



Sustainability Report



Sustainability Strategy to contribute to a better country

In 2016, we assessed the actions we had been undertaking for years to contribute to Colombia's progress; from there, we defined a new Sustainability Strategy through which we revitalized our good practices, formulated five strategic challenges and 18 work focuses that aim to contribute to Colombia's economic growth, social development, and environmental protection.

The Sustainability Strategy is part of one of the Company's four Strategic Pillars, and it aims to generate Shared Value as an opportunity for development for both Grupo Éxito and the society. With the challenges we set out, we prioritized childhood nutrition, sustainable business, environmental protection, the creation of appropriate work spaces, and promotion of a healthy lifestyle as highly impacting lines of work. For Grupo Éxito, sustainability depends on all of us, who work together with responsibility to multiply these good results.

Moreover, we recognize the role the private sector plays in contributing to fulfill the Sustainable Development Goals (SDG) which define routes to attaining societies that are economically prosperous, fair and respectful to the environment. The following chapters provide a detailed explanation of the actions we have undertaken to fulfill our strategy and to contribute to its execution.



We are aligned to the Sustainable Development Goals

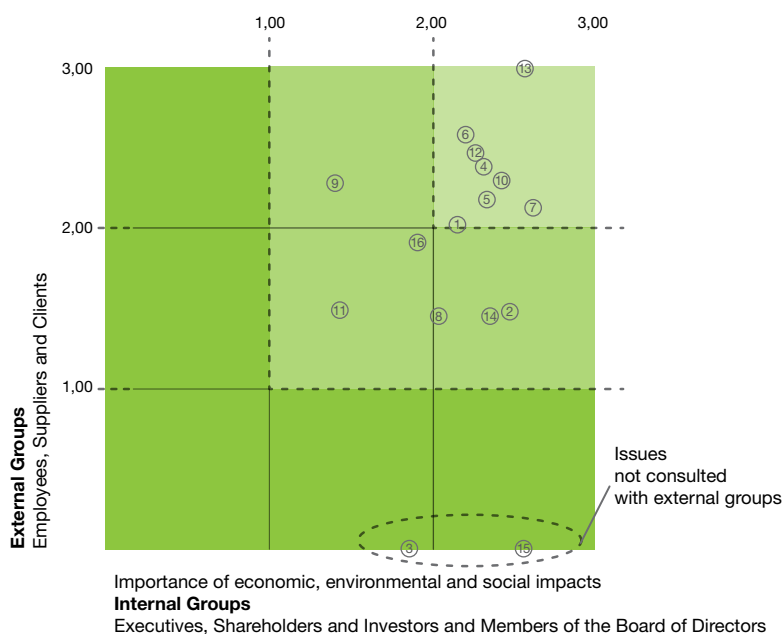


Materiality analysis

In Grupo Éxito, we conducted a materiality analysis that enabled us to identify relevant issues pertaining to environmental, social and Corporate Governance topics for our stakeholders, thereby acquiring more elements to manage the Company’s Sustainability Strategy.

The Materiality Study included individual interviews and workshops with the various Company’s stakeholders, which assessed material and non-material issues, and prioritized them according to their relevance.

Issues	Stakeholders						
	Executives	Clients	Suppliers	Shareholders and Members of the Board of Directors	Employees	Status	Society and the media
People	x			x	x		x
Environmental and socially sustainable supply chain	x	x	x	x			x
Develop the local economy	x	x	x	x		x	x
Climate Change and Energy	x	x	x	x	x		x
Healthy Lifestyle	x	x	x	x	x		x
Water	x	x	x	x	x		x
Waste and packaging	x	x	x	x	x		x
Reduce food waste	x	x	x	x	x		x
Product quality and safety	x	x	x	x	x	x	x
Sustainable construction	x			x			x
Childhood nutrition	x	x	x	x	x	x	x
Environmental friendly products	x	x	x	x			x
Information security	x	x		x		x	x
Relations and communication	x	x	x	x	x	x	x
Corporate Governance	x			x		x	x
Ethics and transparency	x		x	x	x	x	x



Material Issues

- 13. People
- 6. Product quality and safety
- 12. Waste and packaging
- 4. Reduce food waste
- 10. Climate Change and Energy
- 5. Gen Cero (Zero Chronic Malnutrition on Children)
- 7. Ethics and transparency

Limits

- 1. Healthy Lifestyle

No materiales

- 8. Information security
- 9. Water
- 11. Environmental friendly products
- 2. Environmental and socially sustainable supply chain
- 3. Sustainable construction
- 14. Develop the local economy
- 15. Corporate Governance
- 16. Relations and communication





Through Fundación Éxito we manage Gen Cero so that by 2030 no child under five years suffers from chronic malnutrition in Colombia. This is an open-door cause in which all sectors are invited to join in achieving this goal, and to which Grupo Éxito is committed. We support the efforts undertaken by Fundación Éxito and we are working together to carry them out.

We assist Fundación Éxito's efforts in four fronts:



1. Generation of alliances and resources



2. Communication and awareness



3. Generation and dissemination of knowledge



4. Impact on public policy



The help provided by Fundación Éxito in the Magdalena banana growing region made it possible to nourish the lives and dreams of many expecting families. The municipality of Pueblo Viejo has no water or electricity supply, and there are no healthcare centers, but ever since the services arrived during the first 1,000 days of life of Fundación Éxito, the mothers' nutritional status and health improved in a matter of three months. They gained weight and had babies free of malnutrition.

Josefina Álvarez.
Educator, FundePalma
Pueblo Viejo, Magdalena.

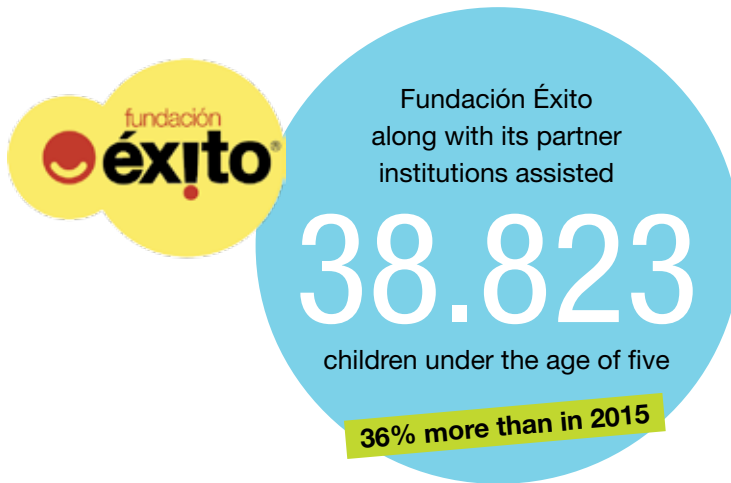
Reducing childhood malnutrition rate by 1% will contribute to reducing poverty by 4%

Comprehensive care in early childhood produces more equity and contributes to human development.

Over COP 19,700

million were invested to support Gen Cero

5% more than in 2015



New territories served

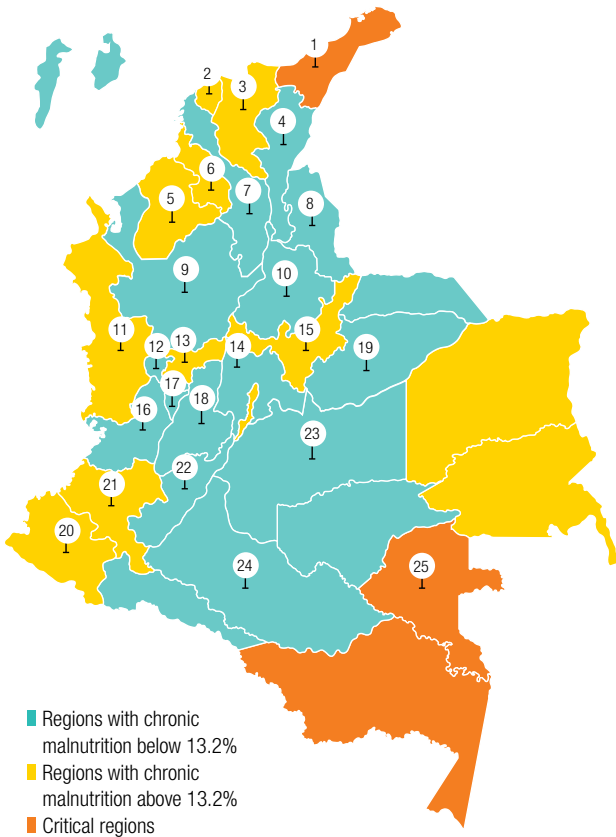
Territory	Percentage of chronic malnutrition*
2,857 children assisted in Ayapel and La Apartada in the department of Córdoba	16.4% in Córdoba
3,294 children assisted in Santa Marta, Pueblo Viejo and Zona Bananera in the department of Magdalena	18% in Magdalena
715 children assisted in Ipiales, Tumaco and Pasto in the department of Nariño	16.9% in Nariño
800 children assisted in Lloró and Quibdó in the department of Chocó	15.7% in Chocó

Statistics that surpass the national average of 13.2%

*National Survey of the Nutritional Situation in Colombia, 2010



Fundación Éxito has agreements with institutions that allow it to have presence in 25 of the 32 Colombian departments



1 Departments receiving services

1. La Guajira
2. Atlántico
3. Magdalena
4. Cesar
5. Córdoba
6. Sucre
7. Bolívar
8. Norte de Santander
9. Antioquia
10. Santander
11. Chocó
12. Risaralda
13. Caldas
14. Cundinamarca
15. Boyacá
16. Valle del Cauca
17. Quindío
18. Tolima
19. Casanare
20. Nariño
21. Cauca
22. Huila
23. Meta
24. Caquetá
25. Vaupés

166 institutions in **85 municipalities** provide nutritional services for children



In 2016 we visited the department of Chocó with Fundación Éxito to **support the nutrition of over 1,000 children**, even though we have no business presence.



1. Generation of alliances and resources

Together with Fundación Éxito, we manage the generation of funds invested in childhood nutrition, and we encourage different sectors to join us and contribute to reaching Gen Cero.



Grupo Éxito provided **over COP**

17,700

million to contribute to Gen Cero.

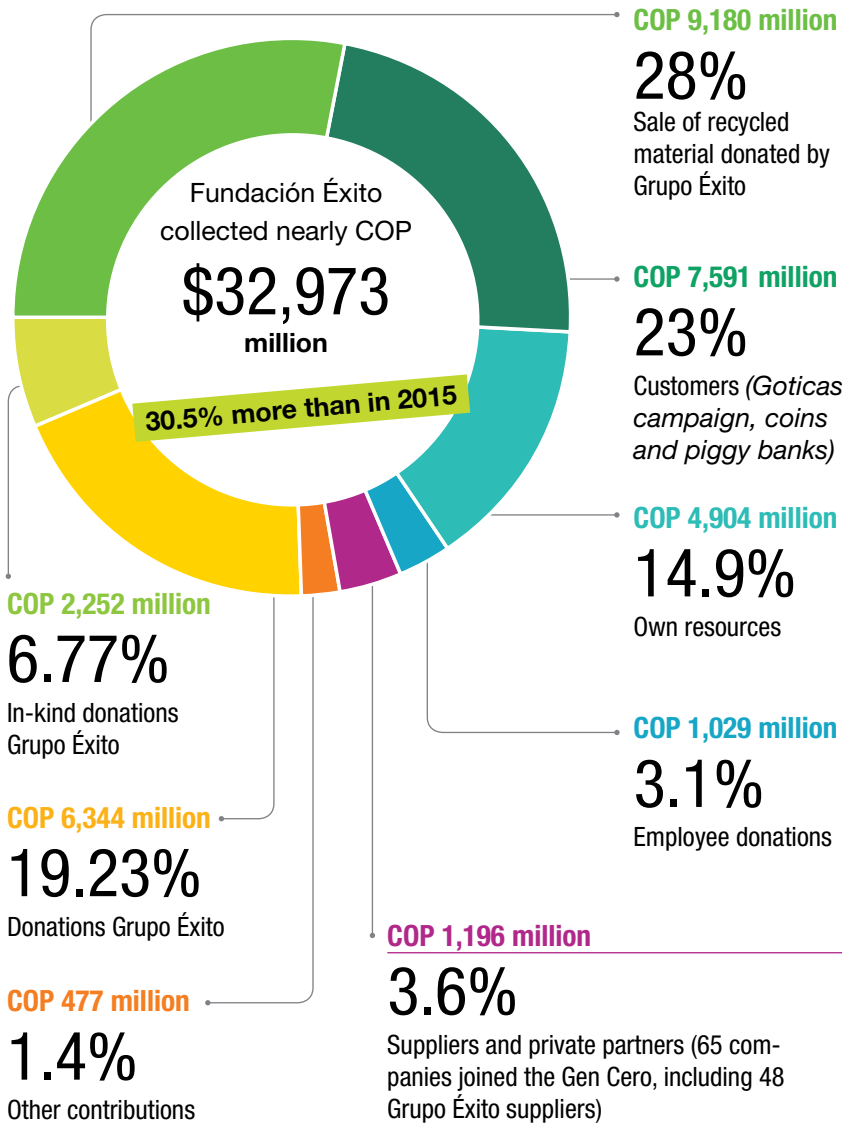
40% more than in 2015

Approximately COP

4,000

million collected from the film “Colombia Magia Salvaje” were invested in childhood nutrition.

Origin of Fundación Éxito's resources



A total of **14 companies and 18 partners** in the gastronomy sector signed the "Childhood Nutrition Compact", committing to undertake actions to promote health and nutrition during pregnancy and childhood. The collection and distribution of resources is audited by the firm Ernst and Young.

PriceSmart, Genomma Lab, Belleza Express, Brinsa, Innova Quality, Tuya, Mitsubishi, Industrias Cory, Alpina, Alquería, Colanta, Alsea, Nutreo and Alcagüete, to name a few, **joined Gen Cero to help eradicate chronic malnutrition in Colombia.**

Resource collection and allocation is audited by the firm Ernst & Young.

At our stores, we are also committed to the Zero Chronic Malnutrition on Children goal



Our stores delivered **over 1,900 tons** of food suitable for human consumption to **19 Food Banks**. **29 institutions benefited from this donation.**

In order to generate resources and disseminate the cause, we joined the following through:

- | Business lines | Complementary businesses | Direct business | Textile industry |
|---|--|--|---|
| <ul style="list-style-type: none"> • Mass-consumption products • Textiles and home • Entertainment | <ul style="list-style-type: none"> • Todo Hogar • Viajes Éxito | <ul style="list-style-type: none"> • exito.com • carulla.com • Domicilios Éxito | <ul style="list-style-type: none"> • Didetexco |



2. Communication and awareness

Together with Fundación Éxito, we encourage all sectors in Colombia to understand the childhood nutrition conditions as the first step for intervening.

Fundación Éxito promotes breastfeeding as the best way to love and feed babies

A total of

5,000 women



participated in the second

Lactathon in 38 cities, 19 Éxito stores and Carulla supermarkets and 2 Viva shopping centers;

4,100 more women than in 2015



Support

7 Human Milk Banks

with a COP **179 million investment.**



Inauguration of a breastfeeding room at the Éxito store in Neiva so customers and employees can have a place that fosters this practice.

Celebration of the Childhood Nutrition Month



→ Winners of the 13th Childhood Nutrition Award during the ceremony held in Bogotá.



Six initiatives by private and public organizations, institutions and media were recognized at the 13th Childhood Nutrition Award ceremony.

Inauguration of
21 reading rooms
 throughout Colombia in partnership with the National Government and public and private foundations.




Publication of over **550 press releases** to raise public awareness on Gen Cero.

Presentation of the Manifiesto for Childhood Nutrition to communicate in what we believe in, what we aim for, and how people can contribute to Gen Cero



3. Generation and dissemination of knowledge

Fundación Éxito builds knowledge that serves to establish strategies to eradicate chronic malnutrition.

Fundación Éxito assessed the effect of the nutritional contribution it makes to Children’s Homes of the Colombian Institute for Family Welfare (ICBF, for the Spanish original). Participants included the Center for Economic Development Studies of the Universidad de los Andes, the London Institute of Fiscal Studies and the Central Bank of Colombia.

The results made it possible to:



establish common nutritional guidelines for children in children’s homes;



and show improvement in children’s emerging literacy skills thanks to the program offered by Fundación Éxito.



4. Impact on public policy

Fundación Éxito builds partnerships with the National Government and local institutions responsible for formulating and implementing public policies for early childhood and nutrition.



Fundación Éxito supported promulgation of the Law for Early Childhood which guarantees comprehensive care for children ages 0 to 5 in Colombia.



39 municipalities and 4 departments

signed the **Gen Cero Compact** as a political commitment to create ways to eradicate chronic malnutrition in Colombia.

With the support of Fundación Éxito:

- **18 municipalities** included topics related to Gen Cero in their **development plans**
- **17 municipalities** developed **early childhood projects**; and
- **21 municipalities** promoted **breastfeeding**.



Support for the second **Construyendo Sueños Award** 2016-2019 granted by Colombia Líder. The 15 finalists agreed to undertake actions that promote public policies on comprehensive early childhood care.



A total of

25 municipalities

are part of Government Officials Committed to Early Childhood, a program of institutional strengthening and technical assistance in which Fundación Éxito participated.

- **4 municipalities in La Guajira:** Urumita, La Jagua del Pilar, San Juan del Cesar and Villanueva.
- **4 municipalities in Atlántico:** Palmar de Varela, Piojó, Santo Tomás and San Juan de Acosta
- **7 municipalities in Nariño:** Ipiales, El Tambo, Nariño, Contadero, San Pablo, Pupiales and San Pedro de Cartago. The Governor of Nariño also signed the Compact.
- **9 municipalities in Boyacá:** Firavitoba, Iza, Moniquirá, Nobsa, Tibasosa, Monguí, Ventaquemada, Paipa y Toca. El Pacto también fue firmado por el Gobernador de Boyacá.
- **1 municipality in Vaupés:** Mitú.



Promoting Sustainable Trade





Promoting Sustainable Trade

We promote sustainable business to establish relations of value with our suppliers and partners by buying local products directly, promoting sustainable practices, and providing support programs.

We work in these three fronts:



1. Direct local trade



2. Develop our partners and suppliers



3. Sustainable audits



The best thing that's happened to us is to work alongside with Grupo Éxito. We are 16 small producers and 80 peasant families from Santander who benefited from the support provided by the Company, as we went from distributing 3,000 kg (approx. 6,614 lb) of baby banana in Bogotá, to distributing more than 10,000 kg (approx. 22,046 lb) per week to stores in Bogotá and Medellín, and they pay us a good price. Thank you for focusing on the Colombian peasants.

Rosalba Camacho Velandia.
ASPRESIN's registered agent,
Winners of the category
Sustainable Supplier at the 8th
version of the Éxito Suppliers
Competition.

Our Suppliers



3,603

commercial suppliers, of which **737** produce our Private Label



1,377

for administrative goods and services



1,239

Real Estate



611

for the Food Industry



164

in the Textile Industry



1. Direct local trade

86% of the fruits and vegetables sold in our stores are bought directly from small producers, to support their growth;

2% more than in 2015.

Colombian regions in which we buy local products:

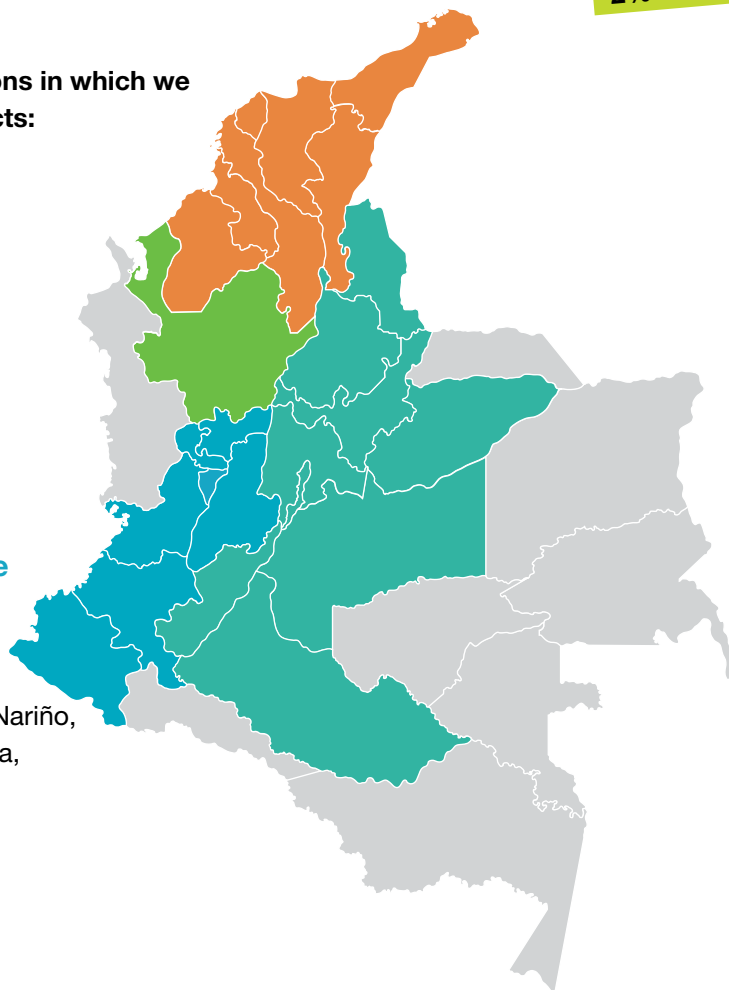
Antioquia

19.1%

Cali and Coffee Triangle

25.1%

(Caldas, Cauca, Nariño, Quindío, Risaralda, Valle del Cauca)



Coastal Region

16.1%

(Atlántico, Bolívar, Cesar, Córdoba, La Guajira, Magdalena, Sucre)

Central Region

39.7%

(Boyacá, Caquetá, Casanare, Cundinamarca, Huila, Meta, Norte de Santander, Tolima, Santander)



We offer our customers the best and the freshest products of Colombia



A **94%** of the fruits and vegetables we sell at our stores are acquired in Colombia. Over **228,000 tons** were bought from nearly **700 Colombian farmers**;

23.4% more than in 2015.

We organized

80

Ferias Campesinas (Peasant's Markets) in 40 Éxito stores and Carulla supermarkets, in order to bring our local producers closer to our clients.

EXPO AGROFUTURO

We took part in the Expo Agrofuturo Fair, where we met with local farmers to explore potential partnerships.



We joined the Ministry of Agriculture's **"El pescado me cae bien, dile sí al pescado"** (Fish is good for you, say yes to fish) campaign to promote sustainable fishing practices and encourage fish consumption.

A total of **6,500 tons of fish and seafood** were bought from **1,200 artisanal fishing families**, from rivers, sea and farms.

We work with our suppliers to:

- **Avoid net fishing and promote fishing with fishhook**, which can be used to select species by size;
- **Respect Exclusive Artisanal Fishing Areas (ZEPA, for the Spanish original)** and avoid selling endangered species; and
- **Respect the species' reproductive cycles.**



We generated development opportunities for peasant and fishing communities through partnerships with

21

associations and corporations, including:



Nearly **360** micro-enterprises received advice from the Promotora de Comercio Social to drive their sales;

8.5% more than in 2015.



2. Develop our partners and suppliers

We build valuable relationships to help our suppliers and small entrepreneurs grow and contribute to Colombia's development.

A total of

1,307

212 more than in 2015.

mini-market and self-service owners are part of Aliados Surtimax and Super Inter program, a sustainable business proposal;



1.138 Aliados Surtimax
in 10 departments,
in 205 municipalities



169 Aliados Super Inter
in 4 departments,
in 31 municipalities



We generate win-win situations with the Partners program

Benefits for the Aliado:

- Projected sales increase of 70%
- Participation in training programs
- The backing of Surtimax and Super Inter brands, which helps them drive their business
- Stronger processes
- Expanded product portfolios, including our Private Label
- Credit system to buy merchandise

Benefits for Grupo Éxito

- Expansion and market coverage
- Growing Surtimax and Super Inter presence

Benefits for the communities

- Formalization of the economy
- Generation of formal employment



Seventy partners received training in four certification programs on topics related to marketing and sales.

A total of **186 Aliados Surtimax and Super Inter, as well as 100 leaders of the Network of Surtimax Friends** participated in the third "Por los caminos del Café (On the Coffee Road)" convention, where they were recognized for their excellent results.



Twelve suppliers were awarded at the 8th “Éxito Suppliers 2016” Competition

Winners:

- Éxito supplier: **Comercial Nutresa**
- Éxito small and medium-sized business: **Lácteos El Zarzal**
- Sustainable Development Supplier: **Aspresin**
- Mass-consumption product supplier: **Procter & Gamble**
- Fresh business supplier: **Granja Santa Laura**
- Entertainment business supplier: **Mattel**
- Textile business supplier: **Diverco**
- Home business supplier: **Colnotex**
- Own Brand supplier: **Marchen**
- E-commerce supplier: **Samsung Electronics Colombia**
- Real estate partner supplier: **Mr. Bono**
- Supplier of goods and services: **Comercial y Servicios Larco**



26 employees from 17 small and medium-sized suppliers were certified in the first level of the “**Business Management Certification**” program at the Universidad EAFIT. **Since 2013, over 500 employees from 219 small and medium-sized companies have taken part in it.**



We conducted the Multi-sector Business Roundtable together with ProColombia to create negotiating opportunities for 60 national suppliers and buyers from Grupo Pão de Açúcar from Brazil, Grupo Disco from Uruguay and Libertad from Argentina.

6 Colombian companies are already exporting products to Brazil: Colcafé, Corona, Creytex, Formas Íntimas, Juan Valdez and The Elite Flower.



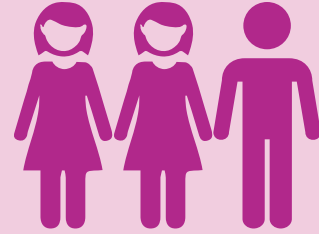
A total of 9,000 individuals, including **8,100** single mothers, manufacture over **24.5 million** garments for Didetexco.



63 Colombian suppliers manufacture cleaning and home products.

Over **8,200** individuals are catalog-sales consultants for the Todo Hogar and Color Mix brands in **205** cities.

22 suppliers manufacture the garments offered in the catalogs.



Almost **8,500** are part of the **Network of Surtimax and Super Inter Friends**, and they invite other customers to acquire the products at lower prices, while improving their income and saving money in their purchases.

Surtimax sales increased by **18%** thanks to the commitment of national network leaders.



3. Sustainable audits

We evaluate our suppliers processes to ensure that respect for life and dignified work is prioritized within our supply chain.

We conducted **18 social audits** to 17 Didetexco and Private Label suppliers.



With the Ethical Charters, we encourage our suppliers to create dignified work spaces, to manufacture respecting the environment, and to maintain transparent business relations guided by good governance practices.





We held eleven fairs and events to strengthen the development of product categories and open sales spaces for our suppliers.



A total of **36,000** participants in Bogotá



Approximately **36,700** visitors in Bogotá and Medellín



Amigos de la Pasta

760 participants in Bogotá, Cali and Medellín



Almost **24,100** visitors at the events in Bogotá and Medellín



Over **7,100** people participated in the first event held in Bogotá



Almost **50.000** visitors in Bogotá and Medellín





mi planeta



We work to create and lead initiatives that will mitigate and compensate the impact of our operations on the environment. We encourage our customers, employees and suppliers to join this effort and, together, to forge environmental awareness.

We work in five fronts:



1. Reduction of material



2. Solid waste management and recycling



3. Consumer education



4. Sustainable construction



5. Measurement and mitigation of the carbon footprint



It is very positive for a market leader like Grupo Éxito to understand its role in protecting nature, and to be a role model in environmental responsibility through good practices. Initiatives like “Colombia Magia Salvaje”, “Limpiemos Colombia” and “Una bolsa menos” have allowed for different sectors to develop environmental awareness, and for Colombians to acquire more sustainable lifestyles.

Alexandra Gómez Arias.
Communication and Marketing Manager at the World Wildlife Fund (WWF), Colombia.

Picture on pre-title page: We promote reusable packaging as a way to contribute to caring for the environment.



1. Reduction of material

We work to use the material used in our operations in a more efficient way.

We launched the “**Una bolsa menos**” campaign, which encourages our customers to reduce the use of plastic bags and opt for reusable packaging.



We offer our customers **66 reusable packaging options** available at our Éxito, Carulla, Surtimax, Super Inter and Surtimayorista brands.



Over **987,000** reusable packages were purchased by our customers, and they received **11.4 million extra Points** for it;

134% more than in 2015

in **2014** we introduced the **(Packaging Material Management Model)**, which we use to project the number of plastic bags needed at our stores, thereby avoiding waste.

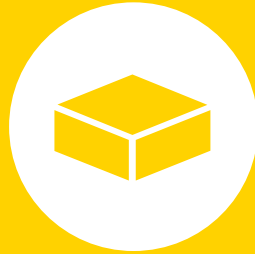


Over **102,500** ecological products sold in Todo Hogar cleaning products catalog.

Over **516.000** boxes used by Didetexco have the FSC (Forest Stewardship Council) seal, which promotes sustainable forest management practices.



We implemented a pilot program to attain **eco-efficiency in the use of packaging**. At our cafeterias and meat sections, we use Styrofoam products that are manufactured with less material.



2. Solid waste management and recycling

We aim to mitigate our operational impact by making efficient use of resources and properly disposing of the waste generated.

A total of **95** **Éxito stores and Carulla supermarkets**, **2** **Distribution Centers** and **2** **Viva shopping centers** have implemented energy efficiency programs in association with Green Yellow*;

We've saved over **2.4 million kWh** which represents the **annual** energy consumption of more than **1,300 Colombian homes**.

14 more locations than in 2015



*Expert energy efficiency management organization



A total of **8 million kWh** saved during the Ahorremos Planeta campaign, equal to the annual energy consumption of more than **4,000 Colombian homes**.

We generate **982 MWh** of clean renewable energy with **5,631 m²** of solar cells installed:

- **The Viva Wajiira shopping center in Riohacha, La Guajira**, reduced its electricity consumption by **21%** which represents the monthly electricity consumption of **3,507 families**.
- **Éxito Panorama in Barranquilla, Atlántico**, produced **24%** of the energy needed for its operations which represents the monthly energy consumption of **3,189 families**.

We cut down more than **23,600 tons** of CO₂ emissions in one year; equal to the amount captured by **over 6,700 trees**.



→ 1,596 solar panels installed at Viva Wajiira on the 5,000 km² of rooftop terrace to capture sunlight.

We reduced waste and loss of food and products used in our operation



Over **1,900 tons** of products were donated to Food Banks through Fundación Éxito. That helped reducing **over 41,500 tons of CO₂**



A total of **136 tons** of meat, chicken and fish not suitable for human consumption were donated to animal breeding farms.



A total of **3.1 tons** of food planted by **over 42,100 people** were recovered in the Agricultural Surplus Recovery Program (REAGRO, for the Spanish original).



We have a comprehensive solid waste management program to properly dispose of waste and recover materials that can be recycled



We've recovered over

22,700 tons of packaging material.

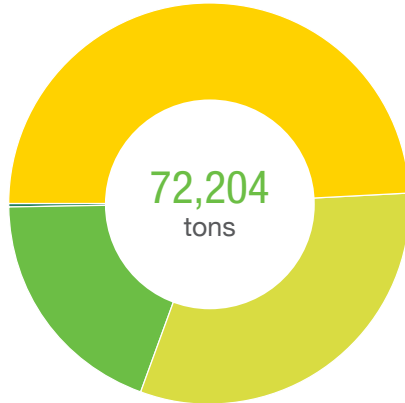
We kept

36,000 tons* of waste from being sent to landfills;

6,000 tons more than in 2015.

*Includes organic, special and recyclable waste

Non-hazardous Waste



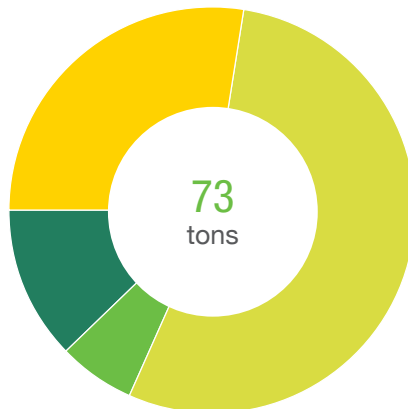
35,622 tons of regular waste | Landfill

22,738 tons of recyclable waste | Reinstatement into the productive cycle and reuse

13,841 tons of organic waste | Compost, donation and sale

3 tons Other waste | Incineration or milling

Hazardous Waste



23 tons of hazardous waste, not incinerated | Stabilization or other treatment (safety cell, sterilization, or other)

45 tons of hazardous waste with reuse potential | Recovery, sale, post-consumption

5 tons of hazardous waste to be incinerated

Total waste 72,277 tons



We saved

90,000 kilometers

of road travel with our double-decker trucks, which make merchandise transport more efficient and reduce emissions by more than **10,000 tons of CO₂**; equal to the amount captured by **2,800 trees**.



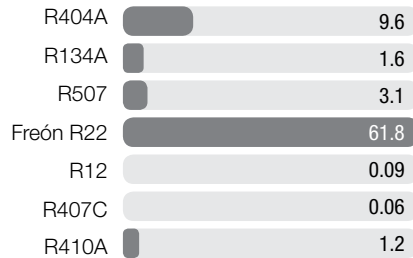
We strive to change our refrigeration systems to more environmentally friendly alternatives

We created a committee to press on in refrigerant research. With this, we aim to:

- Identify systems and market innovations;
- Create synergies between the Government and suppliers; and
- Reduce consumption and properly dispose of refrigerants.

Refrigerant use by type

Figures in tons:



A total of **77.4** tons of refrigerants



3. Consumer education

We encourage our customers to create environmental awareness and adopt respectful habits towards nature.



We launched a campaign to raise environmental awareness in conjunction with the Ministry of the Environment and Sustainable Development, the Ministry of Commerce, the World Wildlife Fund (WWF), and Bimbo Colombia.

LIMPIEMOS COLOMBIA

A total of **23,000** volunteers took part of the campaign



A total of **113 tons** of waste properly classified and disposed

17 municipalities involved

7 cleaning companies
9 recycling associations

97 kilometers traveled on 78 routes

- | | |
|-----------------|------------|
| Armenia | Girardot |
| Barrancabermeja | Girardota |
| Barranquilla | Itagüí |
| Bogotá | Manizales |
| Bucaramanga | Medellín |
| Cali | Montenegro |
| Cartagena | Pereira |
| Cúcuta | Quibdó |
| Chiquinquirá | |



A total of **24.7 tons of post-consumption material** were disposed in **217 collection sites** at our locations.

11.5
tons
of **used batteries**

2.3
tons
of **lamps**

10.6
tons
of **expired medication**

0.28
tons
of **household pesticides**



4. Sustainable construction

Our real estate projects are planned and built to contribute to the regions and preserve the environment.

The **Viva Wajiira shopping center at La Guajira** received the **Core and Shell LEED Gold seal**, becoming **Grupo Éxito's first real estate project, and the first in the Caribbean region**, to receive this recognition.



Over **2,700** people participated in activities to showcase our real estate projects. We use this methodology at the initial stages of the construction works.

Éxito Mosquera in Cundinamarca received the **LEED Silver seal in the retail sector for the commercial interior category** due to its structural characteristics, water and energy savings, and the environmental quality of its interiors, among others.



5. Measurement and mitigation of the carbon footprint

We calculate our carbon footprint and develop action plans to reduce and compensate our impact.

We produced approximately **265,700** tons of CO₂ in our operation.

Scope 1:
approximately **82,200 tons***

Scope 2:
approximately **183,500 tons****

*Refers to direct greenhouse gas emissions produced by the Company

**Emissions coming from the acquired electricity generation used at operations or by our own controlled equipment

Encouraging a
Healthy
Lifestyle





Encouraging a Healthy Lifestyle



We work to offer our customers and employees a portfolio of products and services that help them create healthy lifestyle habits.

We work in three fronts:



1. Awareness customers, suppliers and employees.



2. Marketing of healthy alternatives



3. Promote sport and physical activity



In Grupo Éxito we found a company that cares not only about their customers consumer habits, but also about the requirements for healthy products. For example, Perman as supplier of some of its private label, has participated in sodium-reduction workshops. Grupo Éxito is the only one that has offered this training, and we were able to replace 25% of the salt in some of our breads, thereby offering healthier products.

Diana Ceballos.
Quality Manager,
Industrias Alimenticias
Perman S.A.

Some of the reasons to offer our customers and employees healthy products and encourage them to have healthier lives



1 out of 2 Colombians are overweight, which increases their risk of suffering chronic diseases like high blood pressure, diabetes or heart attacks*.



1 out of 4 Colombians engage in 150 minutes of physical activity per week, the recommended time for a healthy life*.



53% of consumers believe that retail companies can play a significant role in caring for their health**.



We are part of The Consumer Goods Forum, which brings together department stores and food producers from all around the world to promote the sale of healthy food and encourage customers to have healthy lifestyle habits. **Our Nutritional Policy is considered an exemplary practice** by this organization.

We created the Healthy Lifestyle internal committee with an interdisciplinary team whose function is to ensure compliance of the goals set in this challenge.

*National Survey of the Nutritional Situation in Colombia, 2010
** Nielsen, 2015



1. Awareness customers, suppliers and employees

We aim to inform our stakeholders of the importance of practicing habits that are favorable to their health.



Over **8,200** nutritional, optometry and medical consultations to promote health and prevent diseases were offered to our employees during the Health Week.



A total of **1,100** employees were able to assess their nutritional state and receive assistance from a food and nutrition professional.

Over **65,600** fruit servings were consumed by our employees in the framework of the healthy food program;

67% increased their fruit consumption.



23

A total of **23** suppliers of Private Label received training to reduce sodium in the food they produce, thereby preventing the risk of cardiovascular diseases due to excessive consumption of this nutrient. As a result, **74** products were reformulated to reduce sodium content.



More than **173.000** children participated in the Exploradores Éxito (Éxito Explorers) program and were taught regarding healthy eating.

We made **300** visits to nutritionists, dietitians and healthcare personnel to promote the benefits of the Taeq brand, our healthy brand.



A total of **230** customers received food and nutrition training at **10** Carulla supermarkets through the healthy breakfast program.

117 employees were trained to read food nutrition labels so that they can offer our customers the appropriate information.



2. Marketing of healthy alternatives

We offer products geared towards our customers' needs.

We assessed the nutritional contribution of more than **3,300** products offered at our stores to let our customers know about their benefits:

- Over **1,800** of the assessed products have a healthy nutritional profile.
- Over **140** of our fresh products are organic.
- A total of **600** products are free of sugar, gluten or lactose.



We offer our customers over **230** Taeq-brand healthy products;

75% more products than in 2015



Cada porción aporta:

Calorías 0 0%	Grasa Sat. 0 g 0%	Sodio 0 mg 0%	Azúcares 0 g 0%
---------------------	-------------------------	---------------------	-----------------------

% de valor diario recomendado
**%VD basado en la recomendación de la OMS 50g/día.

Nearly **640** products of our Private Label portfolio have a voluntary Guided Daily Amount (GDA) nutritional label which lists the recommended daily amounts, to provide our customers detailed nutritional information.

Over **1,700** audits conducted at **575** stores and Distribution Centers around the country to assess the quality and safety of our food.



3. Promote sport and physical activity

We promote an active and healthy lifestyle by sponsoring sports.



- Miguel Ángel Rodríguez, the best squash player in Colombia and ranked number five in the world, has sponsored by the Taeq brand.
- The 16 best squash players in the world participated in the “**Taeq Squash Colombia Open**” competition that we sponsored along with Claro Sport and the Professional Squash Association.



The **América de Cali** football club is sponsored by the Super Inter brand.



The **Deportivo Independiente Medellín** football club is sponsored by the Surtimax brand.



Eight world skating champions, **six** Pan-American champions and **2,900** skaters from the **Envigado, Antioquia Skating Club** are sponsored by the brand.



- The 15 best BMX riders in pre-elite categories in Colombia, part of the **W-Elite BMX** Team, are supported by the Éxito brand.
- Carlos Mario Álvarez, one of the sponsored BMX riders, was the winner of the BMX World championship in Colombia.

Sponsored races and marathons.

- Half marathon in Cali
- Carrera atlética verde (Athletic Green Race) of 10 km in Cali
- Half marathon in Barranquilla
- Corre-corre Carnaval (Run-Run Carnival) in Barranquilla
- Carrera por amor (Love Race) in Medellín
- Skin Running, Córrele al sol (Race against Skin Cancer) of 5 km in Medellín
- Carrera de las rosas (Race against Breastcancer) in Medellín



Deportes

Over **16,800** activities and sports tournaments to benefit our employees.



**The success
of Grupo Éxito
is with its people**





The success of Grupo Éxito is with its people

We offer an attractive, inclusive work environment for our employees in which they can grow personally and professionally, and work with pride and commitment to attain the organizational objectives.

We work in three fronts:



1. We develop our people in being and doing.



2. We are attractive, diverse and inclusive



3. We encourage social dialog



Mi Casa Plan offered by the Company is a blessing. Thanks to the housing loan I obtained with the Presente and Futuro Funds, I was able to pay off my house in a short amount of time, and today, I enjoy it with peace. I will be forever grateful to Grupo Éxito for trusting in me and helping me fulfill my dream of owning a home.

Elizabeth Rivero Díaz.
Unit Control Assistant.
Éxito Piedecuesta,
Santander.

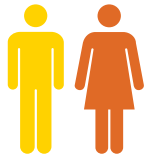
We are the largest private employer in Colombia

Over **42,400** employees working with passion to serve our customers;

2.4% more than in 2015



Type of Contract



A total of **35,725** employees with indefinite-term contract;

6% more than 2015

A total of **6,737** employees with fixed-term contract.

A total of **4,705** employees promoted, **2,582 men** | **2,123 women**;

13% more than 2015



→ Over 100 employees working at Surtimayorista, the Company's first wholesale store.

Employee distribution around the country

Center

16,774 employees (Boyacá, Caquetá, Casanare, Cundinamarca, Huila, Meta and Tolima)

Antioquia

10,211 employees

Southeast

7,457 employees (Caldas, Cauca, Nariño, Quindío, Risaralda and Valle del Cauca)

Coast

6,320 employees (Atlántico, Bolívar, Cesar, Córdoba, La Guajira, Magdalena, Sucre)

Santander and Norte de Santander

1,700 employees



Occupational Health and Safety

- We cut down workplace accidents by **11%**.
- Over **7,500** comprehensive occupational health and safety services offered to more than **3,000** employees.
- Over **4,500** employees trained as brigadiers, paramedics, and firefighters.
- Over **20,300** employees took part in evacuation drills conducted in the different Company locations.



→ Part of the Emergency Brigade team at the Envigado administrative site.



1. We develop our people in being and doing.

We contribute to the comprehensive development and wellbeing of our staff and their families.

We make it possible to develop skills and abilities through training



Over **2 million hours** of training for the employees, with an investment of over COP **4,000 million**.

Over **28,000** employees were trained in programs required by Colombian law.

Over **24,000** employees took part in the orientation and training process.

Over **11,500** employees received training in **nine** Service programs.

Over **7,500** employees received technical training at **eight** schools to accredit knowledge and skills.

Más de **3,000** employees received leadership training.

A total of **761** employees enrolled in programs to develop administrative and managerial skills.

A total of **207** employees in **four** cities were trained in the Co-creators Network to acquire knowledge on innovation.

We offer a portfolio of over 100 benefits so that our employees and their families have a Reason to Smile

Over COP
85,000
million invested
in employee benefits;

7% more than in 2015



Over COP **34,000**
million invested in benefits,
including the Christmas bonus
and celebration to recognize our
employees.



Recreación

Over COP **15,500**
million destined to recreational
activities and vacation bonuses.



Nearly COP **8,800**
million donated for the
education of our employees and
their children.



More than COP **5,800**
million donated to **298**
employees and their families to
purchase or remodel their homes.



Over COP **2,000**
million invested in
healthcare programs.



Over **1,600**
instances of Childbearing
Assistance, with an investment
of COP **890 million**.



Deportes

Over COP **580**
millones asignados a
programas deportivos para
los empleados y sus hijos.



Over **12,500** days off
enjoyed by our employees to
promote balance between work,
personal and family life.



We manage our employees' wellbeing through the Presente Employee Fund and the Futuro Mutual Investment Fund



Over **38,000** employees affiliated make **Presente** the largest employee fund in Colombia;



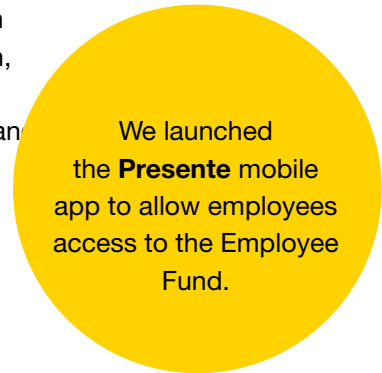
COP 130,000 million saved by employees.



Almost COP **4,000** million invested in education, solidarity, recreation, talents and housing programs, refurbishing vacation centers, and institutional projects.



Over COP **25,500** million lent to **547** employees for housing loans.



We launched the **Presente** mobile app to allow employees access to the Employee Fund.



Over **26,700** people, including employees and their families, covered by healthcare and insurance programs.



Over COP **25,500** people, including employees and their families, visited our vacation centers, with a **91% occupancy**.



More than **30,000** employees affiliated to the **Futuro Mutual Investment Fund**.

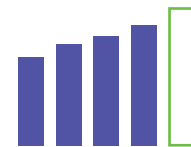
1,200 more than in 2015



Over COP **11,700** million saved by our affiliates.



Over COP **4,700** million paid as profits to affiliates..



A **22.8%** annual profitability reached with affiliates' savings.



2. We are attractive, diverse, and inclusive

We provide work participation opportunities for our employees to attain their professional development.

We are **among the top eight best companies** to work for in Colombia in the “Company with over 500 Employees” category, according to the Great Place to Work Institute, with an outstanding Workplace Environment Index.

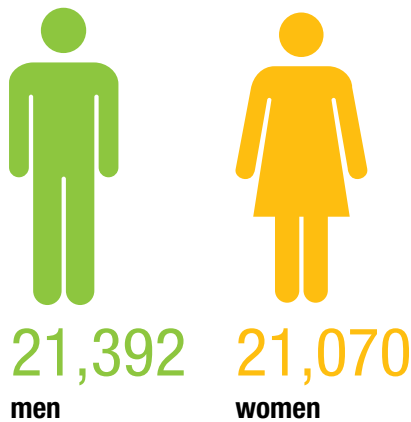


A **93%** of employees surveyed consider Grupo Éxito as a good place to work.

Over **5,000** employees were recognized for their Years of Service to the Company.

We seek diversity in work teams and foster labor fairness through our Professional Equity Policy

Our staff



Women's participation by position*



Executives
5
(17.24%)



Managers
215
(29.17%)



Supervisors
1.976
(45.86%)



Operators
18.874
(50.49%)

* Individual ownership interest over the total number of employees per level.



Employee distribution by age*

18,217
between 30 and 50 years

14,598
under 30 years

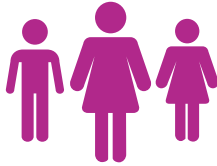
2,894
over 50 years

* Indefinite-term employees.



We are committed to having inclusive and diverse work teams

We foster opportunities for dialog to showcase women’s leadership roles in the different work environments.



We disseminated the **Professional Equity Policy** among the executive teams of the different brands, and to more than 150 women in Barranquilla, Bogotá and Cali.

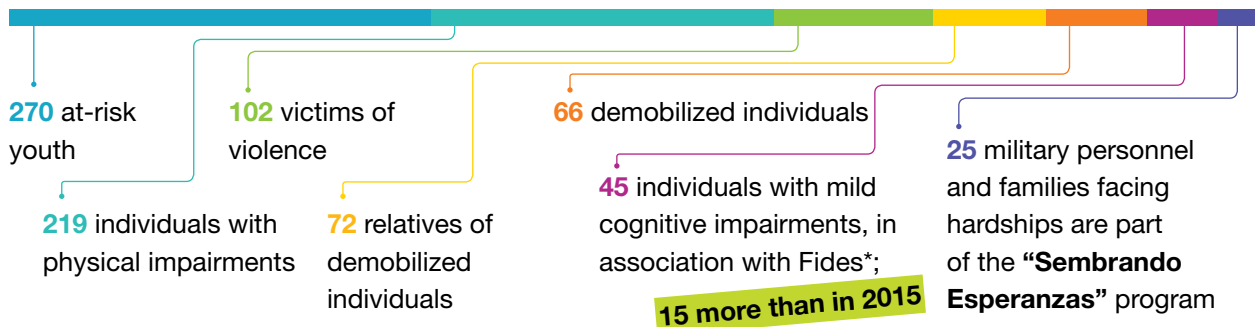
We conducted the **“Inspiring Women”** conference, in which we highlighted entrepreneurial and personal stories of some women.



Marcela Baena, journalist and anchorwoman; **Luz María Correa**, President of Construcciones El Cóndor; **Carolina Angarita**, General Manager of Google Colombia, participated in the conference.

We completed a decade of supporting employment for vulnerable populations

More than **799** people are part of our Employment Inclusion program:



* Foundation for Special Education Research and Development (Fundación para la Investigación y el Desarrollo de la Educación Especial)



3. We encourage social dialog

We listen to our employees’ concerns and suggestions, and we work together to create solutions.

We signed three Compacts and one Collective Labor Agreement to promote our staff’s common wellbeing.

- We act under the guidelines of national and international regulations.
- Over 2,000 employees received Labor Relations training.



Our communication channels include **“Buzón 360° Contigo Expresate”** and **“Buzón de Sentimientos”**. Our employees have been able to leave over 42,000 comments, ranging from positive to suggestions for improvement.

Sustainability in the Region



Sustainability actions undertaken by Grupo Éxito companies in South America

The following is a list of actions concerning sustainability, undertaken by companies that operate the business in Brazil, Uruguay and Argentina. These actions are framed in five challenges: Local corporate citizen; Trusted partner; Reducing our environmental impact; Responsible retailer and Committed employer.



Local corporate citizen

- Invitation to customers to participate in the fourth edition of Solidarity Day at different stores.
- Provision of musical training to 350 people and members of the GPA Orchestra.
- Participation of 30 people in the Prosperar Program.
- Training of 300 people to become professional bakers.

Trusted Partner

- Purchase of products from small regional producers as part of the *Caras Do Brasil* program.
- Suppliers submitted to 31 social audits.
- Launching of the meat purchasing policy.

Reducing our environmental impact

- Installation of over 235 recycling stations at the stores.
- Proper waste separation and increased number of stores with composting process.
- Reduced consumption through energy efficiency projects in partnership with Green Yellow*.
- Reduction of food waste where 300 institutions benefited from food donations.

Responsible retailer

- Promotion of Taeq-brand healthy food, considered one of the 50 most popular brands by Brazilian consumers.

Committed employer

- Launching of commitment letter and diversity guide.
- Procurement of 110 youth with intellectual disabilities.
- Participation of 40% of women in the mentoring program where women develop their skills.

* Expert energy efficiency management organization.



Local corporate citizen

- Participation in the ninth annual breast cancer prevention campaign.
- Collaboration in the third annual skin cancer prevention campaign.
- Support of public-school students participating in the Book Fair to promote reading.

- Reduction of energy consumption with the installation of LED lighting at the stores.
- Promotion of the use of reusable bags.

Responsible retailer

- Consolidation of the Healthy Lifestyle program.

Trusted Partner

- Quality certification for our fresh products.
- Partnership with small local producers to have fresh fruits and vegetables year-round.

Committed employer

- Incorporation of anti-discrimination policies in work regulations.
- Adjustment of the employee meal plans as part of Healthy Lifestyle program.

Reducing our environmental impact

- Packaging optimization to make it more environmentally friendly.
- Separation and proper disposal of 100% of the cardboard produced at stores.



Local corporate citizen

- Donation of more than 28,000 kg of food to food banks.
- Over 27,700 people benefited from the Nutri Huevo Program at the Santiago del Estero Food Bank.

of reusable bags.

- Installation of eco-spots to recover plastic bottles, cardboard and bottle caps.
- Promotion of water conservation together with suppliers.

Reducing our environmental impact

- Reduction of an 85% in the use of plastic bags, and started charging for plastics bags.
- Increase of a 52% in the sale

Responsible retailer

- Installation of green kiosks on sporting days and family day to promote healthy menus to our employees and their families.



Declaración de aseguramiento de calidad

Informe de Desarrollo Sostenible 2016

La Auditoría Interna del Grupo Éxito realizó aseguramiento limitado a las Memorias de Desarrollo Sostenible del Grupo Éxito, correspondiente al ejercicio anual finalizado el 31 de diciembre de 2016.

En la preparación del informe de sostenibilidad 2016 se contó con el apoyo de la Dirección del Grupo Éxito, la cual es responsable de definir, adoptar y mantener los sistemas de gestión y control interno de los que se obtiene la información. Nuestra responsabilidad es emitir un informe independiente basado en los procedimientos aplicados en nuestra revisión.

Los procedimientos de aseguramiento aplicados comprendieron: (a) el entendimiento de la metodología de cálculos y procedimientos de consolidación de los indicadores por medio de entrevistas con los gestores responsables de la elaboración de la información, y (b) confrontación, sobre bases muestrales, de los datos cuantitativos de los indicadores divulgados en el reporte de sostenibilidad.

Conclusiones

Como resultado de nuestra revisión del Informe de Sostenibilidad 2016 del Grupo Éxito y con el alcance anteriormente descrito, no hemos observado situaciones que nos hagan creer que el control interno no es efectivo respecto de los aspectos revisados incorporados en el presente informe de sostenibilidad. Concluimos que la información incluida en el informe referente a los indicadores es materialmente completa; se presenta de manera entendible y clara y en nuestra opinión se considera confiable y está libre de sesgo y errores significativos.



Gladys Elena Estrada Y.
Directora de Auditoría Interna Grupo Éxito

Envigado, Antioquia, 15 de febrero de 2017