 102-8]

**31,578** employees  
are hired for an undefined term.

49.71% are women  
50.29% are men

**9,696**  
EMPLOYEES  
IN ANTIOQUIA

56% women  
44% men

**6,032**  
EMPLOYEES IN  
CALDAS, CAUCA,  
NARIÑO, QUINDÍO,  
RISARALDA  
AND VALLE DEL CAUCA

46% women  
54% men

**5,033**  
EMPLOYEES IN ATLÁNTICO, BOLÍVAR,  
CESAR, CÓRDOBA, LA GUAJIRA,  
MAGDALENA AND SUCRE

41% women  
59% men

**1,392**  
EMPLOYEES IN SANTANDER  
AND NORTE DE SANTANDER

52% women  
48% men

**14,880**  
EMPLOYEES IN  
BOGOTÁ, BOYACÁ,  
CAQUETÁ, CASANARE,  
CUNDINAMARCA,  
HUILA, META AND TOLIMA

52% women  
48% men

## DISTRIBUTION OF EMPLOYEES BY AGE AND GENERATION [GRI 405-1]

Under 30 years of age: 43%  
Between 30 and 50 years of age: 49%  
Over 50 years of age: 7%

## 1,826 PROMOTED EMPLOYEES

45% female  
55% male

## 1,901 TRAINEES

63% female  
37% male

## 13% TURNOVER

[GRI 401-1]  
11.2% female  
15.6% male  
Under 30 years of age: 25.4%  
Between 30 and 50 years of age: 6.5%  
Over 50 years of age: 0.6%

## 15,021 NEW HIRES

[GRI 401-1]  
56.5% female  
43.5% male  
Under 30 years of age: 81.2%  
Between 30 and 50 years of age: 16.6%  
Over 50 years of age: 0.2%



We are proud of our human talent for their commitment and service vocation, and for keeping a smile at challenging times and always working for customers to come back.

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index



# EVERYTHING WAS POSSIBLE THANKS TO OUR PEOPLE

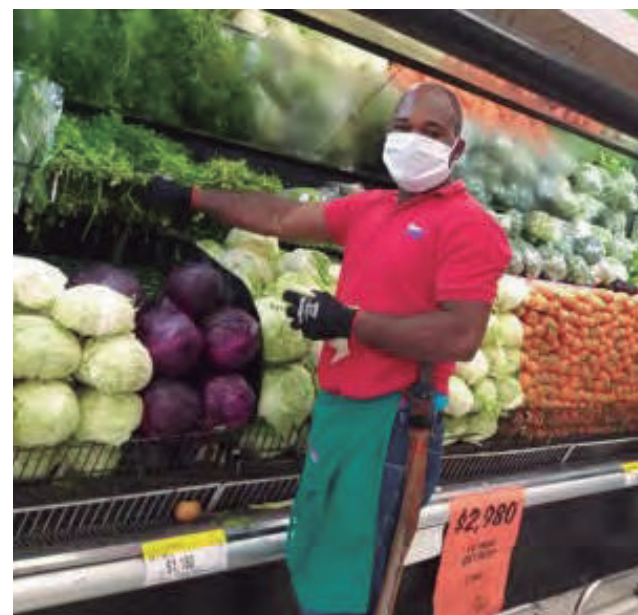
The health emergency following COVID-19 evidenced the best of our company: the commitment, passion, and desire of our partners to serve the country as an essential part of the execution of the organization's actions to mitigate the impact of the pandemic.



We installed **2,500 acrylic shields** in payment stations and cash registers to avoid contact between customers and employees.

## We became committed to the health and integrity of our employees

- We provide our staff with face masks, lenses, gloves and basic hygiene kits.
- There is deep disinfection in all our stores, cleaning of shopping baskets and supermarket carts with manual spray equipment.
- We deliver 1,300 thermometers to all the units for taking the temperatures of our employees and customers.



**The great challenge we had this year was the provision of more than 500,000 grocery shopping baskets that were distributed throughout the country, thanks to the fellow staff at stores and Viva shopping centers that, with their support to the Fábrica de Mercado (Supermarket factory), managed to preserve their job."**

DINORA SEPÚLVEDA ARENAS,  
Cedi Vegas Support Coordinator, Medellín.

## Preservation of employment

One of the great priorities during the year was job preservation, both for self-employed persons and that of suppliers and allies.

- Because some areas of the company were restricted to in-house operations, we relocated more than 370 people to strengthen those operations.
- We preserved 1,000 jobs through the implementation of Viva Online, Viva Delivery and click and collect services.

## It is about heroes and heroines

We recognized our employees with the message "It is of heroes and heroines" for their dedication to caring for others.





# THE WELL-BEING OF OUR EMPLOYEES IS THE BEST REASON TO SMILE [GRI 401-2]

## INTEGRATED REPORT 2020

Foreword

Management Report

Corporate Governance Report

**Sustainability Report**

Financial Statements

GRI Index



“Thanks to this company, I have achieved my dreams, like acquiring a home for my family, and I still have a lot to fulfill. That’s why my best way to thank the company is with my commitment and always having the best service attitude.”

MARITZA VILLEGAS BETANCOURT,  
employee at Super Inter La Luna, Cali.

We invest  
**COP82,360**  
million in **435,811** benefits  
for our employees and their families.



### EDUCATION

More than **COP11,064 million** were invested to contribute to our employees and their children’s personal and academic growth.

- **17,844** benefits granted
- **3,4% more investment than in 2019**



### HOUSING

We delivered **COP3,972 million** in loans for buying, building and improving housing.

- **712** benefits granted
- **20% less investment than in 2019**



### HEALTH

We invested **COP1,313 million** in programs for promoting health and preventing diseases.

- **6,318** employees and families benefited
- **12.5% less investment than in 2019**



### MI PENSIÓN (MY RETIREMENT)

We guided **2,345** employees through their retirement processes.

- **234** million invested in retirement counseling
- **4% less investment than in 2019**



### TIME FOR YOU

We made it possible for our employees to enjoy more than 138,224 free hours for personal or family activities.

- **39% more investment than in 2019**



# INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index



## ESCUELA DE ECONOMÍA PERSONAL Y FAMILIAR

We trained more than **2,346** employees in personal and family financial planning in our school for personal and family finances.

- Since its inception, **28,946** employees have participated in this school



## CULTURE AND ENTREPRENEURSHIP

We invested more than **COP747 million** in entrepreneurship programs, leisure and creative expression programs.

- More than **34,978** benefits granted



## RECREATION AND SPORTS

We invested **COP18,194 million** in recreation and sports programs for our employees and their families.



## MI RENTA

“My rent” is an income tax program benefit to guide employees and their families through the process of preparing income tax returns. In collaboration and through the management of our strategic partner Tributi, we offer this adequate and easy service without cost to our workers.

**863** employees and families were benefited.



## POR TI ES POSIBLE

“This is possible thanks to you” program rewarded more than **4,691** employees for their years of service at the Company.



## MEJÓRATE PRONTO

“Get well soon” program aided our employees infected with COVID-19 through the delivery of a kit containing books, hobbies, foods of choice, fruits, herbal drinks, among others.

- **COP108 million** invested



## CELEBRATIONS

**COP32,498** million invested in special day celebration programs for our employees and their families, with a total coverage of **171,183** benefits granted.



## CAMBIA TU CICLO

“Change your cycle” program enabled **1,350** employees to acquire motorcycles, bicycles, or scooters as transportation alternatives.

# WE ARE AN ALLY OF OUR EMPLOYEES FOR THEIR PROFESSIONAL AND PERSONAL DEVELOPMENT

[GRI 404-1] [GRI 404-2] [GRI 404-3]

We consolidated the training processes on corporate culture, knowledge of the organization and work performance through the courses offered by the Organizational Learning Unit.

**1,557,689**  
hours of virtual training

— **46%** female  
— **54%** male



**557**  
hours for senior executives positions

**28,342**  
hours of training for chief positions

**383,413**  
hours of training for supervisory positions

**1,145,377**  
hours of training for operational positions



**47,666**  
employees participated in training processes

**45,584**  
attendees to virtual training programs



**17,084** employees consolidated their training processes on corporate culture, knowledge of the organization and work performance.



**950** employees attended courses to learn about the Company's businesses and brands, strengthening their performances in their positions.



**29,632** employees attended training on basic and complementary skills for adapting to their positions.



## WE BUILD A BETTER PLACE TO WORK

### Developing Talent

- **4,000** employees were rated by **840** leaders in the talent planning process across the country.
- **10,471** employees were trained in **64** assisted virtual programs.
- **101** employees benefited from the cycle of professionalization program with which we reached all the brands and regions of the country.

### Líderes que son ejemplo

We redesigned our leadership model by incorporating elements of adaptive capacity, discussion, and decision-making.

### We measure our working environment and commitment

**95%** of the employees participated in the working environment measurement, in which a positive perception is evident regarding variables such as respect, recognition, commitment, clarity, culture and direction.

Foreword

Management Report

Corporate Governance Report

**Sustainability Report**

Financial Statements

GRI Index



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index

# WE ARE PROUDLY DIVERSE AND INCLUSIVE

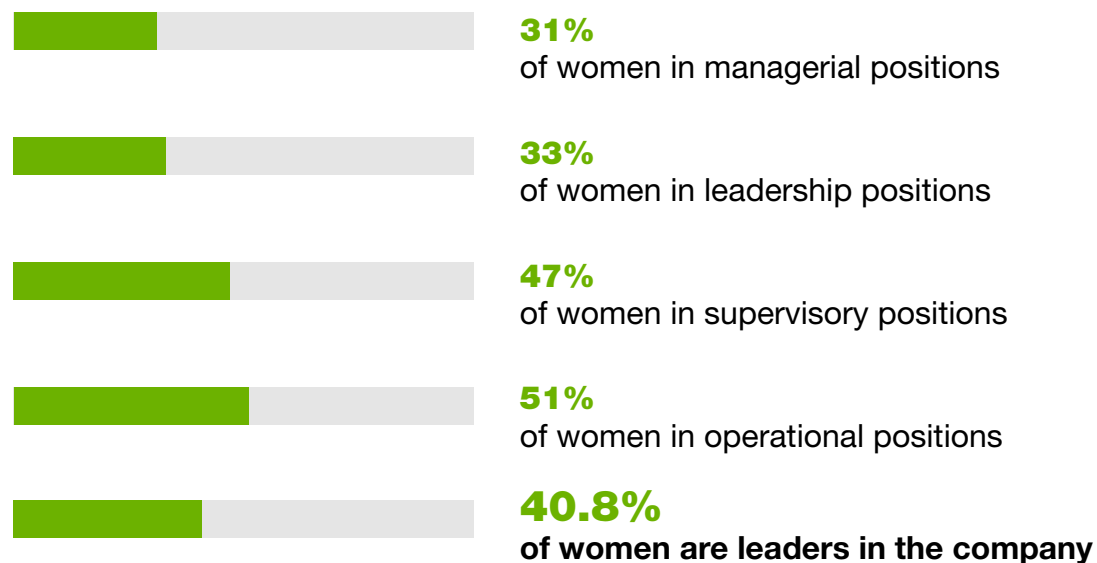
## We work for a more equitable and accessible country

For the first time, we declared October as the month of diversity in our company.

- We promote diverse teams and accessible environments.
- We recognize, value and respect all people without distinction as to gender, race, origin, social level, sexual orientation, disability, politics and religion.
- We promote empathy and value the exchange of ideas constructively with equal opportunities for all people.

## We are moving forward in closing the gender gap [GRI 405-1]

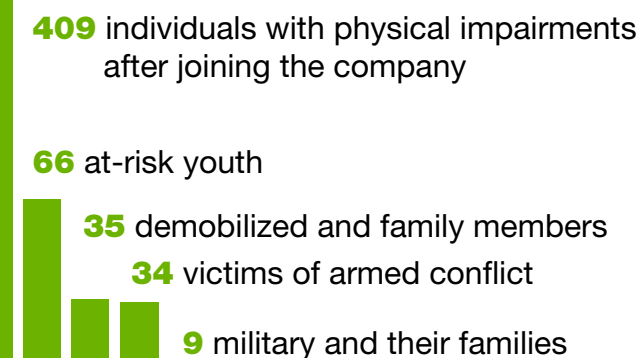
### PARTICIPATION OF WOMEN BY ROLE OR POSITION



## We promote labor inclusion

**2,900** people have been linked to the company through the diversity and inclusion strategy, which aims for the inclusion of diverse populations.

- We have a human talent of **553** people from diverse populations:



## Salary ratio [GRI 205-2]

Level / Gender	Ratio
1 y 2 F vs M	0,71
3 y 4 F vs M	1,04
5, 6 y 7 F vs M	0,94



**We had 140 women butchery assistants**, a position that usually was occupied only men



**In 2019, we received the Silver Seal “Implementación de acciones por la igualdad” (Implementing Actions for Equality) from the Equipares Labor Equity Program, which allows progress in closing gender gaps. The program is led by the Colombian Ministry of Labor, the High Presidential Counselor’s Office for Women’s Equity and the United Nations Development Program.**

### **30 women participated in “Mujeres líderes de la operación”**

The Female Leaders of the Operation Program supports women who excel in their leadership role and in their personal and professional growth.

### **We encourage social dialog [GRI 407-1]**

We recognize the right of trade union association and the right to non-trade union association, respect collective agreements and encourage social dialog with the different actors.

We have four Collective Agreements in effect until 2020 and a Collective Employment Agreement for the Food industry, which govern the labor conditions of employees.

### **We protect the health and integrity of our employees**

- **1.12%** decreased our rate of workplace accidents in 2020
  - **5.53%** of accidents at work with high consequences (no deaths).
- **0** fatal incidents among our employees
- **0%** of deaths resulting from work accident injury
- **92** cases of occupational ailments and diseases (COVID-19, rotator cuff syndrome, carpal tunnel syndrome, medial and lateral epicondylitis, intervertebral disc disorders)
- **49** cases correspond to occupational diseases



**Through the Risk Management School, we trained 1,635 employees, strengthening their competencies to protect the lives and integrity of colleagues, customers and facilities.**

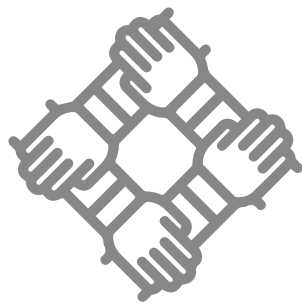
### **IN 2020, WE [GRI 103-3]:**

- Consolidated an organization with adaptive capacity and an omniscient strategy, which will allow us to develop new organizational capabilities.
- Strengthened adaptive leadership through training programs.
- Implemented the strategic employee brand plan articulated with the strategies of attraction and selection and external reputation.
- Strengthened the portfolio of benefits by seeking to generate a new culture of work that enables a balance between work and the personal lives in the new normal and to start the process of EFR certification.

### **IN 2021, OUR CHALLENGES ARE:**

- To obtain the Gold Seal Equipares
- To identify and develop new capabilities that address the needs of strategy, adaptive capacity, talent planning, and leadership model
- To redesign the learning process by mixing the face-to-face and virtual processes.





INTEGRATED  
REPORT  
**2020**

# WE BUILD TRUST RELATIONSHIPS WITH OUR STAKEHOLDERS

**To achieve these goals, we are working on:**

- Promoting good corporate governance practices
- Promoting respect for human rights
- Facilitating diverse and inclusive environments
- Promoting ethics and transparency standards
- Ensuring confidence-building and promote communication



“**Labor inclusion, accessibility and the generation of opportunities for people with disabilities are actions that Grupo Éxito does for the social construction of the country.**”

JAIRO CLOPATOFSKY,  
Presidential Advisor for the Participation of Persons  
with Disabilities.



**At Grupo Éxito, we reject all forms of discrimination.** We value diversity and promote the exchange of ideas constructively with equal opportunities for all.

We are the most sustainable  
trade in Latin America

and one of the **10** most  
**sustainable food retailers**  
in the world, according to the  
Dow Jones Sustainability Index.

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index

# WE PROMOTE AND CONSOLIDATE BEST PRACTICES IN CORPORATE GOVERNANCE

- We communicate relevant financial and non-financial information as a practice of transparency with our shareholders and investors, in compliance with the duty of disclosure of information that governs our actions.
- We implement the measures promoted by the Dow Jones Sustainability Index to align our actions with the highest international standards and to seek the generation of shared value to all stakeholders.
- We promote diversity criteria in the election of our Board of Directors, for the purpose of contributing to prosperity, business growth and the consolidation of better corporate governance.

●●●

**We strengthened our corporate governance scheme of national subsidiaries by optimizing their corporate governance codes and social statutes, training their employees in the most relevant policies and structuring a new corporate governance operation model.**

## We were recognized for our sustainability practices

For the eighth consecutive year, we remain one of Latin America's retail companies recognized for its sustainability standards. We went from 64 to 69 out of 100.

- We were rated the **industry's best environmental report worldwide** and were included in the Dow Jones Sustainability Index's 2021 Sustainability Yearbook.

We received, for the **eighth consecutive year, the recognition of the Issuers-IR Seal** granted by the Colombian Stock Exchange, for voluntarily adopting best practices in the field of disclosure of information and investor relations.

### LEARN MORE

about the Corporate Governance Report here.



# WE PROMOTE RESPECT FOR HUMAN RIGHTS

We reaffirm our commitment to human rights in line with the UN Global Compact initiative. Thus, we continue to adopt the associated principles and tools, such as self-evaluation of development, in partnership with the Danish Institute of Human Rights, the Confederation of Danish Industries, the Ministry of Economic and Trade Affairs, and the Danish Industrialization Fund for Developing Countries (Global Compact Self-Assessment Tool).



## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

**Sustainability  
Report**

Financial  
Statements

GRI Index

# WE WORK WITH OUR PROVIDERS FOR HUMAN RIGHTS

[GRI 414] [GRI 308]

Through social audits of our Private LABEL providers, we ensure that human rights are protected in our supply chain and that care is promoted for the environment, based on the Universal Declaration of Human Rights, the UN Global Compact, the International Labor Organization and the Supplier Charter of Ethics.

- **183** suppliers evaluated
- **19** new suppliers evaluated
- **1,013** suppliers signed the supplier's ethical letter, which defines standards necessary for our supply chain.



**LEARN MORE ABOUT**  
the Charter of Ethics



**Carulla FreshMarket 140, the first retailer in the country** to receive a mention of honor for implementing good accessibility practices

# WE CONTRIBUTE TOWARD ACHIEVING A MORE DIVERSE AND INCLUSIVE SOCIETY

Senior Presidential Advisor, Jairo Clopatofsky, presented Carulla FreshMarket 140 with an honorable mention that recognizes actions in favor of universal accessibility, mobility without architectural barriers, and the participation of persons with disabilities, their families and caregivers.

- We implemented locative adaptations that improve the transit of people with reduced mobility.
- We trained and sensitized partners to adapt work teams and the environment to be more inclusive with the disabled population.
- We have employees with sign language interpretation skills.

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

● **Sustainability  
Report**

Financial  
Statements

GRI Index



## WE REAFFIRM OUR COMMITMENT TO DIVERSITY AND INCLUSION

Our company's management team signed the agreement with which we confirmed our commitment to respect and acceptance for differences in our stakeholders, without distinction for age, gender, sexual orientation, nationality, race, disability, socioeconomic status or religion.

## WE WERE CHOSEN AS LEADERS IN THE IMPLEMENTATION OF THE IPG

- In the framework of the Gender Equality Initiative (IPG in Spanish), promoted by the Ministry of Labor, the Inter-American Development Bank and the World Economic Forum, we represent the private sector in relation to gender equality actions.
- We work with **22** leading organizations to design strategies and working methodologies for closing gender gaps in Colombia.
- We are partnering with the technical secretariat assigned to consolidate IPG alliances in the different regions of the country.

● ● ●

**The IPG seeks to promote women's labor participation, promotion of women to leadership positions, and closing gender wage gaps.**



INTEGRATED  
REPORT  
**2020**

Foreword

Management  
Report

Corporate  
Governance  
Report

• **Sustainability  
Report**

Financial  
Statements

GRI Index

## WE PROMOTE STANDARDS OF ETHICS AND TRANSPARENCY

- We evaluate the risks of fraud, bribery, and corruption in the processes that make up the value chain under the French anti-corruption law's requirements (Sapin II Law) and the recommendations of the French Anti-Corruption Agency (AFA) to strengthen good practices ethical relationship with third parties.
- We self-regulate the management of interests before the State authorities through the formalization and dissemination of action guidelines consistent with the Transparency Program and the Code of Ethics and Conduct.

**2,403** employees trained

in stores for the prevention of money laundering and terrorist financing

● ● ●

We trained  
**28,787**  
employees  
in the “Guardianes  
Éxito” virtual  
module, an  
innovative training  
program to explain  
key compliance  
concepts.

## WE COMMUNICATE ACTIONS AS PART OF TRANSPARENCY TO OUR STAKEHOLDERS

- We coordinated communication and awareness-raising actions on the policies of the business ethics program to **2,943** suppliers of goods, services and products, key partners in building transparent, sustainable and high-value relationships.
- We developed the annual communication plan “Soy transparente,” focused on recognizing in each leader and each employee their contribution to the adherence of an ethical corporate culture marked by consistent behavior between thinking, saying and doing.
- We shared the experience and practices of value-generating compliance with the business sector, through spaces such as the Second Compliance Congress, led by the Chamber of Commerce of Medellín and OlarteMoure.

# WE MANAGE AND COORDINATE CORPORATE REPUTATION

Since 2017, we have started reputation management through a measurement methodology as a starting point.

- We defined the reputation model under three pillars: building trust, contributing to the country's development, and demonstrating business performance.
- We created the reputation model positioning scheme as a basis for adoption by the company's areas.
- We deliver two analysis per year to understand the perception by our stakeholders.
- We adopted the result for reputation index management.



## We are among the 10 companies with the best reputation in Colombia, according to Merco

The Corporate Reputation Business Monitor (MERCOC) presented the results of the study of Merco companies and leaders 2020 and we remained in the top 10 of the companies with best reputation, position that we had not obtained since 2016.

- We moved up **5** positions compared to 2019.
- We are the **number 1** company in the large surface area sector.
- Among the key drivers of reputation are ethics and social responsibility, variables that rose **5%** compared to the others.

## We are one of the most admired brands by opinion leaders in the country

### According to the Opinion Panel study

The "Panel de Opinión" study is carried out by the Cifras y Conceptos firm and measures the perception of the different opinion leaders of the country in political, economic, social and environmental matters.

- The leaders surveyed guide and lead the climate of opinion and influence political issues and national agenda issues.
- **2,004** surveys distributed in 18 departments of the country
- The leaders surveyed are from academia, the media, politics, the private sector, and social organizations.



**We are the only company  
recognized with its main brand  
and its foundation.**

### IN 2020, WE [GRI 103-3]:

- Strengthened our corporate governance framework for national subsidiaries.
- Earned **69** points on the Dow Jones Sustainability Index of Emerging Markets, which allows us to be among the **10** most sustainable food retailers in the world and, for the eighth consecutive year. We remain the only food retailer in Latin America. We were rated the industry's best environmental report worldwide.
- Ratified our commitment to diversity and inclusion.
- Achieved being one of the ten companies with the best corporate reputation in Colombia and the number one in the sector of large surfaces, according to the Corporate Reputation Business Monitor (Merco).

### IN 2021, OUR CHALLENGES ARE:

- To maintain the Dow Jones Sustainability Index rating, rectifying our commitment to implementing the industry's best economic, social and environmental standards
- To adhere **100** suppliers to the IPG (Gender Equality Initiative IPG in Spanish), commitment and provide advice to suppliers on diversity and inclusion issues
- To strengthen the diverse academy, in which each employee should take a course related to diversity, equity, accessibility and inclusion.



# SUSTAINABILITY IN URUGUAY AND ARGENTINA

Our teams in South American countries in which we are present carry out initiatives that favor sustainability. These are some of the companies:

## Grupo Disco

- Installation of a recyclable household oil container at Disco Punta del Este. Recycling of domestic oil results in water care, biodiesel production and the reduction of carbon dioxide emissions (CO2) into the atmosphere.
- Launch of the first supermarket in Uruguay with CO2 refrigerant (carbon dioxide) that does not affect the ozone layer, is non-polluting and does not contribute to global warming by greenhouse effect.
- Strengthening of the “Programa Vida Saludable” (Healthy Living), translated into greater credibility of the program by customers.
- Launch of the Corporate LinkedIn account, in order to generate a professional community with employees, suppliers, customers and potential customers. The social network has added thousands of followers and managed to increase recognition from the company’s collaborators, promoting a sense of belonging.

## Libertad

- Recovery of 116,266 kilos of food, in partnership with the Argentine Network of Food Banks, as part of the program “Rescate de alimentos” (rescue of food) (non-perishable foods, fruits and vegetables). This action is further reinforced with monthly food donations (in addition to food recovered) and working together on actions and campaigns led by food banks.
- Participation in the “Gondolazo” campaign, which is a food-drive to the benefit the Banco de Alimentos de Rosario.
- Delivery of 19,600 paper bags to customers, in conjunction with suppliers, as a message on water care, in commemoration of World Water Day.
- Participation in the week of the environment through the #ChallengeForThePlanet, a campaign promoted by the Argentine Institute of Social Responsibility (IARSE) that included issues, such as zero garbage, clean energy and the international day of the environment, with the aim of planting 500 native trees.



- Launch of the Integrated Waste Management Program based on circular economy to reduce waste generation in the operation.

## INTEGRATED REPORT 2020

Foreword

Management Report

Corporate Governance Report

Sustainability Report

Financial Statements

GRI Index

# FINANCIAL STATEMENTS



**PAGE 113**

**CONSOLIDATED**



**PAGE 119**

**SEPARATED**



# CONSOLIDATED FINANCIAL STATEMENTS

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### ALMACENES ÉXITO S. A.

## Certification by the Parent's Legal Representative and Head Accountant

Envigado, February 22, 2021

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., Parent company, each of us duly empowered and under whose responsibility the accompanying financial statements have been prepared, do hereby certify that regarding the consolidated financial statements of the Parent and its subsidiaries, at December 31, 2020 and at December 31, 2019, the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the consolidated financial statements of the Company do exist, and all transactions included in such consolidated financial statements have been achieved during the annual periods ended December 31, 2020 and December 31, 2019.
2. All economic events achieved by the Parent and its subsidiaries during the annual periods ended December 31, 2020 and December 31, 2019, have been recognized in the consolidated financial statements.
3. Assets represent likely future economic benefits (rights), and liabilities represent likely future

economic sacrifice (obligations) obtained by or in charge of the Parent and its subsidiaries at December 31, 2020 and December 31, 2019.

4. All items have been recognized at proper values.
5. All economic events affecting the Parent and its subsidiaries have been properly classified, described and disclosed in the consolidated financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned legal representative of Almacenes Éxito S.A., Parent company, does hereby certify that the consolidated financial statements and the operations of the Parent and its subsidiaries at December 31, 2020 and at December 31, 2019, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

This certification is issued pursuant to section 46 of Law 964 of 2005.

**ALMACENES ÉXITO S. A.**

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At December 31, 2020 and at December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	December 31, 2020	December 31, 2019
<b>Current assets</b>		
Cash and cash equivalents	2.409.391	2.562.674
Trade receivables and other accounts receivable	471.202	379.921
Prepaid expenses	36.811	43.351
Accounts receivable from related parties	39.458	55.044
Inventories, net	1.922.617	1.900.660
Other financial assets	4.192	43.237
Tax assets	362.383	333.850
Non-current assets held for trading	19.942	37.928
<b>Total current assets</b>	<b>5.265.996</b>	<b>5.356.665</b>
<b>Non-current assets</b>		
Trade receivables and other accounts receivable	33.708	34.310
Prepaid expenses	10.867	9.631
Other non-financial assets with related parties	14.500	15.000
Other financial assets	56.911	48.329
Property, plant and equipment, net	3.707.602	3.845.092
Investment property, net	1.578.746	1.626.220
Use rights, net	1.317.545	1.303.648
Goodwill	2.853.535	2.929.751
Intangible assets other than goodwill, net	307.797	304.215
Investments accounted for using the equity method	267.657	210.487
Deferred tax assets	234.712	177.269
Other non-financial assets	398	398
<b>Total non-current assets</b>	<b>10.383.978</b>	<b>10.504.350</b>
<b>Total assets</b>	<b>15.649.974</b>	<b>15.861.015</b>

	December 31, 2020	December 31, 2019
<b>Current liabilities</b>		
Financial liabilities	1.110.883	616.822
Employee benefits	2.520	2.978
Other provisions	30.132	14.420
Accounts payable to related parties	50.487	80.995
Trade payables and other accounts payable	4.678.078	4.662.801
Lease liabilities	223.803	222.177
Tax liabilities	76.111	72.910
Other financial liabilities	87.289	114.871
Other non-financial liabilities	163.644	118.240
<b>Total current liabilities</b>	<b>6.422.947</b>	<b>5.906.214</b>
<b>Non-current liabilities</b>		
Financial liabilities	344.779	43.531
Employee benefits	20.384	20.920
Other provisions	14.542	18.998
Trade payables and other accounts payable	68	114
Lease liabilities	1.319.092	1.308.054
Deferred tax liabilities	118.722	116.503
Tax liabilities	4.463	800
Other financial liabilities	94	370
Other non-financial liabilities	610	669
<b>Total non-current liabilities</b>	<b>1.822.754</b>	<b>1.509.959</b>
<b>Total liabilities</b>	<b>8.245.701</b>	<b>7.416.173</b>
<b>Shareholders' equity</b>	<b>7.404.273</b>	<b>8.444.842</b>
<b>Total liabilities and shareholders' equity</b>	<b>15.649.974</b>	<b>15.861.015</b>

## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index



**ALMACENES ÉXITO S. A.**

# **CONSOLIDATED STATEMENTS OF INCOME**

For the annual periods ended December 31, 2020 and December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	January 1 to December 31, 2020	January 1 to December 31, 2019
<b>Continuing operations</b>		
Revenue from ordinary activities under contracts with customers	15.735.839	15.293.083
Cost of sales	(11.778.910)	(11.338.977)
<b>Gross profit</b>	<b>3.956.929</b>	<b>3.954.106</b>
Distribution expenses	(1.720.331)	(1.673.462)
Administration and sales expenses	(306.601)	(329.244)
Employee benefit expenses	(1.213.284)	(1.232.813)
Other operating revenue	53.956	54.342
Other operating expenses	(141.871)	(85.428)
Other net (losses)	(17.553)	(13.314)
<b>Profit from operating activities</b>	<b>611.245</b>	<b>674.187</b>
Financial revenue	200.195	634.863
Financial expenses	(445.826)	(1.127.793)
Share of profits in associates and joint ventures accounted for using the equity method	19.668	(10.123)
<b>Profit from continuing operations before income tax</b>	<b>385.282</b>	<b>171.134</b>
Tax expense	(54.179)	(23.296)
<b>Net period profit from continuing operations</b>	<b>331.103</b>	<b>147.838</b>
Net (loss) gain for the period from discontinued operations	(1.201)	774.838
<b>Net income for the period</b>	<b>329.902</b>	<b>922.676</b>
<b>Gain is attributable to:</b>		
<b>Profit attributable to the shareholders of the controlling entity</b>	<b>230.872</b>	<b>57.602</b>
Gain attributable to non-controlling interests	99.030	865.074

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

**ALMACENES ÉXITO S. A.**

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the annual periods ended December 31, 2020 and December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	January 1 to December 31, 2020	January 1 to December 31, 2019
<b>Net income for the period</b>	<b>329.902</b>	<b>922.676</b>
<b>Other comprehensive income for the period</b>		
<b>Components of other comprehensive income that will not be reclassified to period results, net of taxes</b>		
(Loss) from new measurements of defined benefit plans	(542)	(267)
Gain (loss) from investments in equity instruments	1.936	(6.003)
<b>Total other comprehensive income that will not be reclassified to period results, net of taxes</b>	<b>1.394</b>	<b>(6.270)</b>
<b>Components of other comprehensive income that will be reclassified to period results, net of taxes</b>		
(Loss) from translation exchange differences	(269.461)	(508.534)
(Loss) from investment hedges abroad	(14.236)	(1.459)
(Loss) gain from cash flow hedging	(797)	3.827
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	-	41.486
<b>Total other comprehensive income that will be reclassified to period results, net of taxes</b>	<b>(284.494)</b>	<b>(464.680)</b>
<b>Total other comprehensive income</b>	<b>(283.100)</b>	<b>(470.950)</b>
<b>Total comprehensive income</b>	<b>46.802</b>	<b>451.726</b>
<b>Gain is attributable to:</b>		
<b>(Loss) attributable to the shareholders of the controlling entity</b>	<b>(50.678)</b>	<b>(307.135)</b>
Gain attributable to non-controlling interests	97.480	758.861

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

**Financial  
Statements**

GRI Index



**ALMACENES ÉXITO S. A.**

# CONSOLIDATED STATEMENTS OF CASH FLOWS

For the annual periods ended December 31, 2020 and December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	December 31, 2020	December 31, 2019
<b>Cash flows provided by operating activities</b>		
<b>Net income for the period</b>	<b>329.902</b>	<b>922.676</b>
<b>Adjustments to reconcile income for the period</b>		
Current income tax	117.393	76.257
Deferred income tax	(63.214)	(52.961)
Financial costs	85.888	735.698
Impairment of receivables	36.360	267.682
Reversal of receivable impairment	(22.679)	(276.027)
Impairment of Inventories	5.325	3.690
Reversal of inventory impairment	(2.850)	(4.906)
Impairment	16.895	6.768
Employee benefit provisions	1.537	2.183
Other provisions	104.476	682.227
Reversal of other provisions	(22.973)	(439.390)
Expense from depreciation of property, plant and equipment, use rights and investment property	485.794	1.373.262
Expense from amortization of intangible assets	19.217	103.143
Share-based payments	-	20.315
(Gain) loss from the application of the equity method	(19.668)	10.123
Loss from the disposal of non-current assets	9.186	9.762
Net gain from the disposal of discontinued operations	-	(489.320)
Other adjustments to reconcile period income in discontinued operations	-	(165.302)
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(46.860)	(463.895)
Other adjustment from items other than cash	12.875	-
<b>Operating income before changes in working capital</b>	<b>1.046.604</b>	<b>2.321.985</b>
(Increase) decrease in trade receivables and other accounts receivable	(129.936)	2.627.171
Decrease (increase) in prepaid expenses	3.398	(52.628)
Decrease in receivables from related parties	15.385	54.876
(Increase) in inventories	(75.222)	(319.404)
(Increase) in tax assets	(132.900)	(530.150)
(Decrease) in employee benefits	(3.306)	(10.005)
(Decrease) in other provisions	(69.738)	(383.259)
(Decrease) in trade payables and other accounts payable, and lease liabilities	(94.686)	(1.773.654)
Increase (decrease) in accounts payable to related parties	5.264	(1.664)
Increase (decrease) in tax liabilities	5.315	(38.226)
Increase (decrease) in other non-financial liabilities	50.123	(89.652)
(Decrease) in non-current liabilities held for trading	-	(2.267.707)
<b>Net cash flows provided by (used in) operating activities</b>	<b>630.301</b>	<b>(462.317)</b>

	December 31, 2020	December 31, 2019
<b>Cash flows provided by investment activities</b>		
Net cash flows from the loss of control over subsidiaries or other businesses	-	(4.608.124)
Cash flows used to maintain control over subsidiaries and joint ventures	(37.002)	(27.928)
Acquisition of property, plant and equipment	(193.327)	(1.831.459)
Acquisition of other assets	(34)	-
Acquisition of investment property	(10.596)	(52.929)
Acquisition of intangible assets	(37.853)	(220.923)
Proceeds of the sale of property, plant and equipment and intangible assets.	4.886	6.584
<b>Net cash flows (used in) investment activities</b>	<b>(273.926)</b>	<b>(6.734.779)</b>
<b>Cash flows provided by financing activities</b>		
Cash flows provided by changes in interests in subsidiaries that do not result in loss of control	-	14.597
Decrease (increase) in other financial assets	30.790	(109.115)
(Decrease) increase in other financial liabilities	(28.827)	8.187.196
Increase (decrease) in financial liabilities	761.099	(3.616.268)
(Decrease) in financial liabilities under lease agreements	(3.184)	(3.303)
Dividends paid	(1.182.231)	(202.168)
Financial yields	46.860	463.268
Interest paid	(85.888)	(755.189)
Transactions with non-controlling entities	1.677	(42.075)
Other cash (outflows) inflows	(9.766)	40.837
<b>Net cash flows (used in) provided by financing activities</b>	<b>(469.470)</b>	<b>3.977.780</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(113.095)</b>	<b>(3.219.316)</b>
<b>Effects of the variation in exchange rates</b>	<b>(40.188)</b>	<b>(191.690)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>2.562.674</b>	<b>5.973.680</b>
<b>Cash and cash equivalents at the end of period</b>	<b>2.409.391</b>	<b>2.562.674</b>

## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index

ALMACENES ÉXITO S. A.

# CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

At December 31, 2020 and at December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Treasury shares repurchased	Legal reserve	Occasional reserve	Reacquisition of shares	Future dividends	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total equity of the controlling entity	Changes in non-controlling interests	Total Shareholders' equity
<b>Balance at December 31, 2018</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>1.772.571</b>	<b>22.000</b>	<b>15.710</b>	<b>25.412</b>	<b>1.843.550</b>	<b>(704.375)</b>	<b>1.000.655</b>	<b>426.171</b>	<b>7.411.215</b>	<b>11.051.254</b>	<b>18.462.469</b>
Cash dividend declared	-	-	-	-	(139.706)	-	-	-	(139.706)	-	-	-	(139.706)	(151.875)	(291.581)
Net income for the period	-	-	-	-	-	-	-	-	-	-	57.602	-	57.602	865.074	922.676
Other comprehensive income	-	-	-	-	-	-	-	-	-	(364.737)	-	-	(364.737)	(106.213)	(470.950)
Appropriation for reserves	-	-	-	-	139.701	-	139.702	-	279.403	-	(279.403)	-	-	-	-
(Decrease) from the sale of Via Varejo S.A., Companhia Brasileira de Distribuição – CBD, Ségisor S.A. and Wilkes Participações S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.411.214)	(10.411.214)
Increase from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(7.649)	(7.649)	(39.831)	(47.480)
Other developments in shareholders' equity	-	-	-	-	(1.544)	-	-	173.868	172.324	-	(160.823)	228.302	239.803	41.119	280.922
<b>Balance at December 31, 2019</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>1.771.022</b>	<b>22.000</b>	<b>155.412</b>	<b>199.280</b>	<b>2.155.571</b>	<b>(1.069.112)</b>	<b>618.031</b>	<b>646.824</b>	<b>7.196.528</b>	<b>1.248.314</b>	<b>8.444.842</b>
<b>Balance at December 31, 2019</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>1.771.022</b>	<b>22.000</b>	<b>155.412</b>	<b>199.280</b>	<b>2.155.571</b>	<b>(1.069.112)</b>	<b>618.031</b>	<b>646.824</b>	<b>7.196.528</b>	<b>1.248.314</b>	<b>8.444.842</b>
Cash dividend declared	-	-	-	-	(1.091.259)	-	-	-	(1.091.259)	-	-	-	(1.091.259)	(74.574)	(1.165.833)
Net income for the period	-	-	-	-	-	-	-	-	-	-	230.872	-	230.872	99.030	329.902
Other comprehensive income	-	-	-	-	-	-	-	-	-	(281.550)	-	-	(281.550)	(1.550)	(283.100)
Appropriation for reserves	-	-	-	-	57.602	-	-	-	57.602	-	(57.602)	-	-	-	-
Increase from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(2.055)	(2.055)	2.619	564
Other developments in shareholders' equity	-	-	-	-	(2.583)	-	-	138.384	135.801	-	(147.995)	163.521	151.327	(73.429)	77.898
<b>Balance at December 31, 2020</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>734.782</b>	<b>22.000</b>	<b>155.412</b>	<b>337.664</b>	<b>1.257.715</b>	<b>(1.350.662)</b>	<b>643.306</b>	<b>808.290</b>	<b>6.203.863</b>	<b>1.200.410</b>	<b>7.404.273</b>



# SEPARATED FINANCIAL STATEMENTS

## INTEGRATED REPORT 2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index

### ALMACENES ÉXITO S. A.

## Certification by the Company's Legal Representative and Head Accountant

Envigado, February 22, 2021

We, the undersigned Legal Representative and Head Accountant of Almacenes Éxito S.A., each of us duly empowered and under whose responsibility the attached financial statements have been prepared, do hereby certify that the separate financial statements of the Company at December 31, 2020 and at December 31, 2019 have been fairly taken from the books of accounts, and that the following assertions therein contained have been verified prior to making them available to you and to third parties:

1. All assets and liabilities included in the separate financial statements do exist, and all transactions included in such separate financial statements have been achieved during the annual periods ended December 31, 2020 and December 31, 2019.
2. All economic events achieved by the Company during the years ended December 31, 2020 and December 31, 2019, have been recognized in the separate financial statements.
3. Assets represent likely future economic benefits (rights) and liabilities represent likely future

economic sacrifice (obligations) obtained by or in charge of the Company at December 31, 2020 and December 31, 2019.

4. All items have been recognized at proper values.
5. All economic events having an impact on the Company have been properly classified, described and disclosed in the separate financial statements.

We do certify the above assertions pursuant to section 37 of Law 222 of 1995.

Further, the undersigned Legal Representative of Almacenes Éxito S.A., does hereby certify that the separate financial statements and the operations of the Company at December 31, 2020 and December 31, 2019, are free from fault, inaccuracy or misstatement that prevent users from having a true view of its financial position.

This certification is issued pursuant to section 46 of Law 964 of 2005

**ALMACENES ÉXITO S. A.**

# SEPARATE STATEMENTS OF FINANCIAL POSITION

At December 31, 2020 and at December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	December 31, 2020	December 31, 2019
<b>Current assets</b>		
Cash and cash equivalents	1.969.470	2.206.153
Trade receivables and other accounts receivable	292.941	199.712
Prepaid expenses	18.287	25.421
Accounts receivable from related parties	94.277	92.900
Inventories, net	1.583.972	1.555.865
Other financial assets	2.527	27.031
Tax assets	339.539	314.736
Non-current assets held for trading	8.526	26.648
<b>Total current assets</b>	<b>4.309.539</b>	<b>4.448.466</b>
<b>Non-current assets</b>		
Trade receivables and other accounts receivable	31.757	32.888
Prepaid expenses	7.377	9.631
Accounts receivable from related parties	51.488	49.157
Other non-financial assets with related parties	20.266	19.783
Other financial assets	39.847	48.329
Property, plant and equipment, net	1.909.426	2.027.180
Investment property, net	89.246	91.889
Use rights, net	1.570.161	1.411.410
Goodwill	1.453.077	1.453.077
Intangible assets other than goodwill, net	166.511	159.225
Investments accounted for using the equity method	3.618.703	3.614.639
Deferred tax assets	200.284	153.141
Other non-financial assets	398	398
<b>Total non-current assets</b>	<b>9.158.541</b>	<b>9.070.747</b>
<b>Total assets</b>	<b>13.468.080</b>	<b>13.519.213</b>

	December 31, 2020	December 31, 2019
<b>Current liabilities</b>		
Financial liabilities	647.934	204.705
Employee benefits	2.516	2.973
Other provisions	23.003	12.365
Accounts payable to related parties	128.472	177.615
Trade payables and other accounts payable	3.931.085	3.901.549
Lease liabilities	230.240	224.492
Tax liabilities	68.274	66.270
Other financial liabilities	81.366	95.437
Other non-financial liabilities	197.917	161.672
<b>Total current liabilities</b>	<b>5.310.807</b>	<b>4.847.078</b>
<b>Non-current liabilities</b>		
Financial liabilities	325.770	6.293
Employee benefits	20.365	20.897
Other provisions	51.846	53.056
Lease liabilities	1.554.725	1.394.323
Other financial liabilities	94	370
Other non-financial liabilities	610	668
<b>Total non-current liabilities</b>	<b>1.953.410</b>	<b>1.475.607</b>
<b>Total liabilities</b>	<b>7.264.217</b>	<b>6.322.685</b>
<b>Shareholders' equity</b>	<b>6.203.863</b>	<b>7.196.528</b>
<b>Total liabilities and shareholders' equity</b>	<b>13.468.080</b>	<b>13.519.213</b>

## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index



**ALMACENES ÉXITO S. A.**

# SEPARATE STATEMENTS OF INCOME

For the annual periods ended December 31, 2020 and December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	January 1 to December 31, 2020	January 1 to December 31, 2019
<b>Continuing operations</b>		
Revenue from ordinary activities under contracts with customers	11.962.340	11.484.272
Cost of sales	(9.407.570)	(8.982.809)
<b>Gross profit</b>	<b>2.554.770</b>	<b>2.501.463</b>
Distribution expenses	(1.341.840)	(1.271.840)
Administration and sales expenses	(161.637)	(173.439)
Employee benefit expenses	(657.254)	(670.941)
Other operating revenue	45.278	32.111
Other operating expenses	(101.939)	(63.320)
Other net (losses)	(11.702)	(10.268)
<b>Profit from operating activities</b>	<b>325.676</b>	<b>343.766</b>
Financial revenue	143.253	592.522
Financial expenses	(403.570)	(1.065.904)
Share of profits in associates and joint ventures accounted for using the equity method	185.777	159.949
<b>Profit from continuing operations before income tax</b>	<b>251.136</b>	<b>30.333</b>
Tax expense	(20.264)	27.269
<b>Net period profit from continuing operations</b>	<b>230.872</b>	<b>57.602</b>

**ALMACENES ÉXITO S. A.**

# SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the annual periods ended December 31, 2020 and December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	January 1 to December 31, 2020	January 1 to December 31, 2019
<b>Net income for the period</b>	<b>230.872</b>	<b>57.602</b>
<b>Other comprehensive income for the period</b>		
<b>Components of other comprehensive income that will not be reclassified to period results, net of taxes</b>		
(Loss) from new measurements of defined benefit plans	(542)	(267)
Gain (loss) from investments in equity instruments	1.210	4.715
<b>Total other comprehensive income that will not be reclassified to period results, net of taxes</b>	<b>668</b>	<b>4.448</b>
<b>Components of other comprehensive income that will be reclassified to period results, net of taxes</b>		
(Loss) from translation exchange differences	(267.185)	(413.040)
(Loss) from investment hedges abroad	(14.236)	(1.459)
(Loss) gain from cash flow hedging	(797)	3.827
Share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified to period results	-	41.487
<b>Total other comprehensive income that will be reclassified to period results, net of taxes</b>	<b>(282.218)</b>	<b>(369.185)</b>
<b>Total other comprehensive income</b>	<b>(281.550)</b>	<b>(364.737)</b>
<b>Total comprehensive income</b>	<b>(50.678)</b>	<b>(307.135)</b>

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

**Financial  
Statements**

GRI Index



**ALMACENES ÉXITO S. A.**

# SEPARATE STATEMENTS OF CASH FLOWS

For the annual periods ended December 31, 2020 and December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	December 31, 2020	December 31, 2019
<b>Cash flows provided by operating activities</b>		
<b>Net income for the period</b>	<b>230.872</b>	<b>57.602</b>
<b>Adjustments to reconcile income for the period</b>		
Current income tax	67.525	20.205
Deferred income tax	(47.261)	(47.474)
Financial costs	74.423	750.733
Impairment of receivables	20.812	19.554
Reversal of receivable impairment	(16.757)	(18.151)
Impairment of Inventories	1.982	-
Reversal of inventory impairment	-	(1.833)
Impairment	9.378	1.017
Employee benefit provisions	1.535	2.207
Other provisions	95.145	58.980
Reversal of other provisions	(22.692)	(6.899)
Expense from depreciation of property, plant and equipment, use rights and investment property	397.583	393.098
Expense from amortization of intangible assets	17.233	19.453
(Gain) loss from the application of the equity method	(185.777)	(159.949)
Loss from the disposal of non-current assets	10.823	13.129
Other adjustment from items other than cash	(2.001)	(10.769)
Other adjustments for which the effects on cash are cash flows provided by investment or financing activities	(16.173)	(436.305)
<b>Operating income before changes in working capital</b>	<b>636.650</b>	<b>654.598</b>
(Increase) decrease in trade receivables and other accounts receivable	(95.024)	(3.957)
Decrease (increase) in prepaid expenses	9.388	(6.282)
Decrease in receivables from related parties	20.441	(45.755)
(Increase) in inventories	(29.472)	(155.308)
(Increase) in tax assets	(80.796)	(166.034)
(Decrease) in employee benefits	(3.298)	(9.926)
(Decrease) in other provisions	(64.736)	(41.466)
(Decrease) in trade payables and other accounts payable, and lease liabilities	(146.014)	151.393
(Increase) (decrease) in accounts payable to related parties	(15.413)	43.138
Increase in tax liabilities	2.005	15.812
Increase (decrease) in other non-financial liabilities	37.591	(36.095)
<b>Net cash flows provided by (used in) operating activities</b>	<b>271.322</b>	<b>400.118</b>

	December 31, 2020	December 31, 2019
<b>Cash flows provided by investment activities</b>		
Cash flows used to maintain control over subsidiaries and joint ventures	(40.249)	(31.099)
Cash flows provided by reimbursement of contributions in subsidiaries or other businesses	-	4.067.568
Acquisition of property, plant and equipment	(115.916)	(200.450)
Acquisition of other assets	(32)	-
Acquisition of investment property	(428)	(3.436)
Acquisition of intangible assets	(33.663)	(37.011)
Proceeds of the sale of property, plant and equipment and intangible assets	13.447	15.203
Dividends received	73.108	127.225
<b>Net cash flows (used in) investment activities</b>	<b>(103.733)</b>	<b>3.938.000</b>
<b>Cash flows provided by financing activities</b>		
Cash flows provided by changes in interest in subsidiaries that do not result in loss of control	(703)	20.390
Decrease in other financial assets	32.987	89.757
(Decrease) in other financial liabilities	(15.494)	(11.369)
Increase (decrease) in financial liabilities	765.890	(3.666.913)
(Decrease) in financial liabilities under lease agreements	(3.184)	(3.303)
Dividends paid	(1.125.518)	(131.967)
Financial yields	16.173	436.305
Interest paid	(74.423)	(750.733)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(404.272)</b>	<b>(4.017.833)</b>
<b>Net decrease (increase) in cash and cash equivalents</b>	<b>(236.683)</b>	<b>320.285</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>2.206.153</b>	<b>1.885.868</b>
<b>Cash and cash equivalents at the end of period</b>	<b>1.969.470</b>	<b>2.206.153</b>

## INTEGRATED REPORT 2020

### Foreword

### Management Report

### Corporate Governance Report

### Sustainability Report

### Financial Statements

### GRI Index

ALMACENES ÉXITO S. A.

# SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

At December 31, 2020 and at December 31, 2019  
(Amounts expressed in millions of Colombian pesos)

	Issued share capital	Premium on the issue of shares	Treasury shares repurchased	Legal reserve	Occasional reserve	Reserve for the reacquisition of shares	Reserve for future dividends	Other reserves	Total reserves	Other accumulated comprehensive income	Retained earnings	Other equity components	Total Shareholders' equity
<b>Balance at December 31, 2018</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>1.772.571</b>	<b>22.000</b>	<b>15.710</b>	<b>25.412</b>	<b>1.843.550</b>	<b>(704.375)</b>	<b>1.000.655</b>	<b>426.171</b>	<b>7.411.215</b>
Cash dividend declared	-	-	-	-	(139.706)	-	-	-	(139.706)	-	-	-	(139.706)
Net income for the period	-	-	-	-	-	-	-	-	-	-	57.602	-	57.602
Other comprehensive income	-	-	-	-	-	-	-	-	-	(364.737)	-	-	(364.737)
Appropriation for reserves	-	-	-	-	139.701	-	139.702	-	279.403	-	(279.403)	-	-
(Decrease) from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(7.649)	(7.649)
Other net increase (decrease) in shareholders' equity	-	-	-	-	(1.544)	-	-	173.868	172.324	-	(160.823)	228.302	239.803
<b>Balance at December 31, 2019</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>1.771.022</b>	<b>22.000</b>	<b>155.412</b>	<b>199.280</b>	<b>2.155.571</b>	<b>(1.069.112)</b>	<b>618.031</b>	<b>646.824</b>	<b>7.196.528</b>
<b>Balance at December 31, 2019</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>1.771.022</b>	<b>22.000</b>	<b>155.412</b>	<b>199.280</b>	<b>2.155.571</b>	<b>(1.069.112)</b>	<b>618.031</b>	<b>646.824</b>	<b>7.196.528</b>
Cash dividend declared	-	-	-	-	(1.091.259)	-	-	-	(1.091.259)	-	-	-	(1.091.259)
Net income for the period	-	-	-	-	-	-	-	-	-	-	230.872	-	230.872
Other comprehensive income	-	-	-	-	-	-	-	-	-	(281.550)	-	-	(281.550)
Appropriation for reserves	-	-	-	-	57.602	-	-	-	57.602	-	(57.602)	-	-
(Decrease) from changes in the ownership of subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(2.055)	(2.055)
Other net increase (decrease) in shareholders' equity	-	-	-	-	(2.583)	-	-	138.384	135.801	-	(147.995)	163.521	151.327
<b>Balance at December 31, 2020</b>	<b>4.482</b>	<b>4.843.466</b>	<b>(2.734)</b>	<b>7.857</b>	<b>734.782</b>	<b>22.000</b>	<b>155.412</b>	<b>337.664</b>	<b>1.257.715</b>	<b>(1.350.662)</b>	<b>643.306</b>	<b>808.290</b>	<b>6.203.863</b>

INTEGRATED  
REPORT  
2020

Foreword

Management  
Report

Corporate  
Governance  
Report

Sustainability  
Report

Financial  
Statements

GRI Index



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