

On the menu today

A year with FUNDACIÓN ÉXITO

2018 Management Report

We work with
delight every day
to improve the
nutritional status of

63.487 children

in 123 municipalities
of 27 departments
of Colombia, with
the support of 116
partner institutions.
For those children,
the benefits will
bear fruits for their
entire life.



The focus and priority of
our actions are the children
of Colombia suffering from
chronic malnutrition or
stunting, and particularly
those living their first
1,000 days of life,
from pregnancy
to their second birthday.



gencero
1ª generación cero
desnutrición crónica 2030





SPECIAL SEASONING

An engagement with Colombia

We continue to believe in the necessity of **investing in child nutrition** and the human capital of Colombia, as it will be a driving force for equity and economic development in the country.

The main ingredient of our recipe is to continue inviting all sectors of the economy to participate in eradicating stunting in children under 5 years **of age by 2030**.

TOTAL RESOURCES INVESTED IN CHILD NUTRITION

USD 6,082,006*

In-kind: USD 532,964 / Cash: USD 5,549,042

Necessary labor cost for social investment managementUSD 229,248

TOTAL REVENUE

USD 9,326,256*



In-kind revenue
USD 532,964

Cash revenue
USD 8,793,292

* Exchange rate (Banco de la Republica de Colombia):
USD 1 = COP 3249,75 (2018/12/31)



DIVERSITY-FLAVORED INVESTMENT

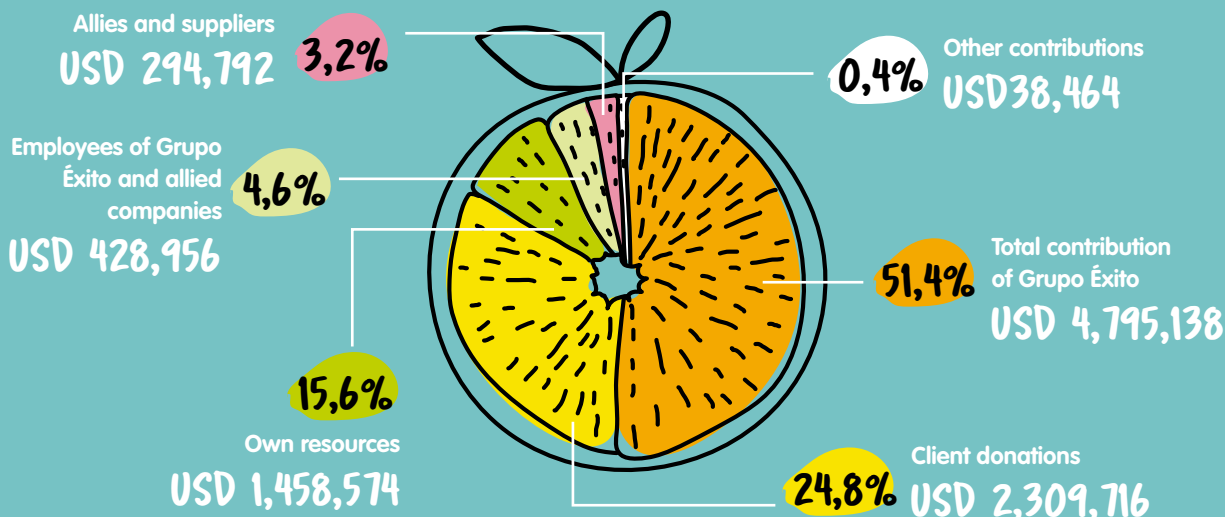
Department	Investment	Fundraising Goticas* and Vueltos**	Children attended to
Antioquia	USD 1,321,025	USD 664,051	24,072
Atlántico	USD 248,635	USD 121,240	1,696
Bolívar	USD 102,469	USD 59,081	2,023
Boyacá	USD 178,168	USD 16,001	994
Caldas	USD 80,006	USD 37,541	75
Caquetá	USD 308	USD 13,540	0
Casanare	USD 48,927	USD 23,079	264
Cauca	USD 31,387	USD 4,923	4,010
Cesar	USD 48,004	USD 28,310	1,115
Chocó	USD 13,847	USD 0	1,440
Córdoba	USD 124,625	USD 17,848	4,595
Cundinamarca	USD 1,890,607	USD 751,750	7,337
La Guajira	USD 253,250	USD 12,001	599
Guaviare	USD 73,544	USD 0	0
Huila	USD 130,472	USD 42,157	509
Magdalena	USD 180,937	USD 35,695	1,395
Meta	USD 97,238	USD 62,159	564
Nariño	USD 112,316	USD 31,079	2,368
N. Santander	USD 161,551	USD 26,464	1,110
Putumayo	USD 82,160	USD 0	1,200
Quindío	USD 40,926	USD 11,385	243
Risaralda	USD 72,006	USD 52,312	508
Santander	USD 187,707	USD 71,390	380
Sucre	USD 11,693	USD 13,232	52
Tolima	USD 49,850	USD 40,003	850
Valle	USD 343,719	USD 157,243	5,103
Vaupés	USD 196,631	USD 0	986
TOTAL	USD 6,082,006	USD 2,292,484	63,487

* lit. Small Drops, donations from clients when paying for their groceries.
**Contributions from clients who choose to leave the change when paying for groceries.



Scan to learn more about the 2018 Financial statements of Fundación Éxito (information in Spanish).

INGREDIENTS FUNDRAISING STREAMS



A PERFECT BLEND OF CONTRIBUTIONS

Environmental commitment of Grupo Éxito & child nutrition support **USD 3,765,828**

78.5% of the contributions of Grupo Éxito stems from the donation of 22,674 tons of recyclable materials to be sold and recycled by Fundación Éxito

Commitment of the Company and its shareholders ... **USD 338,488**

Donation of textiles, faulty products & other goods **USD 92,007**

Donations to Food Banks and in-kind donations **USD 479,114**

Estimated valuation of 1,946 tons of food products and non-food items donated. In addition, the *Reagro* program in Antioquia recovered 3,430 tons of agricultural food products, which in turn benefitted 519,000 persons during the year.

Commercial events of Grupo Éxito & Netflix income for the Documentary *Magia Salvaje* **USD 119,702**

Breakdown of Grupo Éxito's contribution

USD 4,795,138



51,4%

MAIN COURSE



BREASTFEEDING

Breastmilk is an indispensable and perfect mix, composed of water, fats, minerals, proteins, calcium, phosphorus, iron, zinc, vitamins A, E, D, K, water-soluble vitamins and carbohydrates, as well as immune factors.

Our objective is to achieve that all families attended to by Fundación Éxito breastfeed exclusively during the first six months, as recommended by the World Health Organization. In line with this goal, 69%* of the babies attended to in 2018 were exclusively breastfed during this period. Breastfeeding, together with complementary feeding should continue up to two years of age.

*Sample of 4,363 children



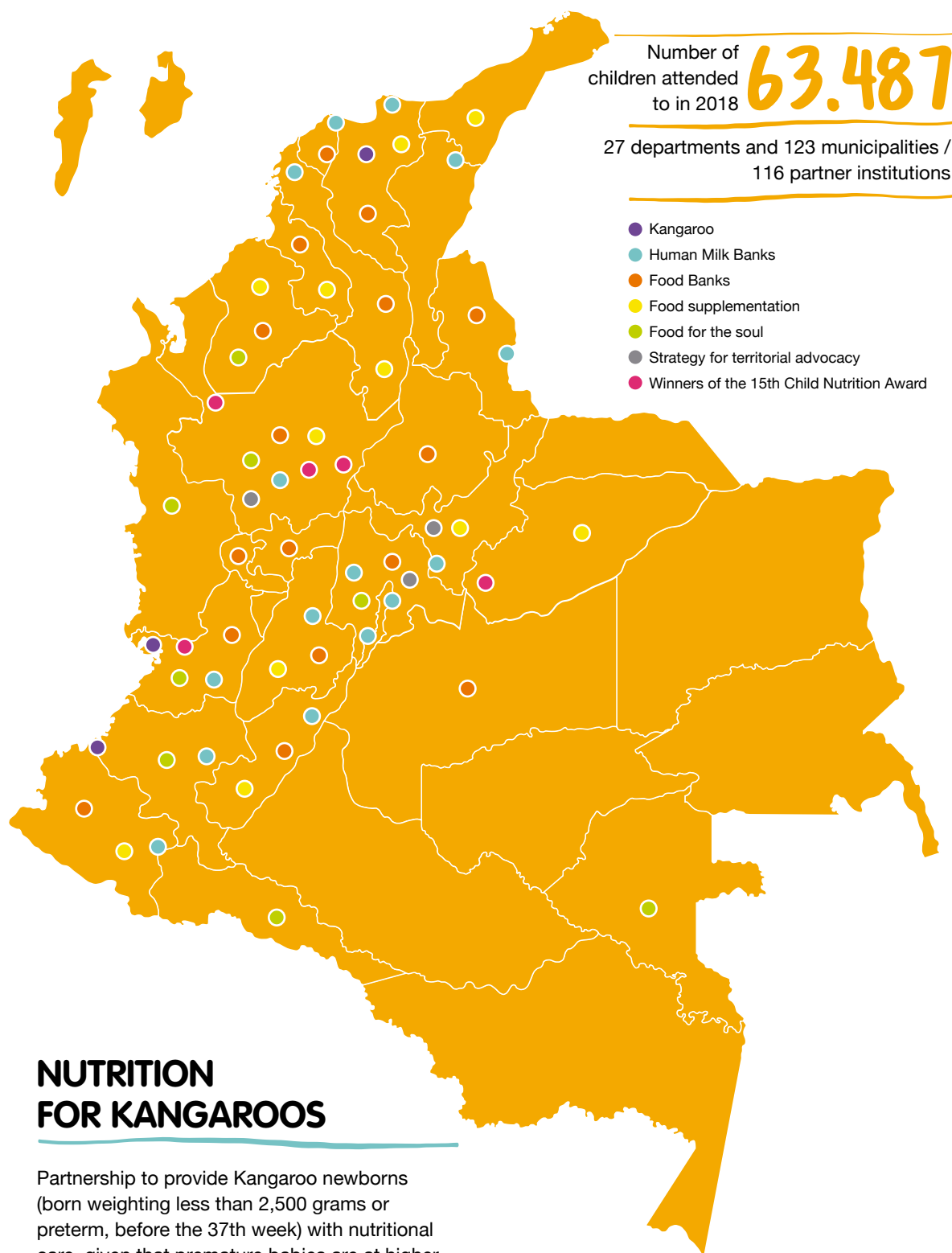
SPECIAL SIDE DISHES

Supporting Human Milk Banks

Development of a Breastmilk donation campaign and support of Human Milk Banks, in partnership with the Ministry of Health and Social Protection of Colombia and the Santa Fe de Bogotá Foundation. Fundación Éxito invested over **USD 338,488**, benefitting over **9,300** children in the 15 Human Milk Banks across the country.

Lactatón Gen Cero, Fourth Edition (Big Latch On)

Within the frame of the Child Nutrition Month, over 20,000 people gathered to encourage 12,052 exemplary mothers to breastfeed in public spaces in 30 municipalities over 15 Colombian departments. Doing so simultaneously at a national level, they delivered the fundamental message that breastfeeding is the most nourishing act of love.



NUTRITION FOR KANGAROOS

Partnership to provide Kangaroo newborns (born weighting less than 2,500 grams or preterm, before the 37th week) with nutritional care, given that premature babies are at higher risk of stunting.

CHILD NUTRITION AWARD



Award honoring public and private organizations that implement projects which improve health and maternal and infant nutrition. Six programs and a company were awarded, as well as six Grupo Éxito stores, the latter for their outstanding management of recycling and Goticas sales.



Scan for more information (in Spanish).

FOOD SUPPLEMENTATION

Antioquia, Atlántico, Bolívar, Boyacá, Caldas, Casanare, Cauca, Cesar, Cundinamarca, Huila, Magdalena, Meta, Nariño, Norte de Santander, Quindío, Risaralda, Santander and Valle.

FOOD FOR THE SOUL/COMPLEMENTARY OFFER

Antioquia, Córdoba, Cauca, Cundinamarca, Valle, Chocó, Putumayo and Vaupés.

FOOD BANKS 16

Antioquia (2), Bolívar, Córdoba, Huila, Magdalena, Nariño, Sucre, Tolima, Atlántico, Caldas, Cundinamarca, Meta, Norte de Santander, Risaralda, Santander and Valle (2).
Reagro Program Antioquia.



FOOD SUPPLEMENTATION



In 2018, we provided food assistance for 33,104 children. Among them, 26,158 were under 2 years of age (1,000 days) and 6,946 were 2 to 5 years old. Thanks to Fundación Éxito's nutrition programs, these children and their families, through 116 partner institutions, received well-balanced grocery packages filled with proteins, vegetables, fruits, cereals, legumes, tubers, dairy products, oils, fats and flours every month during the course of the year.

In 2018, we supplied

Food packages throughout Colombia **71.260**

Nutritious food **Over 1.100 tons**



WHAT IS THE RECIPE FOR FEEDING COLOMBIAN CHILDREN?

GOTICA-BASED PREPARATION

1. Prior to financing projects, institutions specialized in **child comprehensive care**, focused on attending children in their first thousand days with stunting or at risk of suffering this condition, are put on the table.
2. Day by day, contributions through **Goticas**, donations made by clients of Grupo Éxito's stores, are added up to the mixture of resources granted by the company, its employees, its allies and Fundación Éxito. This mix is applied directly to the projects.
3. Month by month, the children and their families visit the retail stores to select their groceries, following **nutritional recommendations** which ensure that they gather ingredients from all food groups. In cases where it is not possible for the beneficiaries to go to the stores, they receive pre-prepared food packages.



RECYCLING-BASED PREPARATION

1. Add cardboard, plastics and other **recyclable materials** donated entirely by Grupo Éxito to Fundación Éxito.
2. These materials are loaded into trucks, filled with tons of recovered matter that will not land in landfills. These **materials are then commercialized** and all money resulting...
3. Blends with other resources managed by Fundación Éxito and are ready **to be converted into food, just as the Goticas!**



For each project, Fundación Éxito reviews and analyses:

- Suitability of the institution
- Compliance with the commitments undertaken
- Progress in the nutritional state of children
- Assessment of the achievements to renew joint funding

We delivered over **193,000** certificates of donations to clients contributing to achieving Gen Cero through Goticas* and Vuelos**.



Neither Fundación Éxito nor Grupo Éxito receive tax benefits over funds raised through Goticas*, Vuelos** and moneyboxes. Certificates of Donation can be requested by sending an email stating the name and ID number of the donor to the address fundacion.exito@grupo-exito.com. These resources are audited by EY.



Scan for more information (in Spanish).

Among our beneficiaries, 26,158 children **WERE IN THEIR FIRST 1,000 DAYS**

(270 days of pregnancy and 730 days until their second birthday).

* Lit. Small Drops, donations from clients when paying for their groceries. **Contributions from clients who choose to leave the change when paying for groceries.



FOOD FOR THE SOUL

Our complementary offer programs include financial support for the institution's education agents and endowment, benefitting **23,734** children. Additionally, Fundación Éxito supports special initiatives, such as:

Semillas de Apego (lit. Attachment Seeds)

In the Tumaco region, where communities suffer from the Colombian armed conflict, we are conducting a project focused on caregiving and essential emotional ties between a child and their mother or caregiver, in partnership with FEMSA, University of Los Andes and Genesis Foundation.

Beneficiary children **283**

Musical Awakening Programs

A unique ingredient that contributes to the development of expression skills and thinking abilities through music, feeding the minds of **1,126** children, in partnership with the Antioquia Symphony Orchestra.

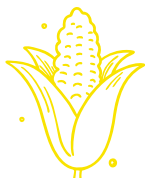
Reading Programs

Reading nurtures social skills, language development and strengthens emotional ties between caregivers and children.

In partnership with: Ratón de Biblioteca en Medellín.

Beneficiary children: **5.240**

Overall number of children attended to **30.383**



HOUSE SPECIALS

Model "From Bogotá to Colombia"

We are progressing in the development of the first national guide for Comprehensive Care against Chronic Malnutrition. In partnership with Santa Fe de Bogotá Foundation, the District Secretary of Health, the Department of Social Integration and the Colombian Family Welfare Institute (ICBF), the program benefitted 1,126 families through training on guidelines on health, childcare and parenting, and a monthly food delivery. Fundación Éxito invested over USD 584,660.

Gen Cero Annual Report

Document disclosing the current status of Colombia and its municipalities regarding the social determinants of stunting.

Model for Public Policy Advocacy

With the help of the University of EAFIT and Save the Children, we designed a specific model to foster agreements and actions regarding the eradication of stunting at national and regional administration. The Strategy for Territorial Impact allowed capacity-building in 8 municipalities for that purpose.

Participation in Observatories for Government Management

We mobilize government leaders to monitor health and nutrition indicators. Participating in *Medellín Cómo Vamos* (assessment of the city's administration) allowed us to enable the improvement of coverage and the number of operation days of

the *Buen Comienzo* program (lit. Healthy Start, in charge of early childhood care). It also permitted the lengthening of exclusive breastfeeding in the city to over 4 months, when the regional average in Antioquia was of 0.6 month according to the 2010 National Survey of the Nutritional Situation of Colombia (ENSIN 2010). In *Así Vamos en Salud* (Observatory for Health with national coverage) we promoted political advocacy in rural regions.

We are Gen Cero Volunteering

194 employees of Grupo Éxito in Colombia volunteered, learning about and supporting our actions with the beneficiary populations. In total, 1,003 hours were donated for child nutrition, accounting for an estimated USD 3,662.

The Pure Flavor of Vaupés (Amazonas)

We reached Vaupes in the Amazon region, which has one of the highest prevalence of stunting in Colombia, through the ONG Sinergias, to attend the predominantly indigenous child population of the department. In 2018, we strengthened 5 care centers in Mitú for a better monitoring of pregnant mothers and children under 5 years of age. We also improved the programs at 38 welfare community homes (daycare centers jointly administered by the State and the communities), based on an effective comprehensive care model for the children of Vaupés. In this process, we outlined the nutritional value of their local ingredients and showed them how to make a better use of them.

RECOMMENDATION



We convey our drive to serve Colombia and its children by encouraging others to commit and share actions. As organization, we give the best

we can offer: a commitment from the heart, reinforced by our capacity to mobilize and leverage resources. To safeguard and promote the welfare of children, we encourage solidarity from our employees, businesses, brands, suppliers and clients, since only together we will be able to transform the reality for early childhood in Colombia.

By doing so we will succeed in ensuring that no child in Colombia suffers from stunting, an affliction that hinders them from nurturing their most basic dreams as human beings: live without hunger, grow with love, smile without fear, learn without limits and thrive.

Carlos Mario Giraldo M.,
CEO, Grupo Éxito

AFTER A BETTER NUTRITION...

IMPACT OF OUR ACTIONS

8,825 children were assessed among all our beneficiaries

PREGNANT MOTHERS (1,466 PREGNANT MOTHERS ASSESSED)	
Initial condition at first evaluation	Condition at second evaluation
35% had a low gestational weight	48% gave birth to children with an adequate birth weight. One in two children born from mothers with a nutritional deficit during pregnancy were born with an adequate birth weight.
CHILDREN IN THEIR FIRST 1,000 DAYS (2,286 CHILDREN ASSESSED)	
Initial condition at first evaluation	Condition at second evaluation
22% suffered from stunting (low height-for-age)	51% One in two children improved their condition, to being at risk of stunting or reaching an adequate height.
CHILDREN BETWEEN 2 AND 5 (441 CHILDREN ASSESSED)	
Initial condition at first evaluation	Condition at second evaluation
15% suffered from stunting (low height-for-age)	36% One in three children improved their condition, to being at risk of stunting or reaching an adequate height.

The weight at birth and the healthy weight gain until 2 years of age ameliorate school results and income (salaries) during school years and adult life.¹



Josy Alejandra Barrientos from Los Patios, Norte de Santander (above) and María Luciana Castro From Tunja, Boyacá (below) are beneficiary of Fundación Éxito and recovered from stunting.

1. Weight Gain In The First Two Years Of Life Is An Important Predictor Of Schooling Outcomes In Pooled Analysis From Five Birth Cohorts From Low And Middle Income Countries, The Journal Of Nutrition, 2010.

WHAT CAUSES CHRONIC MALNUTRITION OR STUNTING? (SOCIAL DETERMINANTS)

Multi-causal public health condition hindering the growth and development of children



Long-term undernourishment



Limited access to drinking water
The prevalence of stunting is higher when the families lack access to safe water.
Among the children assessed by Fundación Éxito, four of every five children (80.3%) who recovered an adequate height-for-age had access to safe drinking water in their homes.



Lack of access to health services



Income inequalities
According to Fundación Éxito's analysis of the results of its intervention, there is a correlation between the GINI coefficient (measure of income inequality) and the prevalence of stunting in the different regions of the country: Where the inequalities are lower, recovery rates are better.
• **Norte de Santander:** ninth least unequal department

in Colombia. There, 3 of 4 children attended to by Fundación Éxito recovered from stunting.
• **Valle:** One of the least unequal departments. 2 of 3 children suffering from stunting improved their condition.
• **Bogotá:** GINI coefficient of 0,498 (sixth highest), only 21% of children suffering from stunting recovered.



Low education level of the mother



Lack of basic sanitation



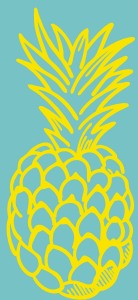
Dinner is ready!

This common expression in our country brings back memories of times of enjoyment, inclusion, celebration, festivities. For thousands of children, it is a rare call in their homes, an exception,

almost a miracle considering the fact that there is hardly food on the table every day, as should be their right and that of everyone. Among the 63,587 children participating in our programs in 2018, 33,104 heard this call in their homes every night, and went to bed after eating well throughout the day, together with their families, every day of the year. It is so heartwarming to be able to provide nutritive food to our beneficiaries, knowing what will happen to the children

eating well: their probability of recovering from stunting and of their brains developing normally increases, so that in the future they can learn, interact with others, strive and enjoy life. Therefore, we can say that, thanks to our actions every year, thousands of children grow with healthy brains and bodies, and joyful hearts.

Gonzalo Restrepo L.,
Chairman of the Board,
Fundación Éxito



Legal Review

In 2018, Fundación Éxito showed an uneventful legal situation. No lawsuits of legal complaints, external or internal to the company, were filed against the organization. The use of software products within the organization is done in compliance with the current legislation and with the license agreements of the programs. We certify that we comply with all rules regarding intellectual property and copyrights. The licenses are owned by the company. Fundación Éxito allowed the free circulation of invoices from suppliers. Regarding the National Social Security System, the organization successfully complied with norms concerning employee contributions in 2018.



Our Allies

Private sector • Grupo Éxito • Adriadna S.A.S • Acer Inc. • Alcagüete S.A.S • Alpina S.A. • ASUSTeK Computer Inc. • Avícola Nacional S.A. – Avinal • Belleza Express S.A. • Carvajal S.A. • Comercializadora Medellín Ltda. • FEMSA Foundation • Eurocorsett S.A.S. • Finanzas y Libranzas S.A.S. • Rafael Pombo Foundation • Fundación WWB Colombia • Gallina Colombiana Gallicol S.A.S. • Genomma Lab Colombia Ltda. • Grupo Comercial Tolimense S.A. • Hewlett Packard Colombia • Ltda. • Incubadora Santander S.A. - Huevos Kikes • Industrias Cory S.A.S. • Intel Tecnología de Colombia S.A. • Lenovo • L'Oréal Colombia S.A.S. • Mattel Colombia S.A. • Microsoft • Mondelez Colombia S.A.S. • Operadora Alsea en Colombia S.A. (Archie's • Starbucks • Domino's Pizza • Burger King y P.F. Changs) • Pink Life S.A.S. • Price Philanthropies Foundation • PriceSmart Colombia S.A.S. • Rappi • Santa Anita Napoles • Santa Reyes S.A.S. • Solo Bendiciones S.A.S - Evulderm • Sucesores de Jesús Restrepo & Cía. S.A. - CasaLuker • Tecnoquímicas S.A. • Tuya S.A. • Unilever Andina Colombia Ltda. • **National Government** • Intersectoral Commission for the Comprehensive Care of Early Childhood De Cero a Siempre • Buen Comienzo Antioquia • Presidential Advisory Council on Early Childhood • Colombian Family Welfare Institute – ICBF • Ministry of Health and Social Protection • **Academia** • CES University • University of Los Andes • EAFIT University • El Bosque University • **International Organizations** • Action Against Hunger Colombia • Agence Française de Développement - French Development Agency – AFD • United Nations Information Center – UNIC • ONF Andina • UN Global Compact Colombia • UN World Food Programme – WFP • Save the Children Colombia • Scaling Up Nutrition – SUN • **Local Authorities** • Municipality of Armenia • Municipality of Ataco • Municipality of Bogotá • Municipality of Cali • Municipality of Carepa • Municipality of Facatativá • Municipality of Los Patio • Municipality of Medellín • Municipality of Monguí • Municipality of Motavita • Municipality of Necoclí • Municipality of Paipa • Municipality of Pasto • Municipality of Piedecuesta • Municipality of Planadas • Municipality of Sabaneta • Municipality of Tarso • Municipality of Tunja • Municipality of Turbo • Municipality of Urumita • Municipality of Villanueva • Antioquia Regional Government • Boyacá Regional Government • Cundinamarca Regional Government • Huila Regional Government • Nariño Regional Government • **Social Sector** • NiñezYA • Colombian Food Banks Association – ABACO and its network of food banks • Agencia Pandi • Alliance for Colombian Childhood - APNC • Association of Family and Corporate Foundations – AFE • French-Colombian Chamber of Commerce • Cómo Vamos Medellín • Corporación Juego y Niñez • Fundación Aurelio Llano Posada • Bancolombia Foundation • Fundación Celsia • Concreto Foundation • Banacol Social Foundation – Corbanacol • Fundación Dividendo por Colombia • Fundación EPM • Fundación Fraternidad Medellín • Fundación Grupo Bios • Fundación Grupo Familia • Fundación Haceb • Fundación Orbis • Fundación Proantioquia • Saldarriaga Concha Foundation • Santa Fe de Bogotá Foundation • Fundación Universidad de Antioquia • Unibán Social Foundation • Así Vamos en Salud Observatory • Primero lo Primero Alliance for Early Childhood •

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Gonzalo Restrepo López

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Tatyana Aristizábal Londoño
Gabriel Jaime Arango Velásquez
Darío Jaramillo Velásquez
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Ernst & Young Audit S.A.S.

Primary Auditor

Deysi Yuliana Holguín Marín

Substitute Auditor

Diana Patricia Urrego Marín

Executive Director

Paula Escobar Gutiérrez


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Chairman and CEO of Grupo Éxito

Claudia Echavarría Uribe
Corporate Affairs Manager of Grupo Éxito

Fundación Éxito

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