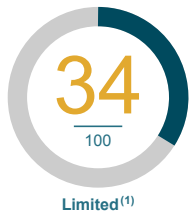


## Company and Sector Performance

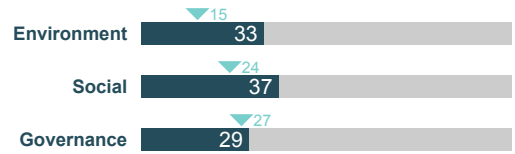
Company performance    Sector average performance    Sector performance

### ESG OVERALL SCORE

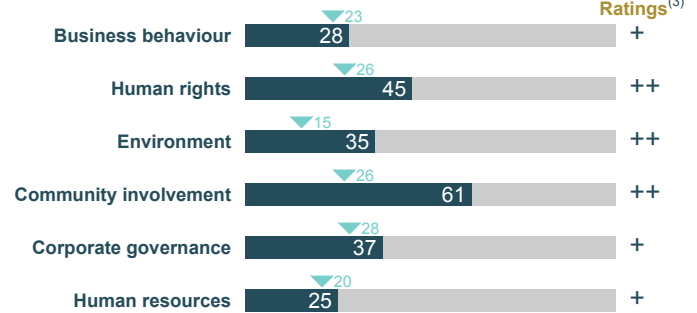


Information rate	66%
sector average	42%
Cooperation level <sup>(2)</sup>	Not responsive
High severity controversies	No
Rank in Sector	3/21
Rank in Region	177/890
Rank in Universe	1354/4453

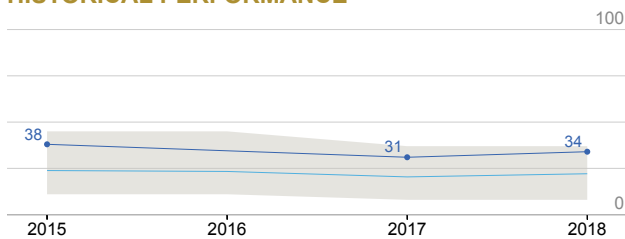
### ESG PERFORMANCE (/100)



### 6 DOMAINS PERFORMANCE (/100)



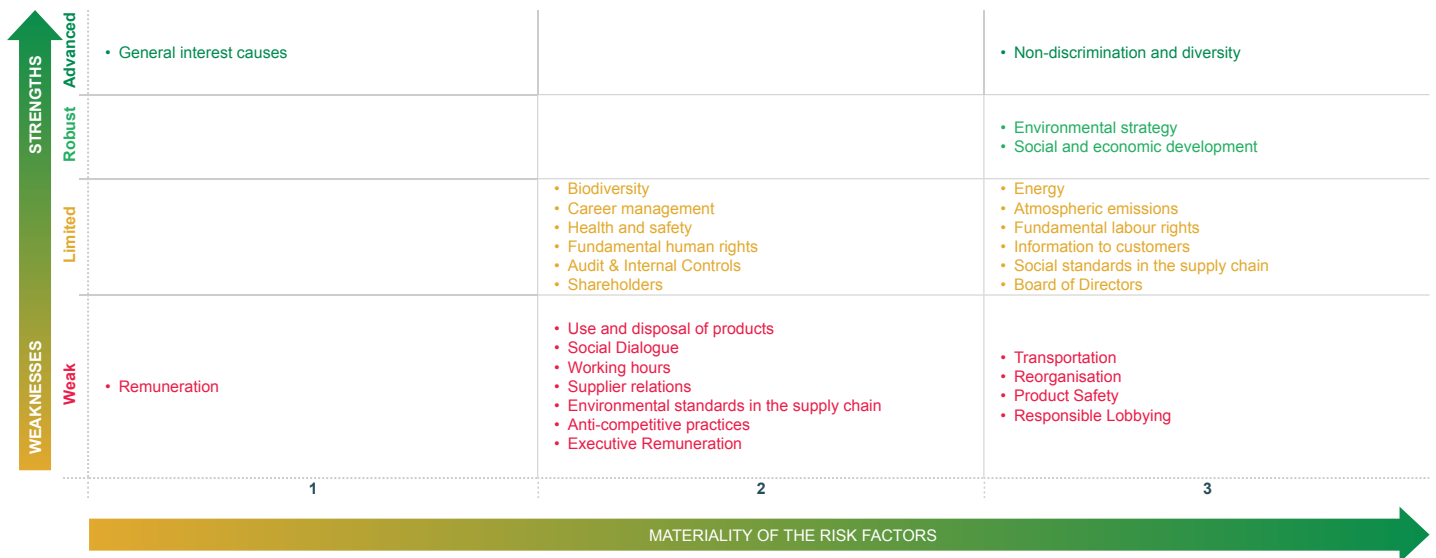
### HISTORICAL PERFORMANCE



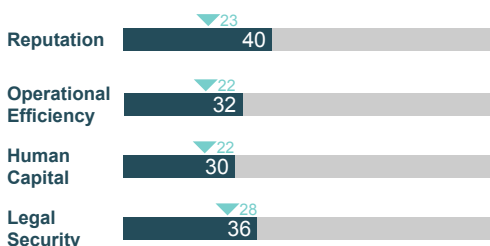
Company inclusion in Vigeo Eiris indices<sup>(4)</sup>: No

## Management of risks and opportunities

### MATERIALITY & PERFORMANCE MATRIX



### RISK MITIGATION INDEX (/100)



### ANALYST FOCUS

TOPIC	COMMENT	TREND
General Interest Causes	The Company's main strength is in its strategy to manage its contribution to general interest causes, given that it has set relevant targets in this regard. In addition, Grupo Exito has allocated extensive measures and programmes which involve its employees.	↗
Non-discrimination	Grupo Exito has a commitment to non-discrimination and has set up significant measures to prevent it which include affirmative action programmes and flexitime initiatives. This commitment is demonstrated by an increase in the percentage of women in management position and in the share of people with disabilities in the Company's workforce.	↗
Product Safety	The Company's performance with regards to Product Safety is considered weak. Although some references are made about it, Grupo Exito's management system remains very basic and no KPIs are disclosed.	↘
Social Dialogue	Grupo Exito obtained a weak performance with regards to its social dialogue. Despite some information disclosed on subjects covered by collective bargaining, the Company does not publicly report on the percentage of coverage of these agreements.	→

## Carbon Footprint and Energy Transition\*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

### CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

### ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

## Goods and services contributing to sustainable development\*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

## Involvement in controversial activities\*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

### Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at [customer.service@vigeo-eiris.com](mailto:customer.service@vigeo-eiris.com)

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)

(2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive

(3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "++", "+++" (Note: original image has different symbols)

(4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

		Weight	Overall score 34/100		Trend	Score	Leadership	Implementation	Results
			<b>Environment</b>		↗	35	42	29	22
E	ENV1.1	3	Environmental strategy		↗	51	79	22	N/A
E	ENV2.2	3	Energy		↗	43	30	51	48
E	ENV2.4	3	Atmospheric emissions		↗	31	30	30	33
E	ENV2.7	3	Transportation		↗	18	30	23	0
E	ENV1.4	2	Biodiversity		↗	37	65	17	28
E	ENV3.1	2	Use and disposal of products		↗	26	21	28	30
			<b>Human Resources</b>		→	25	18	21	35
S	HRS2.3	3	Reorganisation		↘	22	0	0	65
S	HRS1.1	2	Social Dialogue		→	18	0	33	22
S	HRS2.4	2	Career management		→	43	37	49	44
S	HRS3.2	2	Health and safety		→	34	55	30	16
S	HRS3.3	2	Working hours		→	12	0	13	22
S	HRS3.1	1	Remuneration		→	17	28	0	22
			<b>Human Rights</b>		→	45	50	18	65
S	HRT2.1	3	Fundamental labour rights		→	32	30	0	65
S	HRT2.4	3	Non-discrimination and diversity		↗	64	79	48	65
S	HRT1.1	2	Fundamental human rights		→	34	37	0	65
			<b>Community Involvement</b>		→	61	69	46	69
S	CIN1.1	3	Social and economic development		→	50	58	33	59
S	CIN2.2	1	General interest causes		↗	95	100	86	100
			<b>Business Behaviour (C&amp;S)</b>		→	28	35	11	38
S	C&S1.1	3	Product Safety		↘	24	37	0	35
S	C&S1.2	3	Information to customers		→	48	48	32	65
S	C&S2.4	3	Social standards in the supply chain		↗	43	74	26	28
G	C&S3.3	3	Responsible Lobbying		→	12	0	0	35
S	C&S2.2	2	Supplier relations		↘	22	37	0	28
E	C&S2.3	2	Environmental standards in the supply chain		→	22	39	0	28
G	C&S3.2	2	Anti-competitive practices		→	18	0	11	43
			<b>Corporate Governance</b>		→	37	44	27	39
G	CGV1.1	3	Board of Directors		→	49	51	30	65
G	CGV2.1	2	Audit & Internal Controls		→	32	35	30	30
G	CGV3.1	2	Shareholders		→	41	67	30	26
G	CGV4.1	2	Executive Remuneration		→	20	20	18	22

■ Weak (0-29/100) ■ Limited (30-49/100) ■ Robust (50-59/100) ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

## Benchmark Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
ZAE000005443	Pick N Pay Stores	++	+	++	++	++	+	37
MX01WA000038	Wal-Mart de Mexico	++	=	++	+	++	+	35
<b>COG31PA00010</b>	<b>Almacenes Exito</b>	<b>++</b>	<b>+</b>	<b>++</b>	<b>++</b>	<b>+</b>	<b>+</b>	<b>34</b>
ZAE000012084	Shoprite	+	+	=	+	+	+	31
BRPCARACNPR0	Grupo Pao de Acucar	++	=	++	=	+	=	30
ZAE000058517	The Spar Group	+	+	=	+	=	+	29
VIGEIRIS0386	Carrefour Brasil	++	+	+	-	=	=	28
TH0737010R15	CP All	+	+	++	+	+	=	28
CL0000000100	Cencosud	=	-	+	=	+	+	22
PLEURCH00011	Eurocash	=	+	=	=	=	=	22
MX01CH170002	Grupo Chedraui	=	=	=	+	=	=	22
TW0002912003	President Chain Store	=	+	=	=	=	=	22
TREBIMM00018	BIM Birlesik Magazalar	-	=	-	-	=	=	18
KR7139480008	E-mart	=	-	-	=	=	=	17
HK0000083920	Sun Art Retail Group	=	-	-	=	-	+	17
CNE100000544	Wumart Stores	=	=	-	=	=	-	17
MA0000011801	Label Vie	-	+	-	=	=	-	15
US55953Q2021	Magnit	-	-	=	-	-	=	13
MXP200821413	Controladora Comercial Mexicana	-	-	=	-	-	-	11
KR7027410000	BGF retail	-	-	-	-	-	-	8
KR7007070006	GS Retail	-	-	-	-	-	-	8

## General information

Almacenes Éxito S.A. (Grupo Éxito) owns and operates a chain of retail stores. The Company's store formats include hyper, vecino, super, techno, and express store formats, as well as drugstores. It also engages in the consumer credit, travel agency, textile and food, e-

commerce, fuel distribution, and shopping center development businesses. The Company operates in Colombia, Uruguay, Brazil and Argentina. Moreover, it is headquartered in Colombia and was founded in 1905.

## Selected financial data

Key data	Revenues	EBIT	Employees
2017	COP 56.4tn	COP 2.1tn	140,000
2016	COP 51.6tn	COP 1.6tn	140,000
2015	COP 24.1tn	COP 1.4tn	200,000
2014	COP 10.5tn	COP 0.6tn	41,090
2013	COP 10.7 tn	COP 0.46tn	38,623

Main shareholders	2018
Casino, Guichard-Perrachon SA	52.6%
AFP Porvenir SA	5.4%
Admin Fondos de Pensiones y Cesantia Proteccion SA	4.7%

Geographical Breakdown	Turnover 2017	Employees
Brazil	73%	N/A
Colombia	19%	N/A
Uruguay	5%	N/A
Argentina	3%	N/A

Main economic segment	Turnover 2017
Food	72.9%
Success	13.1%

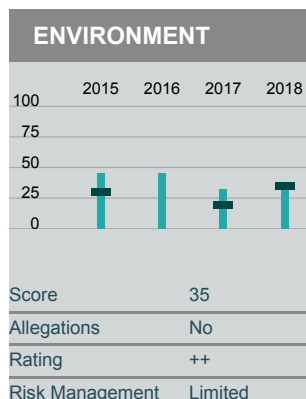
Main economic segment	Turnover 2017
Product Retail	7.4%
Discount	2.9%
Carulla & B2B	3.7%

## Selected ESG Indicators

	2017	2016
Non-executive Board member(s) responsible for CSR issues	Yes	Yes
Executive remuneration linked to CSR performance	No Info	Yes
3-year energy consumption trend (normalized to turnover)	N/A	N/A
Ratio of payments to employees vs. Shareholders	N/A	N/A
Percentage of independent Board members	22.2	22.2
Percentage of women on Board	11	11
Percentage of women in Executive team	26	23
Percentage of women in workforce	50.1	49.6
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	N/A
3 year trend for safety at work	N/A	↗
Involvement in armament	No	No
Transparency on payment of tax	Partial	Partial
Management of social risks in supply chain	Limited	Limited

## CSR performance per domain

■ Sector performance  
■ Company performance  
 Rating : min- / max ++



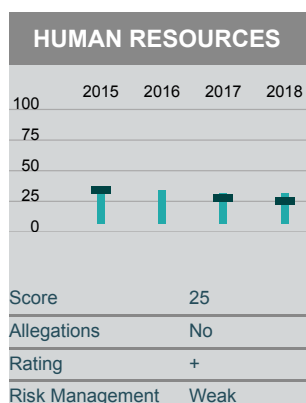
### Key issues

The environmental strategy of a Supermarket company should address the reduction of its main impacts. These cover issues such as energy use, sustainable agricultural and animal rearing management, eco-design of own-branded product and packaging. To guarantee the continuity of the cold chain, companies must also manage responsibly atmospheric emissions. In addition, transportation is another key issue for supermarkets since long-distance transportation intervenes at all stages of the value-chain, with important consequences in terms of greenhouse effects and atmospheric pollution.

### Company performance

- Grupo Éxito's absolute performance in the Environment domain is limited, which is an increase compared to the previous review.

- This improvement is mainly due to the Company's highly relevant commitment to all environmental and eco-design issues, supported by comprehensive resources to environmental management. The Company's Sustainability Policy prompts commitments to all of its environmental responsibilities upheld by significant measures. Grupo Exito's commitment towards biodiversity protection addresses the main relevant impacts such as the prevention of GMO contamination and the promotion of sustainable fishing and agriculture. Also, the Company has provided resources to reduce its energy consumption and related emissions such as energy saving lighting solutions and the use of energy efficient equipment. However, the Company only reports on limited measures to reduce its food waste.



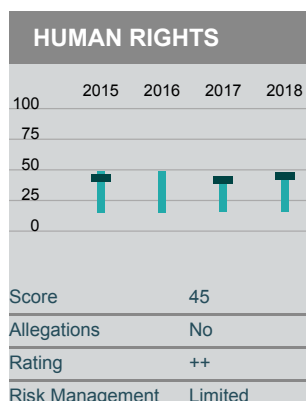
### Key issues

In a context of restructurings, companies from the Supermarkets sector are expected to ensure employees' rights are respected and that employee representatives are consulted during reorganisations. Career management, payment of overtime and the quality of remuneration are among key issues to consider in the Supermarkets industry given their contribution to companies' operational efficiency and internal stability.

### Company performance

- Grupo Éxito's absolute performance in the Human Resources domain is weak, which is in line with the previous review.

- The Company has issued a formal commitment to promote career management and has set in place a concerted career management framework, which is transparent and individualized. Grupo Exito has also issued a formalised commitment to health and safety issues, backed up with limited measures such as training and internal monitoring. Furthermore, although the Company's accident rate has decreased, the Company does not disclose other relevant health and safety indicators.



### Key issues

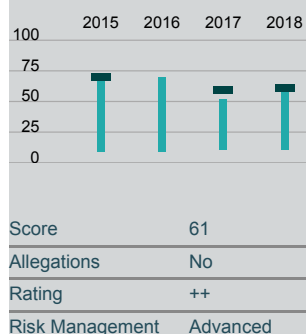
Companies in this sector operate in some weak governance countries where fundamental human and labour rights might be compromised. Supermarkets are thus required to effectively ensure the respect of these rights throughout their operations. Finally, while women constitute the majority of workforce in stores, men are much more represented in managerial positions. These companies are, therefore, required to provide employees with equal opportunities which is a factor of internal cohesion and competitiveness.

### Company performance

- Grupo Éxito's absolute performance in the Human Rights domain is limited, which is in line with the previous review.

-The Company has issued a formalised commitment to address non-discrimination supported by significant measures such as awareness raising, affirmative actions programmes and flexitime initiatives. Moreover, Grupo Éxito's has issued formalised commitments to ensure the respect of human and labour right, but it does not report on monitoring systems and measures.

## COMMUNITY INVOLVEMENT



### Key issues

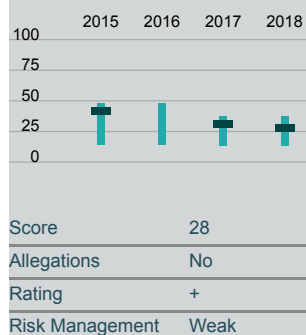
Implantation of big supermarkets in inner cities is among the major challenges of the sector. Indeed, this expansion could have a detrimental effect on independent shops and small independent traders. In addition, supermarkets can contribute to poverty reduction through the development of local economies. The promotion of the social and economic development is therefore a key issue for the sector.

### Company performance

- Grupo Éxito's absolute performance in the Community Involvement domain is advanced, which is in line with the previous review.

- When it comes to social and economic development and general interest causes, the Company has defined a clear strategy to manage its contributions and has set up targets aimed at reducing chronic malnutrition in Colombian children by 2030. Moreover, Grupo Exito has promoted significant measures to general interest causes which are allocated in majority of its sites. The Company, also, has promoted significant means to the development of local businesses, by promoting social investment initiatives and supporting local suppliers. In addition, the vulnerable population employed by the Company has increased by 1.1 percentage points from 2014 to 2017.

## BUSINESS BEHAVIOUR (C&S)



### Key issues

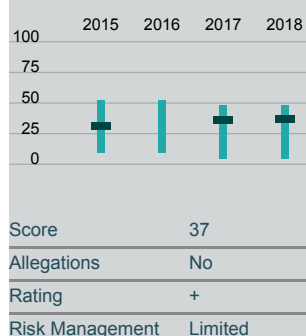
The rise of multiple health impacts from products significantly influenced customers' interest on product safety which continues to represent a major issue for supermarkets. The transparency and integrity of the information provided to customers through labeling is also an ongoing challenge for the industry alongside responsibility to ensure sustainable relations with suppliers. Finally, Social standards in the supply chain is another key sector issue for Supermarkets whose bargaining power with their suppliers to obtain better prices might be made at the expense of working conditions in the supply chain.

### Company performance

- Grupo Éxito's absolute performance in the Business Behaviour domain is weak, which is in line with the previous review.

- The Company has issued a formalised commitment on prevention of corruption, backed up with measures to prevent it such as a dedicated confidential hotline and email address, and the possibility to contact internal audit directly and confidentially. In addition, Grupo Exito has a formalised commitment to inform customers about its products and services, including a comprehensive system which integrates third party involvement. Moreover, it has formalised commitments in product safety, sustainable relationships with suppliers and integration of environmental and social factors in the supply chain. However, the Company does not disclose information on how it addresses anti-competitive and lobbying issues. Overall, the score is hampered by the lack of reporting on indicators.

## CORPORATE GOVERNANCE



### Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo's framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics (CGV1.1). The audit and internal controls system is examined regarding the efficiency and reach of its risk management (CGV2.1). Shareholders are expected to have fair voting rights and access to all relevant information on material CSR issues (CGV3.1). Executive remuneration is assessed for transparency and alignment with the interests of company's shareholders and other stakeholders (CGV4.1).

### Company performance

- Grupo Éxito's absolute performance in the Corporate Governance domain remains limited, which is in line with the previous review.

- Concerning the Board of Directors, all of its members are non-executive directors who demonstrate expertise on CSR issues. Moreover, the Company has a CSR committee which is part of the Board and relevant CSR issues are discussed at Board level such as social dialogue and environmental concerns. The Audit Committee has a comprehensive role that covers some major issues and has an overall strategy which includes risk mapping. Moreover, CSR indicators appear to be taken into account when it comes to executive remuneration.



## CSR performance per criterion

## Detailed Analysis

<b>Environment</b>		<b>10</b>
ENV1.1	Environmental strategy and eco-design	10
ENV1.4	Protection of biodiversity	12
ENV2.2	Minimising environmental impacts from energy use	14
ENV2.4	Management of atmospheric emissions	16
ENV2.7	Management of environmental impacts from transportation	17
ENV3.1	Management of environmental impacts from the disposal of products/packaging	19
<b>Human resources</b>		<b>21</b>
HRS1.1	Promotion of labour relations	21
HRS2.3	Responsible management of reorganisations	23
HRS2.4	Career management and promotion of employability	24
HRS3.1	Quality of remuneration systems	26
HRS3.2	Improvement of health and safety conditions	28
HRS3.3	Respect and management of working hours	30
<b>Human rights</b>		<b>32</b>
HRT1.1	Respect for human rights standards and prevention of violations	32
HRT2.1	Respect for freedom of association and the right to collective bargaining	34
HRT2.4	Non-discrimination	36
<b>Community involvement</b>		<b>38</b>
CIN1.1	Promotion of the social and economic development	38
CIN2.2	Contribution to general interest causes	41
<b>Business behaviour (C&amp;S)</b>		<b>43</b>
C&S1.1	Product Safety	43
C&S1.2	Information to customers	45
C&S2.2	Sustainable Relationships with suppliers	48
C&S2.3	Integration of environmental factors in the supply chain	50
C&S2.4	Integration of social factors in the supply chain	52
C&S3.2	Prevention of anti-competitive practices	54



C&S3.3	Transparency and integrity of influence strategies and practices	56
<b>Corporate governance</b>		<b>58</b>
CGV1.1	Board of Directors	58
CGV2.1	Audit & Internal Controls	60
CGV3.1	Shareholders	62
CGV4.1	Executive Remuneration	63

 Involvement in allegations     Involvement in allegations with evidence of corrective measures

## Environment

Score: 35

### ENV1.1 Environmental strategy and eco-design

(score: 51, weight: 3)



#### Visibility of commitment

Grupo Éxito has issued a formalised commitment to environmental protection in its Sustainability Policy. Also, the company is a signatory of the Global Compact and communicates on this principle.

#### Relevance of the company's environmental strategy

The company commits to all its responsibilities in terms of environmental protection:

- Minimise the environmental impacts from energy use
- Manage the environmental impacts from transportation
- Manage atmospheric emissions (CFCs, HCFCs, HFCs)
- Reduce the use of plastic bags
- Management of environmental impacts from the disposal of products
- Reduce the packaging of own-branded products
- Protection of biodiversity

#### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, there is a dedicated structure responsible for this issue, and other stakeholders are involved.

*The company's Sustainability Committee is responsible for this commitment. Also, the company has developed partnerships with the Ministry of the Environment and Sustainable Development, and World Wildlife Fund(WWF).*

#### Resources allocated to environmental management

The company has allocated limited resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

*- Internal audits that assess the effectiveness of the EMS: All the data related to environmental are monitored by Internal Audit Department.*

#### Coverage of certified environmental management systems

Information obtained from company and public sources regarding the share of the sites/offices that have a certified environmental management system is insufficient.

#### Relevance of the company's commitment to eco-design

The company commits to some of its responsibilities in terms of eco-design:

- Integration of Eco design in building (existing or in construction)
- Eco design of own-branded product portfolio

### Resources allocated to eco-design of own-branded products

Information obtained from the company and public sources regarding resources allocated to own-branded products is insufficient.

### Coverage of resources allocated to eco-design of own-branded products

Information obtained from the company and public sources regarding resources allocated to eco-design of own-branded products is insufficient.

### Resources allocated to eco-design of stores and warehouses

The company has allocated some resources to include eco-design aspects in the design of its stores and warehouses.

*The company received Core and Shell LEED Gold seal award for its Wajjiira Shopping Center. Also, it has been awarded the LEED Silver seal for the design and construction of its Éxito Mosquera in Cundinamarca.*

### Coverage of the resources allocated to eco-design of stores and warehouses

The company has conducted eco-design for a minority of its stores and warehouses.

*Grupo Exito has implemented these measures in one shopping center and two stores in Colombia. However, it remains unclear if these measures also take place in Uruguay, Brazil and Argentina, where Grupo Éxito has 64% of their total stores.*

Leadership	79
Visibility	65
Relevance	77
Ownership	100

Implementation	22
Means & resources	32
Coverage	8

## ENV1.4 Protection of biodiversity

(score: 37, weight: 2)



### Relevance of commitment to biodiversity protection.

The company's commitment towards biodiversity protection addresses the main relevant impacts:

- Promotion of sustainable agriculture
- Promotion of sustainable fishing
- Promotion of sustainable forestry
- Promotion of sustainable animal rearing
- Prevention of GMO contamination

### Means allocated to promote sustainable agriculture

The company has allocated some means to promote sustainable agriculture:

- Environmental impact assessments
- Promotion and effective development of organic farming
- Full traceability and labelling systems
- International certification schemes
- Minimizing the use of fertilizers, chemicals, and external input
- Protection of soil from erosion and poverty
- Measures to protect pollinators

- *International certification schemes: the Company promotes Good Agricultural Practices (GAP) certification among its suppliers. 37 (6%) of its total fruit and vegetable suppliers have been GAP-certified.*

- *Protection of soil from erosion and poverty: as per above, the issues covered in the Good Agricultural Practices are: protection of soil fertility, restricted use of pesticides.*

### Means allocated to sustainable fisheries

The company has allocated some means to promote sustainable fisheries:

- Full traceability from catch to consumer
- Labelling systems
- International certification schemes
- Minimising the use of nutrients, antibiotics and fungicides
- Protect wild species and prevent fishing endangered species

- *Protect wild species and prevent fishing endangered species: Grupo Éxito works with its suppliers to ensure that they respect the exclusive fishing zones and do not market endangered species. In addition, the company states that its suppliers should also respect species's reproductive cycles and promote the fishing with fishhook, avoiding fishing with net.*

### Means allocated to sustainable animal rearing

Information obtained from the company and public sources regarding means allocated to promote sustainable animal rearing is insufficient.

- Promotion of animal rearing organic systems
- Ban of products from engineered animals and/or exotic animal
- Minimize non-therapeutic use of antibiotics and hormones
- Ensure appropriate feeding of animals
- Awareness raising/ training on sustainable animal rearing
- Measures to ensure animal well-being
- Avoid negative impacts on local environment

## Means allocated to sustainable forestry

Information obtained from the company and public sources regarding means allocated to promote sustainable forestry is insufficient.

- International certification schemes
- Ban of sourcing from forest protected areas
- Full traceability systems
- Dedicated structure

## Means allocated to prevent GMO cross contamination

The company has allocated some means to prevent cross contamination due to the use of GMOs in agriculture:

- Full traceability and labelling systems
- Information on GMO cross contamination to farmers
- Preventive measures during planting, cultivation, harvest, transport, storage, and processing
- Other measures to ensure the prevention of GMO cross contamination (for example, monitoring of GM crops in non-GM neighbouring fields, ...)

- Full traceability and labelling systems: the Company issued a notice to its private label suppliers. The objective was to communicate to the suppliers that, according to Colombian legislation, when a product is GMO or contains GMOs and its characteristics of allergenicity, nutrition, organoleptic properties, or utilization with regards to the equivalent product vary, this must be labeled.

## Coverage of the measures allocated to the protection of biodiversity

There is no evidence that Grupo Éxito has promoted the sustainable fisheries to the majority of its suppliers.

## Results with regard to biodiversity protection

The company does not disclose indicators on its impact on biodiversity.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver

Leadership	65	Implementation	17	Results	28
Relevance	65	Means & resources	16	Performance	65
		Coverage	18	Trends	0

ENV2.2 Minimising environmental impacts from energy use

(score: 43, weight: 3)



Relevance of the company's commitment in terms of reducing its energy consumption.

The company's commitment to reduce its energy consumption is general.  
As no quantitative targets are disclosed.

Relevance of the company's commitment in terms of reducing its energy-related emissions.

The company's commitment to reduce its energy-related emissions is general.  
As no quantitative targets are disclosed.

Resources allocated to reduce energy consumption and related emissions.

The company works to optimize its production processes, in order to reduce its energy consumption and/or its related emissions.

- Energy-saving lighting solutions
- Energy-saving heating / air conditioning concepts
- Use of energy-efficient equipment (IT, machinery,...)
- Use of alternative more energy-effective methods of refrigeration

- Energy-saving lighting solutions: The company has switched to LED lighting and has reduced its lighting energy consumption by 50% .  
- Use of energy-efficient equipment: Grupo Éxito has generated 1017.7 MWh from its solar energy plant. It has installed a solar energy system in its Viva Wajiira shopping mall in Colombia and in Éxito Panorama in Barranquilla.  
- Use of alternative more energy-effective methods of refrigeration: Two of the company's stores have natural refrigerant gases. Moreover, the company installed a system with natural transcritical refrigeration in Exito La Felicidad and it has Water Loops refrigeration system

Coverage

The company has taken such measures in a minority of sites.  
The company has implemented these energy programs in a few stores, located in Colombia and Uruguay.

Energy consumption

The Company's total energy consumption, normalised to sales, has decreased over the past two years in Colombia, by 49% from 0.1168GWh per M Euros turnover in 2014 to 0.0598 in 2015. Likewise, the total energy consumption normalised to the number of employees has decreased in Colombia, by 75% over the same period. However, no data is disclosed in 2017, 2016 and 2013 or for the other countries where Grupo Éxito operates.

CO2 emissions linked to energy consumption

The Company's CO2 emissions linked to energy consumption, normalised to sales, has decreased but not continuously over the past five years in Colombia, by 74% from 0.0659 Kt per M Euros in 2013 to 0.0170 Kt per M Euros in 2017. However, no data is disclosed for the other countries where Grupo Éxito operates.

# Almacenes Exito

ISIN CODE: COG31PA00010 Supermarkets Emerging Market

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>51</b>	<b>Results</b>	<b>48</b>
Relevance	30	Means & resources	65	Performance	48
		Coverage	30		



## ENV2.4 Management of atmospheric emissions

(score: 31, weight: 3)



### Relevance of the company's commitment in terms of reducing its atmospheric emissions from refrigeration systems

The company's commitment to reduce its atmospheric emissions is general.  
*As no quantitative targets are disclosed.*

### Means allocated to reduce emissions of HCFCs

*The company has set up monitoring systems for its atmospheric emissions, and has technological systems in place to reduce its impacts.*  
*- Installation of ozone friendly refrigeration systems: The company installed a natural refrigerant gases in two of its brand stores. Moreover, it has Water loops refrigeration system. Moreover, Exito La Felicidad installed the first natural transcritical refrigeration in Colombia.*

### Coverage of HCFCs reduction matters

The company has taken such measures in a minority of sites.  
*The Company has taken these measures in Colombia which represents 19% of the company's operations.*

### Greenhouse gas emissions not related to energy consumption (in CO2 equivalent)

The company does not disclose quantitative data on greenhouse gas emissions not related to energy consumption.

### Ozone Depleting substances\* (in CFC-11 equivalent)

The company's ozone depleting substances emissions, normalised to sales/floor area, have decreased but not continuously over the past five years.  
*The company's ozone depleting substances emissions, normalised to sales, have decreased but not continuously by 76% from 0.02 tons equivalent of substances per M Euros of turnover in 2013 to 0.0047 tons equivalent of substances per M Euros of turnover in 2017.*

Leadership	30	Implementation	30	Results	33
Relevance	30	Means & resources	30	Performance	32
		Coverage	30		

ENV2.7 Management of environmental impacts from transportation

(score: 18, weight: 3)



Relevance of the company's commitment with regard to the environmental impacts related to the transport of its products

The company's commitment to reduce the environmental impacts related to the transport of its products is general.

as no quantitative targets are disclosed.

Means allocated to minimising the environmental impacts from the company's logistics

The company has set up some relevant measures to reduce its environmental impacts related to the transport of its products:

- Monitoring of distances travelled, fuel consumption, transport-related CO2 emissions
- Optimisation of logistics (e.g. increase load factors, reduce distances travelled...)
- Improvement of production transport mix (alternatives to road transport)
- Training for company-employed drivers for eco-efficient driving
- Eco-efficient company fleet (e.g. LPG-powered trucks, etc.)
- Improving vehicles maintenance
- Joint transportation initiatives with other retailers
- External evaluation of the impacts of product transportation and logistics supply chain

- *Monitoring:* The company monitors the distances travelled and the transport related emissions.  
 - *Optimisation of logistics:* Grupo Éxito operates only with vehicles above year 2000. Moreover, it has implemented a no vehicles chimney policy and has reduced its CO2 emissions in 10,000 tons.  
 Of note, the company provides spaces for electric car users. Moreover, the company help their customers in choosing expert institutions to charge their electrical cars.

Coverage

The company has taken such measures in a minority of sites/for a minority of products.

The programs of the company are being developed in Colombia, but it remains unclear if the programs also take place in Uruguay, Brazil and Argentina.

Means allocated to promoting the company's objectives amongst commercial partners

Information obtained from the company and public sources regarding initiatives involving transport logistics partners to minimise energy consumption and emissions is insufficient.

Energy consumption or CO2 emissions related to transportation

The company does not monitor energy consumption or CO2 emissions from transportation.

## Trend in transport mix

The company does not monitor/report the breakdown of the different modes of transport uses internally.

Leadership	30
Relevance	30

Implementation	23
Means & resources	20
Coverage	30

Results	0
Performance	0
Trends	0

## ENV3.1

### Management of environmental impacts from the disposal of products/packaging

(score: 26, weight: 2)



#### Relevance of commitments related to packaging

The company's commitment to limiting impacts related to the disposal of its packaging is general.

#### Resources allocated to the disposal of packaging

The company provides some examples of packaging that reduce impacts at the disposal phase.

- Development of own-branded packaging designed for recycling or dismantling
- Reuse of own-branded packaging
- Reduce the size of own-branded packaging
- Limit the amount of material used in own-branded packaging

*-Development of own-branded packaging designed for recycling or dismantling:  
The company delivered own-branded reusable bags to its customers.*

#### Coverage with regard to resources allocated to the disposal of packaging

*There is no evidence that the means in place to the disposal of packaging are implemented throughout the company.*

#### Relevance of commitments related to own-branded products

The company does not disclose any commitments related to limit the environmental impacts from its own-branded products.

#### Resources allocated to the disposal of own-branded products

Information obtained from the company and public sources regarding means allocated to limiting the environmental impacts related to the disposal of its products is insufficient.

- Development of own-branded products designed for recycling or dismantling
- Take-back programmes
- Information to customers on takeback programmes
- Participation in partnerships with local authorities / professionals specialised in elimination

#### Coverage with regard to resources allocated to the disposal of own-branded products

Information obtained from the company and public sources regarding the percentage of sites covered by measures affecting the elimination of the product is insufficient.

#### Share of products that are collected and reused

Information disclosed on the share of its products/services that are collected and/or reused and/or recycled is insufficient to determine a trend.

## Reduction of the distribution of plastic bags at supermarket check-outs

The amount of plastic bags distributed at supermarket check-outs has significantly decreased over time.

*The amount of plastic bags distributed at supermarket check-outs has significantly decreased by 41% in Colombia.*

## Relevance of commitments related to food waste

The company's commitment to limit the environmental impacts from food waste is general.

*as no quantitative targets are disclosed.*

## Resources allocated to address food waste

The company has allocated limited measures to address food waste.

- Awareness raising to customers
- Actions to improve storage across the food chain
- Actions to improve packaging
- Donations to food banks
- Composting
- Culling program

*- Donations to food banks: Grupo Éxito distributed to several institutions 1,900 tons of food to 17 food banks in Colombia. Also, through the company stores in Brazil and Argentina, 300 institutions were benefited from the donation of food and 28,000 kg of food were donated to food banks.*

## Coverage of the resources allocated to address food waste

The company has taken measures in a majority of its operations.

*Grupo Éxito reports on initiatives in Colombia, Brazil and Argentina, which represented 95% of the company's operations.*

## Reduction of food waste

The company does not disclose data on the reduction of the food waste.

<b>Leadership</b>	<b>21</b>	<b>Implementation</b>	<b>28</b>	<b>Results</b>	<b>30</b>
Relevance	21	Means & resources	21	Trends	30
		Coverage	35		

Human resources

Score: 25

HRS1.1 Promotion of labour relations

(score: 18, weight: 2)



Visibility of commitment

The company does not disclose any commitment to promote labour relations.

Relevance of commitment

The company does not disclose any commitment to promote labour relations.

Ownership of commitment

The company does not disclose any commitment to promotion of labour relations.

Coverage of employee representative bodies

Information obtained from the company and public sources regarding the percentage of sites where employee representation structures are in place is insufficient.

Subjects covered by collective bargaining

Collective bargaining between the company and employee representatives deals with subjects related to the employment conditions, including:

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Employee representative bodies in countries with restrictive legislation

In countries with restrictive legislation, the company consults employees through alternative employee representative bodies.

*The Company operates in Colombia, where there is no guarantee of labour rights. The Company states: '147 non-formal meetings were held between the JRH and union leaders of the agencies in order to evaluate, feedback, constructive contributions and propose action plans on particular issues in the warehouses where they work.'*

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver

## Coverage of collective agreements on working conditions

Information obtained from the company and public sources, regarding the percentage of the company's employees covered by collective agreements on working conditions, is insufficient.

Leadership	0	Implementation	33	Results	22
Visibility	0	Means & resources	100	Performance	22
Relevance	0	Scope	65		
Ownership	0	Coverage	0		



HRS2.3 Responsible management of reorganisations

(score: 22, weight: 3)



**Relevance of commitment to manage reorganisations responsibly** The company does not disclose any commitment to manage reorganisations responsibly.

**Involvement with employee representatives** The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

**Means allocated to prevent and manage reorganisations** Information obtained from the company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

- significant financial compensation
- early retirement
- reduction of labour time
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

**Coverage** Information obtained from the company and public sources regarding the percentage of sites where such measures are taken is insufficient.

**Stakeholders' feedback** A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.  
*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

**Result of the company's commitment to manage reorganisations responsibly** The company has been able to avoid layoffs or dismissals.  
*The information on reorganisations recently conducted by the company is insufficient, but its workforce has increased by 180%.*

Leadership	0	Implementation	0	Results	65
Relevance	0	Means & resources	0	Performance	65
Ownership	0	Coverage	0		

**HRS2.4 Career management and promotion of employability**

(score: 43, weight: 2)



**Visibility of commitment**

The company has issued a formal commitment to promote career management and training in its Sustainability Policy.

**Relevance of commitment**

The company's commitment to promoting career management and training only addresses part of its responsibilities:

- Anticipate short and long-term employment needs and skill requirements
- Adapt employees' skill sets to their career paths
- Enable the progressive improvement in employees' qualification levels
- Put in place a concerted career management framework, which is transparent and individualized

- Put in place a concerted career management framework, which is transparent and individualized: the Company conducts annual performance reviews during which employees can give feedback and discuss their development needs. Additionally, the Company has also developed a tool to enable its employees to carry out a self-assessment, and from there build an individual action plan with their bosses.

**Ownership of commitment**

The Head of HR, Juan Felipe Montoya C, is part of the company's Executive Committee. However line managers do not appear to be evaluated on their performance in terms of HR management.

**Career management systems**

Grupo Éxito's employees undergo individual and formal meetings in order to review their performance. Also, the company provides the possibility for its employees to carry out a self-assessment performance that can be discussed with their direct superior.

**Coverage of career management systems**

This program covers employees of level 1 to 6 and don't apply to workers in stores' operations (Level 7).

**Types of training provided to non-managers**

The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills.

Grupo Éxito reports providing its non-managers employees with a comprehensive training in technical knowledge and development of skills that employees must have to perform their role. Additionally, according to its answer to Vigeo, over 3,000 employees received leadership training; 761 employees enrolled in programs to develop administrative and managerial skills; 207 employees in four cities were trained in the Co-creators Network to acquire knowledge on innovation.

The company's normalised indicators on training hours or budget per employee <br>have decreased over the past three years.

## Means allocated to training for all employees

*The company's normalised indicators on training hours per employee have decreased in Colombia, by 17% from 43.7 hours per employee in 2015 to 37.1 hours per employee in 2017. However, no data is disclosed for the other countries where Grupo Exito operates.*

## Mobility / turnover

*The mobility rate has increased continuously in Colombia, by 2 percentage points from 10% in 2015 to 12% in 2017.*

## Training delivered during the year under review

The precise percentage of employees having received training during the year under review is not disclosed.

*Trainings were provided during 2017, but it remains unclear how many employees benefited from these.*

<b>Leadership</b>	<b>37</b>
Visibility	65
Relevance	30
Ownership	30

<b>Implementation</b>	<b>49</b>
Means & resources	32
Scope	65
Coverage	65

<b>Results</b>	<b>44</b>
Performance	44

## HRS3.1 Quality of remuneration systems

(score: 17, weight: 1)



### Visibility of commitment

The company has issued a formalised commitment to the quality of its remuneration systems, but it is not published publicly.

*According to its answer to Vigeo, the Company has a compensation policy which establishes the strategy of positioning wages with respect to labour markets.*

### Relevance of commitment

The company's commitment to the quality of its remuneration systems is general.

- Guarantee decent remuneration
- Promote access to social security
- Ensure transparency and communication when setting and reviewing remuneration
- Take into account individual achievements in setting and reviewing remuneration

### Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

### Means to ensure transparency of remuneration

Information obtained from the company and public sources regarding means allocated to ensure transparency of remuneration is insufficient.

### Coverage of transparent and verifiable remuneration systems

Information obtained from the company and public sources regarding the percentage of employees covered by a transparent and verifiable remuneration system is insufficient.

### Trend of quality of remuneration systems

The company does not disclose information on its remuneration system.

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 03/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

# Almacenes Exito

ISIN CODE: COG31PA00010 Supermarkets Emerging Market

Leadership	28	Implementation	0	Results	22
Visibility	65	Means & resources	0	Performance	65
Relevance	30	Coverage	0	Trends	0
Ownership	0				

## HRS3.2 Improvement of health and safety conditions

(score: 34, weight: 2)



### Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues in its *Sustainability Policy*.

### Relevance of commitment

The company's commitment only addresses part of its responsibilities:

- improve ergonomics
- reduce stress/promote well-being
- reduce the number of work accidents on the road
- reduce the number of other labour accidents
- prevent occupational disease

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure or local managers are held accountable.

*The Comprehensive Health and the Wellbeing departments are in charge of this commitment.*

### Means allocated to health and safety

The company has allocated means to address health and safety issues, including:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- H&S competitions
- remuneration based on H&S performance
- OHSAS 18001 certifications

- *Training and awareness raising programmes: in 2016, 4,500 employees of Grupo Éxito were trained as brigadiers, paramedics, and firefighters. In addition, several evacuation drills were conducted in 2016, involving 20,300 of employees.*  
 - *Internal monitoring: The company monitors and discloses indicators on work accidents for its employees in Colombia.*

### Coverage of health and safety system

The health and safety measures cover a minority of the company's employees.

*Trainings are reported to have been provided to employees representing less than 15% of total employees. No specific measure is reported for employees located in Uruguay, Brazil or Argentina.*

The company has allocated basic means to address stress at work or ergonomics, including:

- monitoring of absenteeism/rate of occupational disease
- job redesign (work organisation)
- assessment of stress through analysis of internal H&S data
- monitoring of stress through opinion surveys
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)
- training on stress for employees/ managers
- Ergonomic design of workplaces
- measures to improve ergonomics/ ergonomic design of workplaces

## Means allocated to reduce stress at work

- *Identification of stress sources: With annual psychosocial risk assessments, the company identifies opportunities for improvement in organizational design.*  
 - *Ergonomic design of workplaces: The company states that it includes ergonomic design in its organization.*

**Coverage of means allocated to address mental health** *There is no evidence that a majority of employees are covered by these measures.*

## Accident frequency rate

*The accident frequency rate has decreased continuously in Colombia (30.3% of employees) from 9.5 % in 2014 to 8.2% in 2016.*

## Accident severity rate

The company does not disclose quantitative data on accident severity rates.

## Other health and safety indicators

The company does not disclose quantitative data on occupational disease rates.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>55</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>16</b>
Visibility	65	Means & resources	30	Performance	16
Relevance	30	Coverage	30		
Ownership	65				



**HRS3.3 Respect and management of working hours**

(score: 12, weight: 2)



**Visibility of commitment**

The company does not disclose any commitment to the respect and management of working hours.

**Relevance of commitment**

The company does not disclose any commitment to the respect and management of working hours.

- respect the rights of employees to vacation and leisure time
- provide compensation measures for those employees working atypical hours or overtime
- take into account the desires of employees in establishing working hours (flexibility, part-time)
- promote the recourse to more stable employment contracts

**Ownership of commitment**

The company does not disclose any commitment to respect and management of working hours.

**Means to compensate for atypical working hours (including overtime, night work)**

Information obtained from the company and public sources regarding means allocated to reduce the impact of atypical working hours is insufficient.

**Coverage of measures to compensate for atypical working hours**

Information obtained from the company and public sources regarding the percentage of employees covered by such measures is insufficient.

**Means to promote work/life balance**

The company has taken measures to take into account employee preferences in setting working hours, such as:

- voluntary flex-time schemes
- voluntary part-time work
- sabbatical years
- additional paternity leave
- child-care services at the workplace

- *Voluntary flex-time schemes: the Company states, in its answer to Vigeo, that it runs a program called the Tiempo para ti (Time for You) that provides recreational, educational, and cultural and sports activities. Time for You allows free days like birthdays and time with the family. The company also provides flexible working hours.*

- *Child-Care services at the workplace: Grupo Exito Provides its employees with programs and services which cover children from birth to 17 years. These programs includes early childhood simulation, school aid, educational aid for*

children with disabilities, and events for children. Also, the company set up in its workplace of Medellin and Bogota lactation rooms.

## Amount of overtime

Information obtained from the company and public sources regarding the amount of overtime is insufficient.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver

<b>Leadership</b>	<b>0</b>	<b>Implementation</b>	<b>13</b>	<b>Results</b>	<b>22</b>
Visibility	0	Means & resources	19	Performance	22
Relevance	0	Coverage	0		
Ownership	0				

Human rights

Score: 45

HRT1.1 Respect for human rights standards and prevention of violations

(score: 34, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to respect and promote human rights in society in its Sustainability Policy. Also, the company is a signatory of the Global Compact but does not communicate on this principle.

Relevance of commitment

The company's commitment to respect and promote human rights in society is general.

- Respect the right to privacy on data gathered through CRM and data mining solutions
- Respect property rights
- Prevent cruel, inhuman, or degrading treatment by security agents
- Promote Human Rights in high risk countries
- Prevent complicity in human rights violations

Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

Means allocated

Information obtained from the company and public sources regarding systems to ensure that basic human rights are respected is insufficient.

- awareness-raising programmes for employees
- training programmes for employees
- grievance mechanisms
- human rights impact assessments
- internal audits
- external audits/verification
- external investigation of allegations

*Of note, the Company states, in its answer to Vigeo, that it is currently developing the due diligence process, which is expected to be completed by 2020.*

Coverage

Information obtained from the company and public sources regarding the percentage of the company covered by systems to promote human rights is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>37</b>	<b>Implementation</b>	<b>0</b>	<b>Results</b>	<b>65</b>
Visibility	65	Means & resources	0	Performance	65
Relevance	30	Coverage	0		
Ownership	30				

## HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 32, weight: 3)



### Visibility of commitment

The company has made references to freedom of association and the right to collective bargaining in its Sustainability Policy. Also, the company is a signatory of the Global Compact but does not communicate on this principle.

### Relevance of commitment

The company's commitment generally addresses freedom of association and the right to collective bargaining.

- protection of freedom of association and the right to organize
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135 ,or similar international texts on union rights
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace
- prevent violations of the freedom of association and the right to organize

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

### Monitoring

It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.)

- Occasional risk mapping
- Occasional internal audits
- On-going monitoring of labour rights risks
- regular internal audits
- External audits/verification
- External investigation of allegations
- Cooperation with unions: joint audits, joint grievance procedures etc.

### Promotion of collective bargaining

Information obtained from the company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

### Coverage of the monitoring systems

Information obtained from the company and public sources the percentage of the company where such labour rights systems and programmes are in place is insufficient.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

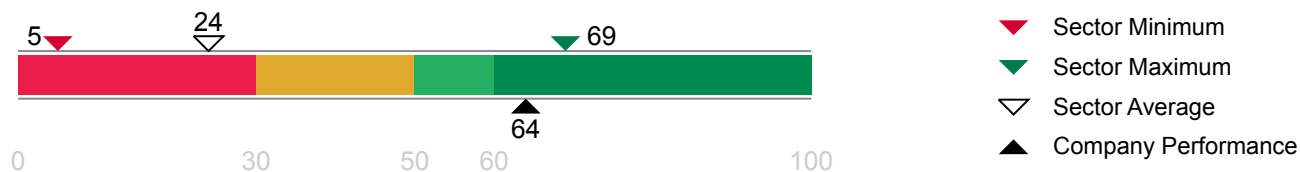
<b>Leadership</b>	<b>30</b>
Visibility	30
Relevance	30
Ownership	30

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

<b>Results</b>	<b>65</b>
Performance	65

## HRT2.4 Non-discrimination

(score: 64, weight: 3)



### Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

*Sustainability Policy. The company is a signatory of the Global Compact and communicates on this principle.*

### Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply:

- gender
- sensitive medical conditions
- trade union membership or activities
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved.

*The company works with the FIDES foundation that approach the vulnerable population groups with cognitive impairments to the labor world.*

### Means allocated

The company has set up significant measures to prevent discrimination and promote diversity:

- awareness raising
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities



- training
- monitoring
- confidential reporting system / grievance procedures
- disciplinary procedures / corrective measures
- affirmative action programmes
- flexitime initiatives
- child care facilities/child care subsidies
- career break opportunities

- Awareness raising: Through its Professional Equality Policy, Grupo Exito promote women's leadership roles inside the company. This policy was dispatched to more than 150 women in Cali, Bogota and Barranquilla. Moreover, it was distributed among different executive teams in the company.

- Monitoring: The company does its monitoring through the Coexistence Committee and it tracks the participation of women with respect to their position. Based on the company reporting, there were no incidents of discrimination.

- Affirmative action programmes: the company provides programs related to vulnerable population groups in Colombia through job creation. Moreover, The company has program that involve care for elderly People and it collaborates with expert foundation that approach the vulnerable population groups.

- Flexitime initiatives: the company has implemented flexitime initiatives via the Tiempo para ti (Time for You) program.

## Coverage

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) in a minority of its operations.

*The company has developed these programs in Colombia but it remains unclear if the programs also take place in Uruguay, Brazil and Argentina where Grupo Exito has 64% of their total stores.*

## Women in management positions

The share of women in management positions has increased continuously over the past three years.

*Percentage of women in management position in colombia has increased continuously by 1.9 percentage points from 28.1% in 2015 to 30% in 2017.*

## Results in terms of employment of people with disabilities

*The share of people with disabilities in the total workforce has increased continuously over the past five years by 0.18 percentage points from 0.21% in 2012 to 0.39% in 2017.*

*Of note: This information is disclosed for the Colombian employees which consist only 30.3% from Grupo Exito employees.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

Leadership	79	Implementation	48	Results	65
Visibility	65	Means & resources	65	Performance	65
Relevance	100	Coverage	30	Trends	65
Ownership	65				

Community involvement

Score: 61

CIN1.1 Promotion of the social and economic development

(score: 50, weight: 3)



Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its:

*Sustainability Policy.*

Relevance of commitment

The company's commitment to promote local social and economic development addresses only part of its responsibilities:

- Optimise the impact of operations on the local economy
- Promote the creation and development of local businesses
- Promote the employment and training of local personnel
- Reduce the social impacts related to site closures, openings, and restructuring
- Implement a responsible tax strategy

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other stakeholders are involved.

*The company is engaged with public authorities of Colombia as governorates, municipalities, ministries and also with specialized local NGOs.*

Resources allocated to the mitigation of the Company's operations

Information obtained from the company and public sources regarding resources allocated to the mitigation of the company's operations is insufficient.

- Social impact assessment when implantation in new areas or closing sites
- Integration of traditional businesses in stores
- Reduction of the social impacts related to site closures and restructuring
- Local communities dialogue process

Geographical coverage

Information obtained from company and public sources regarding the percentage of sites where such programmes are in place is insufficient.

Resources allocated to promotion of the social and economic development

The company has allocated extensive means to address social and economic development, including:

- Promotion of local employment of among disadvantaged groups and marginalized workers
- Support of the development of local business
- Promotion of local suppliers (in particular farmers)

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Promotion of social investment initiatives (education, health programmes to support local communities)

- Promotion of local employment of among disadvantaged groups and marginalized workers: The company has an employment Inclusion program for victims of violence, individuals with physical impairments and youths at risk, ect.  
 - Support of the development of local business: 1,307 mini-market and self-service owners were part of a program developed by Grupo Exito to help the development of small entrepreneurs and suppliers.  
 - Promotion of local suppliers: 86% of the fruits and vegetables purchased by the company came from local suppliers or farmers of different places in Colombia  
 - Promotion of social investment initiatives: Grupo Éxito has developed a program "Gen Cero" which is a movement to reduce and eradicate childhood malnutrition.

## Geographical coverage

These means are allocated in parts of the company's sites.

All these programs are being developed in Colombia and it remains unclear if the programs take place in other places where Grupo Éxito operates such as Uruguay, Brazil and Argentina.

## Performance trend

The company's normalised indicators on social and economic development have shown improvement continuously over the past three years.

Vulnerable population employed by the company in Colombia has increased by 3.3 percentage points from 1.1% in 2014 to 4.4% in 2017.

## Transparency of tax reporting

The Company does not report any information on taxes paid.

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

The company discloses only total taxes, total revenues, sales and operating profit per zone.

## Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company does not operate in any location considered by the IMF as 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver

# Almacenes Exito

ISIN CODE: COG31PA00010 Supermarkets Emerging Market

Leadership	58	Implementation	33	Results	59
Visibility	65	Means & resources	50	Performance	57
Relevance	30	Coverage	15	Trends	65
Ownership	100				

## CIN2.2 Contribution to general interest causes

(score: 95, weight: 1)



### Relevance of commitment

The company has defined a clear policy / strategy to manage its contribution to general interest causes and has set relevant targets to this respect.

*Grupo Éxito's Foundation expects that no child under five years suffers from chronic malnutrition in Colombia by 2030. In addition, the company addresses several of the relevant issues for the sector:*

- Integral development for early childhood
- food security initiatives (reducing hunger in the population)
- building knowledge (on nutrition and early childhood)

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other stakeholders are involved.

*Responsible for this commitment is the Éxito Foundation and has established partnerships with public authorities of Colombia as governorates, municipalities, ministries and also with specialized local NGOs.*

### Means allocated

The company has allocated resources to general interest causes and has set up programmes to involve its employees.

- financial support
- in-kind donations
- complementing or matching employees' charitable contributions
- sponsoring employee volunteering
- allowing staff time

- financial support: the company provides funding to Éxito Foundation, which focuses on early childhood integral care with emphasis on proper nutrition for children and expecting and lactating families.
- in-kind donations: through Éxito Foundation, Grupo Éxito's stores distribute to various institutions 1,900 tons of food to 19 food banks in Colombia. Also, 300 institutions were benefited from the donation of food through GPA in Brazil and 28,000 kg of food were donated to food banks in Argentina through Libertad stores.
- allowing staff time: The employees of Grupo Éxito, support in a voluntary way the activities that Foundation Éxito makes.

### Geographical coverage

These means are allocated in the majority of company sites.

*The programs of the company are being developed in Colombia, Brazil and in Argentina, but it remains unclear if the programs also take place in Uruguay, where Grupo Éxito has 5% of their total stores.*

### Trend in contributions to general interest causes

The company monitors indicators on contributions to general interest causes, and these have been improving over time.

*The trend in contributions to general interest causes has increased by 0.27 percentage points from 2014 to 2017.*

<b>Leadership</b>	<b>100</b>
Relevance	100
Ownership	100

<b>Implementation</b>	<b>86</b>
Means & resources	100
Coverage	65

<b>Results</b>	<b>100</b>
Trends	100

## Business behaviour (C&S)

Score: 28

### C&S1.1 Product Safety

(score: 24, weight: 3)



#### Visibility of commitment

The company has made references to product safety in its:

*Integrated Report.*

#### Relevance of commitment

The company's commitment to address product safety is general.

- Food safety
- Control chemical substances present in some products
- Crisis management
- Use of nanotechnologies
- Prevent cigarette counterfeiting

#### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved.

*The Sustainability Committee is responsible for this commitment.*

#### Food safety management systems

Information obtained from the company and public sources regarding food safety prevention systems is insufficient.

- Training of employees on food safety
- Development of logistics tracing tool
- Application of HACCP method
- Food certification schemes
- External food safety audits
- Risk assessments on nanomaterial used in food or packaging

*Of note, Grupo Éxito conducted 1,700 audits at 575 stores and distribution centres in Colombia in order to assess the quality and safety of the food.*

#### Non food products safety management systems

Information obtained from the company and public sources regarding product safety prevention systems is insufficient.

- External product safety audits
- Quality management system
- Follow up of customers claims
- Product specific certification schemes
- R&D to develop safer products
- Preventative measures to fight counterfeiting

*of note, the company follows FSA(Food Standards Agency) criteria for the identification of unhealthy products. Moreover, Grupo Exito conducts a nutritional analysis on private label products.*

## Coverage for prevention system

Information obtained from the company and public sources regarding the percentage of sites covered by such measures is insufficient.

## Crisis management system

Information obtained from the company and public sources regarding crisis management system is insufficient.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

## Transparency and trends of indicators relative to product safety

The company does not disclose any indicator relative to the outcomes of its product safety policy.

<b>Leadership</b>	<b>37</b>
Visibility	30
Relevance	30
Ownership	65

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

<b>Results</b>	<b>35</b>
Performance	65
Trends	0



## C&S1.2 Information to customers

(score: 48, weight: 3)



- ▼ Sector Minimum
- ▼ Sector Maximum
- ▽ Sector Average
- ▲ Company Performance

### Visibility of commitment

The company has issued a formalised commitment to adequately inform customers about its products and services in its:

*Nutritional Policy. Moreover, the company is part of the Consumer Goods Forum, which promotes the sale of healthy food and encourage customers to have healthy lifestyle habits.*

### Relevance of commitment

The company's commitment only addresses part of its responsibilities:

- Transparent labelling of products
- Promotion of communication on nutrition
- Responsible marketing techniques
- Information on the dangers of tobacco
- Transparent labelling of GMOs
- Transparent labelling of nanomaterials
- Transparent information about consumer credits

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management. In addition, other employees are directly involved.

*The company appointed Healthy Lifestyle internal Committee to be in charge of this commitment.*

### Systems to monitor information to customers on Nutrition

The company has set up a comprehensive system to ensure customers are informed properly, which integrates third party involvement:

- Detailed information for customers on products/services on website / brochures
- Interactive information on stores
- Highlight healthy products in stores
- Transparent labeling of products
- Review ingredients of own brand products
- Training for chefs de rayon
- Procedures to approve/monitor marketing material by third parties
- Cooperation with scientists

*- Detailed information for customers: The company provides its customers advices on balanced nutrition and healthy lifestyles. Moreover, it has provided food and nutrition education to its customers.*

*- Interactive information on stores: Through its healthy breakfast program, 230 customers of Grupo exito received training about food and nutrition. The company participates in a pilot programme to promote healthier lifestyles to consumers in Colombia developed by the Consumer Goods Forum. Moreover, the company has carried out the Éxito Explorers program, in which children are taught about healthy*

eating, and 173,000 children participated in this program.

- *Highlight healthy products in stores: The company launched the Bueno Para Ti (Good for you) portfolio which has more than 1700 healthy products. Moreover, the company has a brand called "Taeq" which has more than 250 products that have nutritional and health benefits.*
- *Transparent labeling on products: Grupo Éxito's uses its labelling system to provide nutritional information on its products. Moreover, the company analyzes the nutritional label for private products.*
- *Review ingredients of own brand products: The company provided training to 23 suppliers that produce company's private labels in order to reduce sodium in their elaborated food. The suppliers reformulated 74 products, by reducing the sodium content.*
- *Cooperation with scientists: the company works jointly with nutrition experts, dietitians and healthcare personnel to promote and study the benefits of its own brand products.*

## Coverage for Systems to monitor information to customers on Nutrition

The company has set up systems for its own brand products and some products from suppliers.

*The company provided its suppliers with trainings that cover products with ingredients which are not healthy.*

## Systems to monitor information to customers on engineered products

Information obtained from the company and public sources regarding the information to customers on engineered products labelling is insufficient.

- Transparent labelling of GMOs used in products
- Transparent labelling of nanomaterial used in products
- Awareness raising campaigns
- Monitoring system: questionnaires
- Finance research studies
- External verification

## Systems to monitor information to customers on over indebtedness

Information obtained from the company and public sources regarding private loans granted to customers is insufficient.

- Respect local legislation on over indebtedness
- Detailed information for customers on website, brochures
- Information on financial services through hotline
- Training for sales staff

## Coverage for systems to monitor Consumer credit

Information obtained from the company and public sources regarding the percentage of sites covered by such measures is insufficient.

## Systems to monitor information to customers on negative impacts of tobacco

Information obtained from the company and public sources regarding the information to customers on negative impacts of tobacco is insufficient.

- Information on the dangers of direct smoking
- Information on the dangers of secondhand smoking
- Information on the dangers of tobacco use for pregnant women
- Information on the dangers of tobacco use for teenagers

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the

company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>48</b>	<b>Implementation</b>	<b>32</b>	<b>Results</b>	<b>65</b>
Visibility	65	Means & resources	31	Performance	65
Relevance	30	Coverage	32		
Ownership	65				

## C&S2.2 Sustainable Relationships with suppliers

(score: 22, weight: 2)



### Visibility of commitment

The company has issued a formalised commitment to establish sustainable relationships with its suppliers and subcontractors in its:

*Supplier Good Practices Agreement and in its Sustainability Policy.*

### Relevance of commitment

The company's commitment only addresses part of its responsibilities

- combating supplier's financial dependence
- promoting long-term partnerships
- prevent unreasonable or discriminatory trading terms or conditions
- ensuring cooperation/support with suppliers from developing countries

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

### Measures established to manage supplier relations

Information obtained from the company and public sources regarding measures established to manage sustainable supplier relations is insufficient.

- Technical and IT assistance
- Financial assistance
- Verification systems to ensure respect of payment delays
- Verification system to ensure that terms of contract do not vary without reasonable notice
- Litigation systems (avoid, prevent litigation)
- Joint development projects
- Products from fair trade

### Coverage

Information obtained from the company and public sources regarding the percentage of the company and/or its suppliers covered by such procedures is insufficient.

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

**Transparency and trends of indicators relative to the outcomes of the company's commitment to ensure balanced and sustainable relations with suppliers**

The company does not disclose any indicator relative to the outcomes of its commitment to ensure balanced and sustainable relations with suppliers.

Leadership	37
Visibility	65
Relevance	30
Ownership	30

Implementation	0
Means & resources	0
Coverage	0

Results	28
Performance	65
Trends	0

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## C&S2.3 Integration of environmental factors in the supply chain

(score: 22, weight: 2)



### Visibility of commitment

The company has issued a formalised commitment to including environmental factors in supply chain management in its:

*Sustainability Policy.*

### Relevance of commitment

The company's environmental requirements for suppliers only address some of the relevant issues in the sector:

- Reduction of cold chain atmospheric emissions
- Reduction of packaging volume of banner products
- Protection of water resources
- ISO 14001 certification of suppliers

*- Protection of water resources: The Company's Supplier Ethics Charter states that 'the use of water will need to be optimized, and all wastewater from production processes will need to be treated in accordance with local laws prior to disposal.'*

### Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

### Resources allocated to integrate environmental issues in the supply chain

Information obtained from the company and public sources regarding measures to include environmental factors in supply chain management is insufficient.

- integration of environmental issues into contractual clauses
- supplier questionnaires/ evaluation
- supplier support (training, technical assistance, best practice sharing etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers
- international environmental certifications for suppliers
- on site visits prior to selection

### Coverage of the measures allocated

Information obtained from the company and public sources regarding the percentage of company's suppliers covered by such measures is insufficient.

### Audits of suppliers/subcontractors

Information obtained from the company and public sources regarding environmental audits of suppliers/subcontractors is insufficient.

## Coverage of audits

Information obtained from the company and public sources regarding the percentage of company's suppliers covered by such measures is insufficient.

## Share of corrective measures vs problems uncovered

The company does not disclose quantitative data on the share of environmental problems in the supply chain that were addressed by corrective measures.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>39</b>	<b>Implementation</b>	<b>0</b>	<b>Results</b>	<b>28</b>
Visibility	65	Means & resources	0	Performance	28
Relevance	30	Coverage	0		
Ownership	30				

C&S2.4 Integration of social factors in the supply chain

(score: 43, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its:

*Suppliers Ethics Charter.*

Relevance of commitment

The company's social requirements for suppliers address all the relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)
- Good labour standards for migrant workers

Ownership of commitment

The commitment applies throughout the company and is supported by senior management.

*The policies and the regulations are supervised by the Commercial Vice-Presidency and the Sustainability.*

Resources allocated to integrate social issues in the supply chain

Information obtained from the company and public sources regarding measures to include social factors in supply chain management is insufficient.

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers
- On site visits prior to conducting business

Coverage of the measures allocated

Information obtained from the company and public sources regarding the percentage of company's suppliers covered by such measures is insufficient.



Dedicated social audits are carried out by external auditors.

## Audits of suppliers/subcontractors

*Independent or third party companies perform audits to Grupo Exito suppliers which has to cooperate and provide acces to their sites and resources. Grupo Exito conducted 18 social audits to its suppliers in Colombia and 31 in Brazil through GPA.*

## Coverage of audits

The audits performed cover own brand suppliers.

*There is no evidence that the measures implemented cover the totality of the own brand suppliers and its main suppliers.*

## Share of corrective measures / problems uncovered

The company does not disclose quantitative data on the share of social problems in the supply chain that were addressed by corrective measures.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>74</b>
Visibility	65
Relevance	100
Ownership	30

<b>Implementation</b>	<b>26</b>
Means & resources	32
Coverage	15

<b>Results</b>	<b>28</b>
Performance	28

## C&S3.2 Prevention of anti-competitive practices

(score: 18, weight: 2)



### Visibility of commitment

The company does not disclose any commitment to preventing anti-competitive practices.

### Relevance of commitment

The company does not disclose any commitment to preventing anti-competitive practices.

- price-fixing
- abuse of dominant position
- dumping
- market-sharing
- agreement on marketing practices
- non respect of commercial sensitive information

### Ownership of commitment

The company does not disclose any commitment to preventing anti-competitive practices.

### Involvement of employees

The company has instituted formal training programmes for relevant employees on the prevention of anti-competitive practices.

*The Company states, in its answer to Vigeo, that several training sessions have been given to the Company's commercial team in three fundamental issues: restrictive practices, abuse of domain position and good business practices.*

### Means allocated to prevention of anti-competitive practices.

Information obtained from the company and public sources regarding reporting mechanisms to monitor anti-competitive behaviour is insufficient.

- approval procedures for contract prices etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- risk assessment of vulnerability areas within the company
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- external audits (by an independent, external specialised organisation)
- external investigations of allegations

### Coverage to means allocated to prevention of anti-competitive practices.

Information obtained from the company and public sources regarding the percentage of the company covered by such controls and programmes is

insufficient.

## Reporting

The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>0</b>	<b>Implementation</b>	<b>11</b>	<b>Results</b>	<b>43</b>
Visibility	0	Means & resources	15	Performance	43
Relevance	0	Coverage	0		
Ownership	0				

C&S3.3 Transparency and integrity of influence strategies and practices

(score: 12, weight: 3)



Visibility towards stakeholders

The visibility of the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

Comprehensiveness of the commitment

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations
- if the company employs former staff of PA, to respect their obligation of confidentiality

Ownership of commitment

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

Involvement of employees

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

Measures allocated

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

- publication of detailed information on lobbying activities
- approval procedures for gifts, travel or other privilege by an independent department
- a dedicated confidential hotline or email address
- internal monitoring for lobbying budget
- internal audits for lobbying activities
- independent party for monitoring lobbying budget/external audit
- external investigations of allegations
- disclosure of the positions in the period of preparation of a debate and during the debate

## Coverage

Information regarding the percentage of the company covered by such controls and measures is insufficient.

## Reporting

The company does not disclose the budget directly and indirectly dedicated to lobbying practices.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

<b>Leadership</b>	<b>0</b>
Visibility	0
Relevance	0
Ownership	0

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

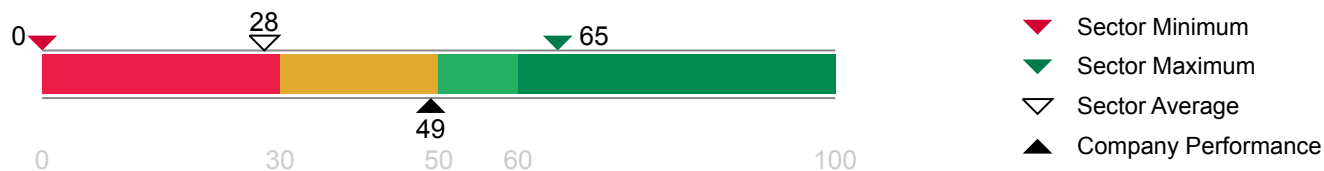
<b>Results</b>	<b>35</b>
Performance	35

## Corporate governance

Score: 37

### CGV1.1 Board of Directors

(score: 49, weight: 3)



#### [LISTED COMPANIES] Existence and independence of Nomination Committee

No executive is a member of the committee, but half or fewer are independent.

*2 members of the 6-member Nomination Committee are considered independent.*

#### Independence of the Board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

*The Chairman of Grupo Exito is Luis Fernando Alarcon Mantilla and the CEO is Carlos Mario Giraldo Moreno.*

#### Responsibility allocated over CSR issues

There is a CSR committee that is part of the Board.

*The Sustainability Committee is composed by three Board members.*

#### Share of independent shareholder-elected Board members

[LISTED COMPANIES] The Board is between 21 and 33% independent, which is less than the recommended level.

*2 members of the 9-member Board are considered independent.*

#### Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues

*- Board members with demonstrated professional experience in the company's sector of activities: most of the Board members work for French food retail company which is Casino Group.*

*- Board members with demonstrated expertise on CSR issues: Ana María Ibáñez is part of the sustainability committee of Grupo Exito. She participated on issues related to sustainability, diversity, inclusion, and women's leadership. Also, she worked with some institutions such as the Colombian Ministry of the Environment, the World Bank, the Inter-American Development Bank, and World Bank's Global Commission on Poverty. Moreover, Yves Desjacques has a wide knowledge on human resources and social relations.*

#### Training and expertise provided to board members

Training is provided upon joining the Board.

## Regular election of Board members

[LISTED COMPANIES] Board members are elected at least every three years and these elections are not staggered.

*Board members are eligible for re-election following two-year terms.*

## Evaluation of Board's functioning and performance

Performance is evaluated regularly, with disclosure on the results.

*The Board conducts self-evaluation every year. Moreover, its performance is evaluated by an external advisor.*

## Review of CSR issues at Board meeting

Some of the relevant CSR issues are discussed at Board level.

- Product safety/Information to customers
- Fundamental Human Rights (including in the supply chain)
- Social dialogue
- Environmental issues

## Regularity of and attendance at Board meetings

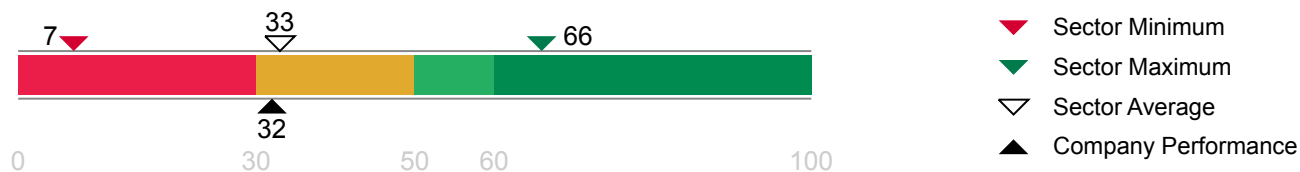
Regular meetings are held, and attendance rates are disclosed, but these are below 90%.

*Eleven Board meetings were held during 2017 and the attendance rate was 85%.*

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Luis Alarcón	Chairman		X		X	X	X					X	Represents AFP Prot	
Daniel Cortés			X		X	X	X							X
Ana María Ibáñez			X		X	X	X							X
Felipe Ayerbe Muñoz			X		X	X	X					X	Legal Advisor of Grupo Exito's companies	
Yves Desjacques			X		X		X					X		
Philippe Alarcon			X									X		
Bernard Petit			X									X		
Hervé Daudin			X		X		X					X		
Matthieu Santon			X									X		

## CGV2.1 Audit & Internal Controls

(score: 32, weight: 2)



### [LISTED COMPANIES] Existence and independence of Audit Committee

No executive is a member of the committee, but half or fewer are independent.

*Two members of the four-member Audit Committee are considered independent.*

### Skills and backgrounds of Audit Committee members

Members appear to have financial and/or audit experience AND relevant operational experience. In addition, at least a member has CSR skills and experience.

*Ana María Ibáñez has experience and knowledge on matters related to environment, sustainability, diversity, inclusion and poverty. Also, Yves Desjacques, has valuable knowledge on human resources.*

### Operational and CSR risks covered by the company's internal controls system

The system covers the standard issues related to financial, operational, and legal risks.

- Product safety/Information to customers
- Fundamental Human Rights (including in the supply chain)
- Social dialogue
- Environmental issues

### Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a limited role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

### Management of the CSR risks

Although the company has set up some measures, it has not gone beyond that to integrate CSR risks in its overall strategy.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it



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**Independence of the firm's external auditors**

Information obtained from company and public sources regarding the independence of the firm's external auditors is insufficient.

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**Inclusion of CSR issues in the company's reporting**

The company publishes significant CSR reporting on key material issues.

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**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

## CGV3.1 Shareholders

(score: 41, weight: 2)



### Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

### Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

### Ability to add items to the agenda of the AGM and to convene an EGM

Major restrictions have been identified to convene an EGM.

*In order to convene an EGM, shareholders are required to own at least 25% of the company's voting shares.*

### Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

### Ability to vote on relevant issues in separate resolutions at AGM

All major items are put to a shareholder vote, but shareholders are not given an opportunity to express their opinion on all elements of executive remuneration.

### Presentation of CSR strategy to shareholders and investors

Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.

- Product safety/Information to customers
- Fundamental Human Rights (including in the supply chain)
- Social dialogue
- Environmental issues

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

## CGV4.1 Executive Remuneration

(score: 20, weight: 2)



### [LISTED COMPANIES] Existence and independence of Remuneration Committee

No executive is a member of the committee, but half or fewer are independent.  
*Two members of the six-member Remuneration Committee are considered independent.*

### Disclosure of senior executives' individual remuneration

Disclosure of individual executive remuneration data for senior executives is insufficient.  
*The company does not disclose base salary, short term cash incentives or long-term incentive grants.*

### Link between Short Term Incentive Plans and the performance of the company

Bonuses are linked to predetermined and disclosed economic and/or operational performance indicators. However the actual quantified targets are not disclosed.  
*In its answer to Vigeo, the Company listed earnings per share, EBIT, market share, NFD/ EBITDA etc. as operational performance indicators, to which variable executive remuneration is linked.*

### Link between the main Long Term Incentive Plan and the performance of the company

Long-term incentives are linked to performance conditions, but quantified targets are not disclosed.  
*In its answers to Vigeo's specific questions, Grupo Éxito reports that variable executive remuneration is linked to operational performance indicators such as EBIT, market share, NFD/ EBITDA etc.*

### Link between variable remuneration and CSR performance of the company

CSR performance objectives are considered in the determination of variable remuneration of senior executives, but information on performance targets are not disclosed.

- Product Safety
- Human Resources development
- Environmental performance
- Human Rights (direct and indirect operations)

*- Environmental performance: The company states in its answer to Vigeo that it takes use of plastic bags, the level of energy consumption and the carbon footprint reduction as indicators in determining executive remuneration.*

### Severance pay for senior executives

Information obtained from company and public sources regarding severance pay for senior executives is insufficient.

## Evolution of CEO-to-employee compensation ratio

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

*As of 05/2018, Almacenes Exito did not appear to be involved in any controversy related to this sustainability driver*

## Detailed Scores and Ratings

### CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/05	++	+	++	++	+	+
2017/10	+	+	++	++	+	+
2015/05	+	+	+	++	+	=

### SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	35	42	29	22
Human resources	25	18	21	35
Human rights	45	50	18	65
Community involvement	61	69	46	69
Business behaviour (C&S)	28	35	11	38
Corporate governance	37	44	27	39

### SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	51
	4	37
Environment 2	2	43
	4	31
	7	18
Environment 3	1	26
Sub-domain	Criterion	Score
Human resources 1	1	18
Human resources 2	3	22
	4	43
Human resources 3	1	17
	2	34
	3	12
Sub-domain	Criterion	Score
Human rights 1	1	34
Human rights 2	1	32
	4	64

Sub-domain	Criterion	Score
Community involvement 1	1	50
	2	95
Sub-domain	Criterion	Score
Business behaviour (C&S) 1	1	24
	2	48
Business behaviour (C&S) 2	2	22
	3	22
Business behaviour (C&S) 3	4	43
	2	18
	3	12
Sub-domain	Criterion	Score
Corporate governance 1	1	49
Corporate governance 2	1	32
Corporate governance 3	1	41
Corporate governance 4	1	20

## Contacts

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## Disclaimer

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## Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/05	<b>Full ESG profile</b>