



» A LEGACY OF MORE THAN A HUNDRED YEARS: THE KEY TO INNOVATION



REPORT ON WORK AND SOCIAL ACCOUNTS 2022



FUNDACIÓN GRUPO SOCIAL

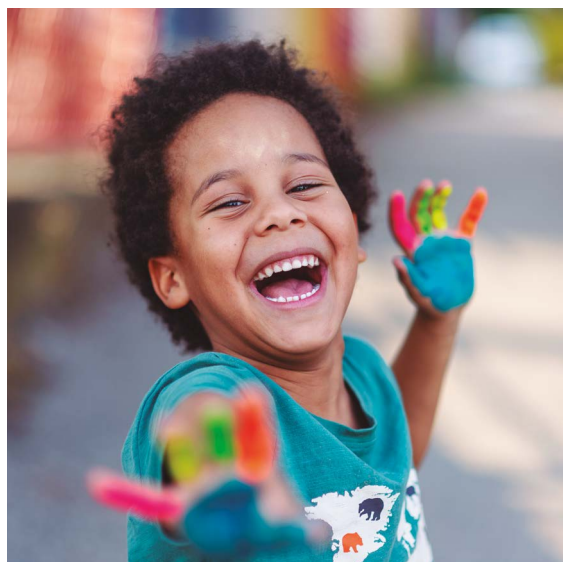


Table of Contents

The Strategy | 3

LETTER FROM THE PRESIDENT | 4

The Context | 4

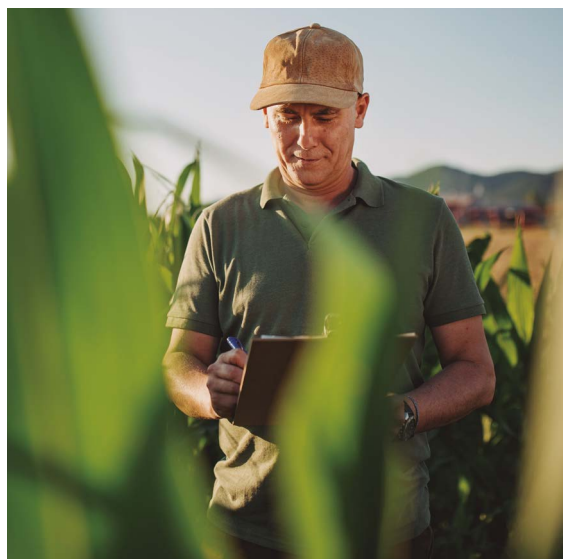
Performance | 6

- Territorios Progreso | 7
- Business for the Common Good | 21
- Organizational Culture | 37
- Visibility | 40
- Corporate Government | 41

Closing | 42

Fundación Grupo Social 2022 in figures | 43

Annexes | 45





The Strategy

For one hundred and twelve years Fundación Grupo Social has been faithful to the purpose, values and style that inspired its founder, José María Campoamor S.J., when he created the Círculo de Obreros de San Francisco Javier, with a Legacy that has been faithfully transmitted through several generations.

An essential element in the Being of the Organization, is its irrevocable Mission, which is defined as:

“To help overcome the structural causes of poverty and build a just, supportive, productive and peaceful society.”

As a route to fulfill the Mission, a decision was taken at the end of 2012, that “because of the extremely individualistic culture of this country as the structural cause of poverty in which the Fundación Grupo Social would have a relevant impact”, it would in future focus its efforts on the following strategic objective:

“It is essential that the Foundation should make a relevant contribution to the development of a new culture in Colombia, much more based on solidarity, ethics, transcendent values, the search for the common good and the development of marginalized sectors. To do this, it must undertake and promote forms of economic action and social coexistence that are more in line with that purpose.”

Furthermore, given that the abandonment of rural areas is deemed another fundamental cause of poverty, the following complementary objective was set:

“Without limiting itself to this, the Foundation will, as experiment, initiate projects that promote development in rural areas of Colombia, on the understanding that one of the fundamental challenges of development and coexistence is to overcome the abandonment of this sector.”

Ever since the definition of the strategic objective, the Organization has implemented a process of review, adjustment and creation of different work fronts, as guidance for the management of activities since 2012, and have become the horizon towards which the Foundation focuses its efforts.

Bogotá, April 17, 2023

Members of the Council,

I present for your consideration the Work Report and Social Balance of Fundación Grupo Social, which includes the most important aspects of progress during 2022 on our main strategic fronts.

The Context

The Foundation worked in the context of a year of turbulence and uncertainty.

As the world emerged from the COVID-19 pandemic, it found itself facing the Russian invasion of Ukraine, tensions between the United States and China, increasingly frequent social protests, and an overwhelming increase in inflation with its consequent effect on the increase in the price of goods and services to produce food. Markets were also unstable, progressive restrictions were imposed on liquidity and a steady increase in interest rates was a common denominator. The population of the planet reached 8 billion - although according to the UN it is now growing slowly - and migration to the United States and Europe, crossing the English Channel, the Darien Gap or the Mediterranean Sea, surpassed all previous records.

Special mention must be made of the natural events that hit particularly hard in 2022, such as extreme heat in Spain and Portugal, drought in China, floods in Pakistan and Australia, and Storm Eunice in Northern Europe. This surge in weather severity was not unusual for our continent, marked by an atypical hurricane season in North America and a fresh winter wave in Colombia, stemming from three consecutive years of La Niña. The challenges imposed by global warming become more relevant every day, there is a greater propensity for policies related to adaptation to climate change and mitigation and pressures to accelerate the energy transition towards renewable and sustainable sources, in a context of growing demand for energy.

The effects of global economic difficulties on the region were to enhance an already fragile situation characterized by lower economic growth, a deep debt crisis, little movement in the creation of employment, declining investment and growing social unrest. Politically, the challenge focuses on overcoming the threat to democracy as a system, which implies recovering trust in public institutions for the benefit of good governance.



LETTER FROM
THE PRESIDENT

In Colombia presidential elections were held and a new government was elected with proposals that promote a much more active participation of the State in the economy and in the development of several activities nationwide. In addition to the above, 2023 will also be an election year for regional and local government, in a context in which a polarized environment in political and social dynamics will continue.

Economically, 2022 was a year of contrasts and obvious challenges. On the one hand, there was significant growth in economic activity and on the other, a marked devaluation of the peso against the dollar and high inflation that ended the year at 13.12%, far exceeding the 3% goal set by the Central Bank (Banco de la República). This led to an accelerated process of increase in the intervention rate, going from 3.0% to 12.0% throughout the year. Additionally, although unemployment figures have maintained a downward trend since the end of the health emergency caused by the pandemic, the rate did not fall below double digits and informality remained at high levels.

A complex environment is expected for 2023. Economic growth expectations for Colombia are lower, the dollar is expected to remain at high levels and the minimum wage adjustment of 16% and inflation will substantially impact the cost structures of companies and households. This, without taking into account the effects of the reforms already announced and in process, on issues such as pensions, health and work.

It is therefore essential for the Organization to overcome current challenges in the best possible way, but at the same time, the work it performs is now more necessary than ever and must become a source of hope for society. Its purpose and strategy continue to be valid and invite us to approach its implementation with creativity. In 2023, the Foundation will assume a prudent but innovative position to ensure that its methods and actions are always relevant and powerful, both in its work with communities and in its companies. Alliances and work with others, both in Colombia and abroad, will be fundamental, Fundación Grupo Social is discovering that stronger connections with other latitudes, both to learn and to contribute experience and broaden impact is a work front that will demand important management efforts.



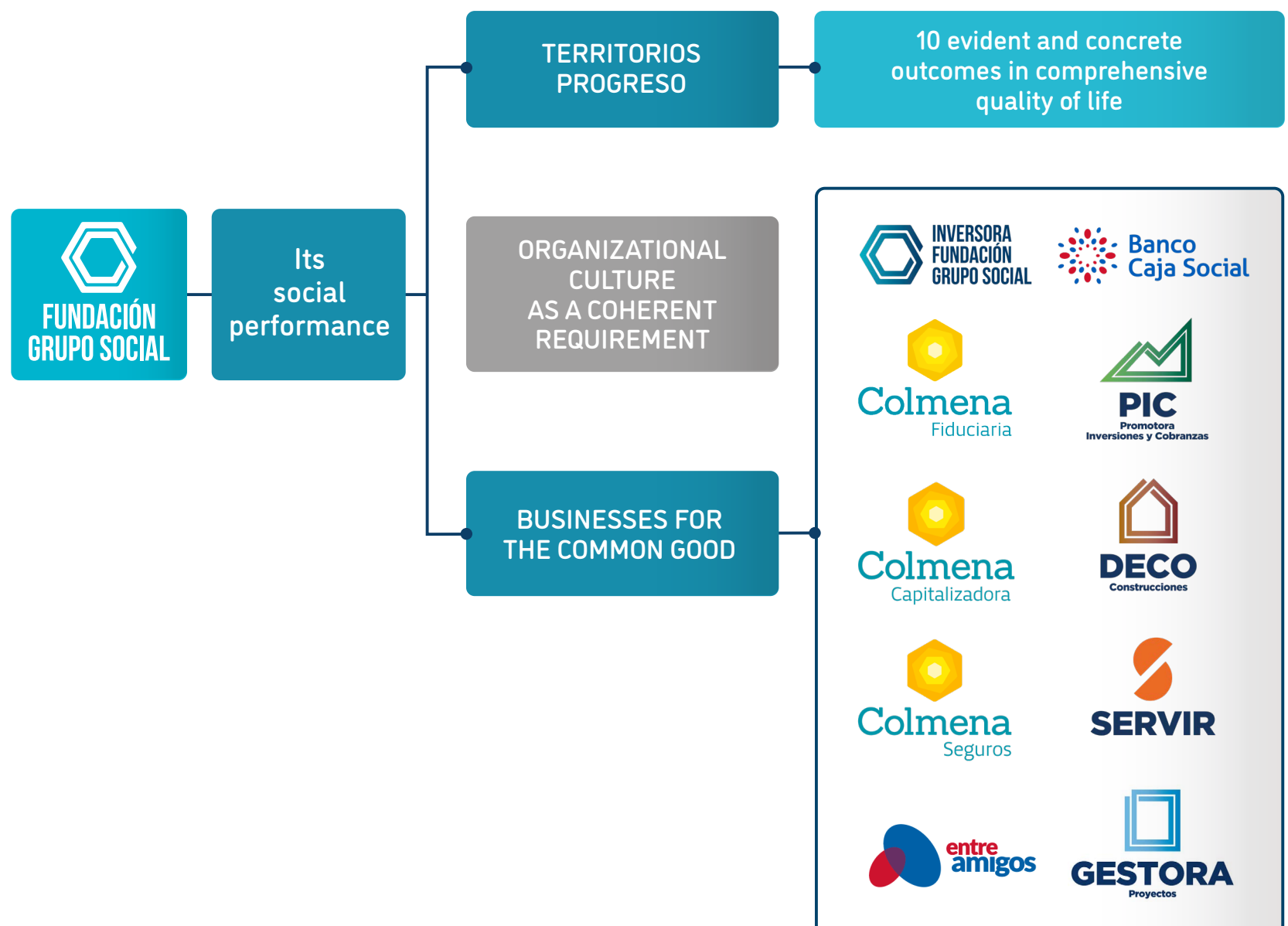


Performance

With the pandemic waning, the focus of action this year has been on the challenge of the environmental conditions to maintain its capacity to act and the value and impact of its companies, while at the same time moving decisively in the plans proposed within the framework of the guidelines drawn up by the Social and Management Councils, each one, with the scope of their powers.

Important steps were also taken towards the realization of the development route of the other fronts of business action, as well as in the other strategic lines that occupy the work of the Institution.

Fundación Grupo Social Management Model



Territorios Progreso

In Territorios Progreso – the name we have now given to identify the direct social programs under the new focus on quality of life - we must mention in particular the completion of the understanding phase in Tangua (Nariño), Bilbao (Bogotá) and Algeciras (Huila). This gives us the basis of trust in our relationships and enables us to define strategies for each of the accompaniments in 2023.

The projects already in the stage of implementation of their strategic plans have moved forward along each of the paths chosen for them. We refer to Cartagena, Necoclí and Buriticá.

Sierra Morena (Bogotá), approved at the end of 2022, which took the first steps in preparations to start the implementation of the model.

Territorios Progreso accompany communities which lack opportunities so that they will be able to build conditions their own development and achieve sustainable and comprehensive improvements in their quality of life, which is understood to be the achievement of ten powerful results that cover not only material factors but also a genuine realization of the individual in the context of ethics and values.

The charts below show the advances achieved in each of Territorios Progreso, their location and the number of inhabitants impacted by the Foundation's accompaniment.

Stages in the Model of Quality of Life

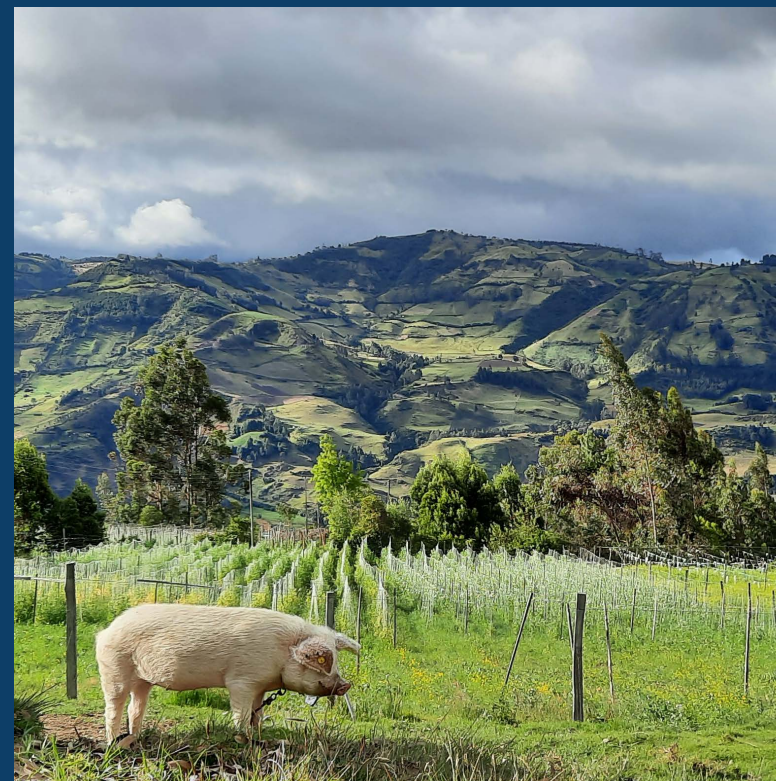
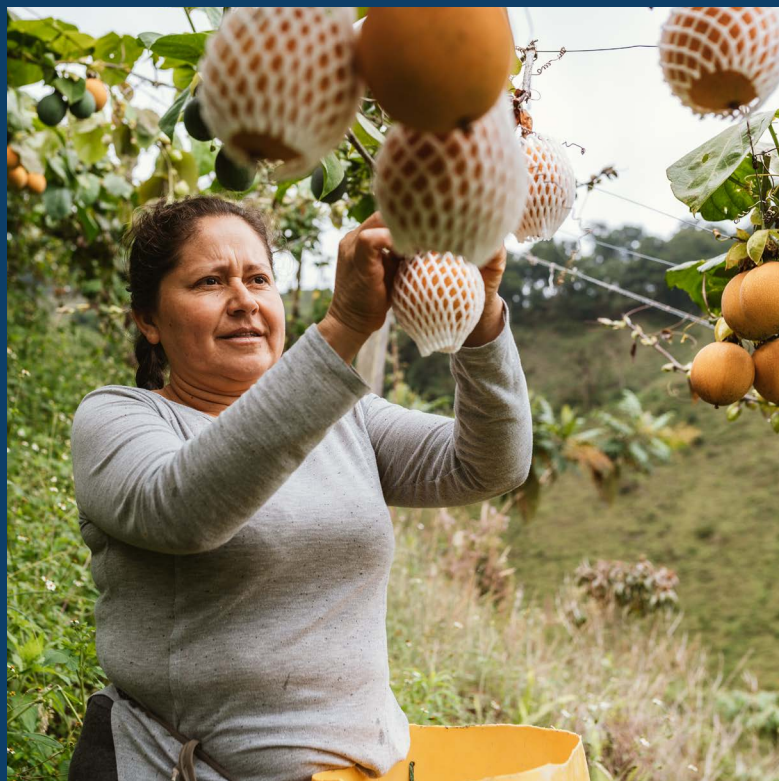


Source: Fundación Grupo Social

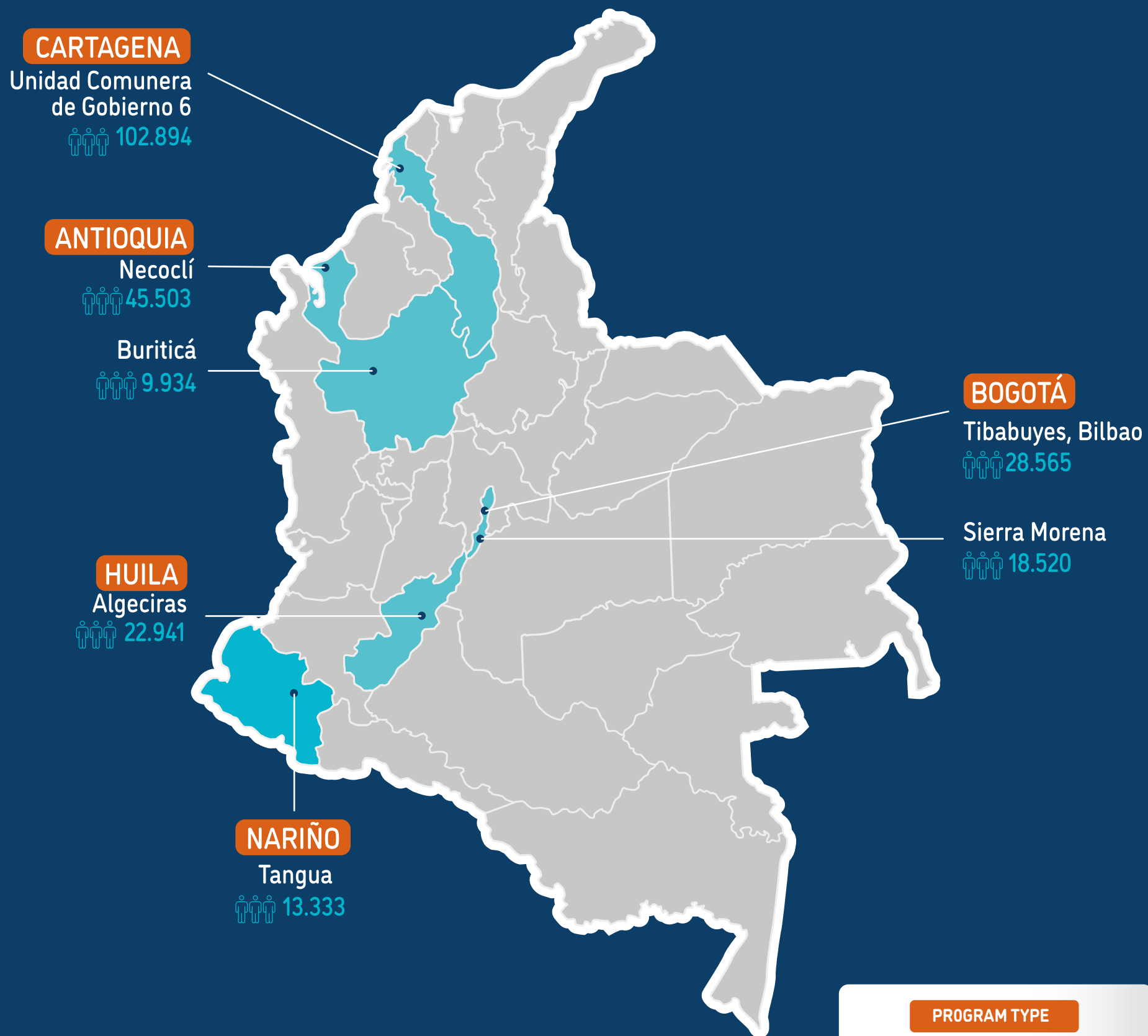
10 Results in quality of life



Source: Fundación Grupo Social



Territorios Progreso



Source: Fundación Grupo Social

PROGRAM TYPE	POPULATION 2022
QUALITY OF LIFE	241.690
SPECIAL PROJECTS (BOSA CENTRAL)	823.041
TOTAL	1.064.731

Below are the most significant results, in terms of their individual strategies¹.

Cartagena: Government Commune Unit 6 - UCG6

Territorios Progreso in Cartagena began in 2012. Unidad Comunera de Gobierno 6 (“Government Commune Unit 6”) is in the suburb of La Virgen, with a population of 102,894. It is characterized by high levels of inequality and violence, with informal settlements burgeoning around the southern parts of the Ciénaga swamp area. It was one of the part of the city most affected by the pandemic in terms of losses of employment, significant decreases in income, high concentration of migrants and increase in the indicators of conflict. These situations led to a deep exercise in reflection exercise in 2021, and the redefinition of some of the strategies initially proposed, the adjustment of action plans and year-by-year targets.

The Plan for Good Living (Plan para el Buen Vivir) is the collective commitment that marks the route to **manage the development** of the Territory. The dissemination to 26,743 key members of the community and an increase in presence and interactions on social networks (from 26,765 users in 2021 to 42,148 in 2022), have enabled people to appropriate the purposes of the program. Instances of participation have also contributed to this, growing in numbers, capabilities and the will to work together over the year.

**JUNTÉMONOS
POR CARTAGENA**

Special mention must be made of the alliance “Let’s Get Together for Cartagena” (Juntémonos por Cartagena) in which the Office of the Mayor of Cartagena, Fundación Santo Domingo, Círculo de Obreros de Cartagena, Promigas, Chamber of Commerce and Esenttia all take part in contributions to overcome poverty in the city and in particular in Comuna 6

Progress was made in establishing **Education** as a powerful and indispensable lever to improve the quality of life. The assessment made by Universidad de Los Andes of the lines for comprehensive early childhood care showed a significant improvement in the care of the community homes, but also called on us to continue working on quality, because children’s scores are still below the national measurement². Furthermore, the international event “Early childhood: an investment for life” was organized to promote the exchange of knowledge and make the importance of the work done with this population more visible.

The strengthening of competences in language and mathematics, environmental issues and civic conduct and coexistence in the schools also made progress, adhering faithfully to the promotional approach applied to it.

A process was implemented to give 500 teachers tools for emotional management and dimensions of Being. This as a necessary response to the impacts of the pandemic on the school environment.

¹ For greater clarity, in each territory lines of action appear underlined and in bold

² The development levels of children who are in Comprehensive Development Centers (CDI), at the national level were the proxy references used to compare the results of the assessment. The measurement was carried out only on community homes.



In relation to skills for civic conduct and coexistence in the community, there are already 300 youth promoters trained in the formulation of community initiatives and their dissemination on collaborative platforms. These promoters have accompanied other young people to build meaningful life projects. As an example, 324 of them participated in park maintenance and cleaning activities and the recovery and protection of the Chiamarí canal and its surroundings

The generation of **shared meanings** for the common good around littering was also assessed, and the results showed a decrease in the perception of the severity of the problem (-16 pp) and an increase in the practices proposed to keep the Commune clean.



Example of an item of communication to publicize agreements to transform behavior and win new shared meanings for the common good. **Source:** Fundación Grupo Social

In **Habitat and Environment**, the actions to recover the non-invaded and invaded areas advanced, and to pursue actions to contain the invasion of the Ciénaga were the result of several community initiatives articulated with the Technical Committee that involved the City's Planning Office and the Infrastructure of the Office of the Mayor, in coordination with environmental authorities such as Cardique and the Public Environmental Agency (EPA). One particularly important result was the recovery of 750 meters of land along the course of these canales.

The territory's Connectivity line successfully engaged the City's Infrastructure Department to include in its budget for 2023 the construction of 3 roads of the 8 prioritized and in Basic Sanitation the company Aguas de Cartagena confirmed the technical feasibility to connect 286 homes to the current sewage network.

Finally, in **income generation** young people are being trained in socio-emotional skills for work and have had support to access and complete tertiary education, and to bring the city's job offer closer. The training and support process of the first cohort on the route to strengthen grassroots enterprises (120 entrepreneurs) with the pilot of the Meke³ Investment Fund also ended. 30 entrepreneurs presented their investment plans to this fund and 20 were selected to receive mentoring and capital (70% open to treatment as a grant) for the implementation of their plans. In total, the Fund provided \$128 million for these initiatives.

Regarding efforts in employability "Punto Empléate" was adapted in the commune to provide a permanent offer and change the ways of connecting with the market.

³ The Meke Investment Fund is one of the instruments of the route of Strengthening Business Units of the Plan for Good Living to support the entrepreneurs of Commune 6 with funding for their initiatives. At the moment, it received its funds from Fundación Grupo Social but the aspiration is for other allies to invest in it. Meke is a word from the territory that refers to tenacity and strength.

Buriticá

In September 2016, the Foundation's Council approved the development of the program. Buriticá is located on the eastern slope of the Western Cordillera, has an area of 368 km² and borders the municipalities of Cañasgordas, Giraldo and Santa Fe de Antioquia. It is made up of 5 districts (El Naranjo, Guarco, Tabacal, Llanos de Urarco and La Angelina) and 32 rural districts. Buriticá is mainly rural (77%).

As a post-closing event to this report, the complex problems of public order that since early 2023 the municipality faced during the early months of 2023. Riots, roadblocks, material damage and disruptions have put the lives of the entire population and of the law enforcement agencies at high risk, and there has also been violent actions against the local operation of the mining company Zijin Continental Gold. The Foundation has taken steps to protect the staff working in the area and exercises permanent and close monitoring of the evolution of the situation to adapt timely and appropriately to the circumstances of the territory.

Six strategies were defined for this Territorio Progreso in the face of the challenge of how to manage a development model that takes advantage of the benefits of being host to the head office of one of Colombia's largest mining concerns without generating dependency on it, and that development requires enhancement of the agricultural traditions of the area, the strengthening of its social fabric and the design of sustainable solutions for the use of its exuberant natural wealth. Below are some of the achievements obtained in 2022:

Activities in **participatory management of development** were applied to increase the knowledge and appropriation of the territory and the promotion of its strategic plan. The territorial brand “Buriticá, the treasure of Antioquia” was created, which represents its riches, visible in its majestic mountains; its united, kind, humble and hard-working people; its history, and its crafts as well as its gold. The 10 results of the “Quality of Life” model were shared by 5,503 local inhabitants and other/ prioritized audiences



Territorial brand

Source: Fundación Grupo Social

In **Training for knowing and doing**, 74 teachers were trained in ICT skills, while advocacy actions advance towards the design of a Municipal Educational Plan (PEM), which will be submitted for consideration by the Municipal Council in 2023.

In Buriticá, coordination between institutions also continues to update the Local Economic Plan; and the “Emprende Buriticá” route advances with 181 initiatives (96 business ideas, 46 ventures and 39 consolidated businesses), of which 50 were selected to continue in the commercial validation stage of prototypes.



The roads to intervene were defined for the area of **Infrastructure for social and economic connectivity**, 'invitations' were issued with the trails committee to improve critical points and access to the town center of Guarco with a basic roadway, and 11 km of road surfaces were compacted to form branches and single-track paths, benefiting more than 3,500 inhabitants of 16 rural districts..

Progress was also made in the structuring of the Municipal Road Plan, within the framework of the **proactive management of environmental transformation**. In 2022, the Serranía del Viento mountain range was incorporated into the Local System of Protected Areas and an agreement was signed between the Mayor's Office and the environmental agency Corantioquia so that, with the support of Fundación Grupo Social, the process of registration as a Protected Area can continue at National System of Protected Areas, (RUNAP), and in the National System of Protected Areas, (SINAP). Work in Buriticá, also included efforts to continue to improve water quality, reaching 17 treatment plants in many schools in the last two years and the implementation of the improvement route for 21 rural water supplies.

Necoclí

In September 2018 the Foundation's Council approved the development of this program. Necoclí is in the Urabá region of the Department of Antioquia and is mainly rural (73%). It is in a subregion characterized by enormous natural and ethnic diversity, and by the confluence of several port macro projects. It has been highly affected by the armed conflict and illegal activities.

The region faces a social crisis because of a huge migratory exodus, which began to increase in 2021. Given this environment, the Foundation continues to closely monitor its situation and, in any case, faces a very complex challenge within the framework of the **quality of life** results to which it aspires.

In 2022, inputs were obtained for the construction of the lines of action in the **Education for Knowing and Doing** and **Income Generation** strategies, which are already being implemented; the framework of concepts and actions for the **Communication strategy to generate shared meanings** was defined; and the action plans of the **Participatory Management of Development** and **Training for Being** are being implemented as scheduled.

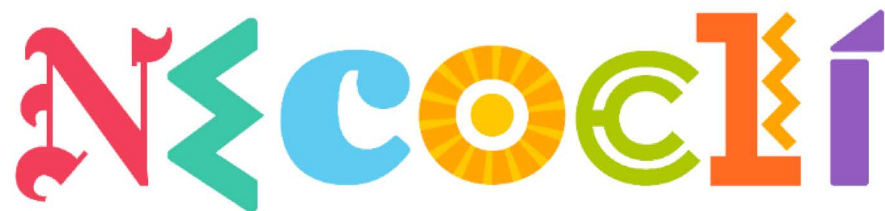
The following important areas of progress were achieved this year:

In the **participatory management of development**, 10 meeting spaces were created with the logistical support of the Citizen Participation Directorate of the Municipal Mayor's Office, and the Income and working groups for Education strategies were formed. The Communications Plan was also implemented and the territorial brand "*Necoclí, you belong here*" was a participatory design for identity references such as its diversity, history, creativity, resilience, its people and their optimistic attitude towards life.



The Solo Arte Urabá Corporation received resources for the “Primavera de Colores” project that seeks to develop a tourist experience from the transformation of the La Primavera neighborhood with local artists who intervened in the facades of more than 80 homes.

Source: Fundación Grupo Social



TÚ PERTENECES AQUÍ

Territorial brand

Source: Fundación Grupo Social

An operation scheme was developed for structuring the pilots for the Strengthening of Competencies for Employment and Entrepreneurship line of action. For Territorial Economic Projection with emphasis on agro/ agro-industry, tourism and services, the relevant stakeholders were made aware of the need to develop a Local Economic Development Plan.



As a post-closing event for this report, an agreement was signed between Fundación Grupo Social and Fundación "la Caixa" to implement the Work4Progress program that seeks to improve incomes, especially of women and young people, based on the drive and promotion of solutions that contribute to the development of a modern agricultural sector and sustainable tourism.

In **Education for knowing and doing**, special mention should go to Deco Construcciones and EBP Switzerland, for their design of a classroom that guarantees thermal comfort and energy efficiency so that the children of the Rural Educational Center of rural district of the La Gran Colombia have a better environment for learning.

Algeciras

The Foundation's Council approved this program in November 2019. Algeciras is considered the center of food production for its area in the northern region of Huila. A little more than half the population live in rural areas (51%) which have historically been seriously affected by the armed conflict. Precisely because of this precarious security situation, a decision was taken in 2020 to begin exploratory work that would directly identify the possibilities for support from the Foundation. Viability was determined in 2021 and lessons learned for the operation in an area of high influence of illegal armed actors were compiled.

In 2022, actions focused on: (1) the completion of the understanding stage⁴ (2) the collection of inputs for the construction of the Participatory Development Management strategy⁵ and (3) the completion of the exploratory project. The first two actions will enable us to have sufficient, qualified and verified information to define the Strategic Plan in 2023.

⁴ The stage of understanding a territory includes the determination of gaps based on the results in quality of life and the identification and relationship between actors; It seeks to generate trust and be able to rely on the willingness of the community and actors in the territory to advance the accompaniment process. Among the typical activities of this phase are: the collection of information from secondary sources; representative surveys of households in the territory; social experiments of public goods "measure of cooperation"; georeferencing of flows and infrastructure; exercises in gathering community voices; maps of actors; socialization of findings with the community based on the "Mission" communication strategy; validation of problems and potential for achieving the 10 results with actors from the territory; and sociocultural study.

⁵ The stage of *understanding* provides input to define the best strategies for each Territorio Progreso. However, all territories always have the Participatory Development Management strategy, as a common element of the model and approach.

For **Participatory Development Management**, 67 leaders and 29 community and economic organizations have already been characterized as possible members of the participation structure in the territory. A proposal for a pilot training exercise for social managers was also implemented with a hybrid face-to-face radio (podcast) methodology and the audiences and media for the construction of the Communication Plan were identified.

Regarding the Exploratory Project, the economic organizations that took part made progress in improving the efficiency of their administrative, operational and commercial processes – in the first joint marketing event, each organization generated an average of profits between COP500.000 and COP1.000.000 -. They were also accompanied in the participatory construction of a territorial “badge” which reflects the agricultural vocation of the municipality and is supported in the registration of their trademarks before the Superintendency of Industry and Commerce. They were given a communications kit as a contribution to the positioning of their products on virtual platforms, fairs and business rounds.



Brands of some producers in Algeciras - Huila

Source: Fundación Grupo Social

Tangua

In August 2021 the Foundation's Council approved the implementation of a program in Tangua, a municipality in the center of the Department of Nariño with a population of 13,318 distributed in predominantly rural territory (79%) and with significant resources of water. It is connected to the Pan-American Highway and is just 20 minutes away from Pasto.

During 2022 the operation focused on completing the stage of understanding. The liaison projects are of particular importance at this stage, and, due to the characteristics of Tangua, they focused on the improvement of 32 community water supplies. A diagnostic document was produced on the technical, organizational and administrative components and the Nariño project "Water and well-being for my neighborhood" was drawn up.

Bilbao

In December 2021 the Foundation's Council decided to execute a program in two cadastral sectors of the suburb of Suba (Bogotá): Bilbao and western Tibabuyes, with an estimated population of 28,579.

This district is a reception point for the migrant population, with a significant percentage of young people; it is growing fast and is close to the course of the Bogotá River and the Tibabuyes and Conejera wetlands. A diverse locality, mostly in socioeconomic stratum 2 and 3 (77%), it is perceived as having high levels of conflict, with a concentration of businesses (13%), but at the same time, is markedly excluded. In addition to allowing the work of the Foundation to generate relevant value, it has the challenge of conducting an exercise in which the two instruments of the Organization act in a coordinated manner, each of them from its scope of action.

In 2022 the stage of understanding was developed. In the process, inputs were obtained for the construction of the strategy **for participatory development management**; and progress was made in designing a proposal for the participation structure with the respective characterization of the leadership and existing organizations, together with the design of the Communications plan. There was also a pilot scheme implemented for the training of social managers with a virtual methodology, in consultation with the office of the local Mayor of Suba and its social innovation laboratory - SubaLab.

Sierra Morena

In November 2022 the Foundation's Council approved the development of a new program in the Sierra Morena area in the Ismael Perdomo Zonal Planning Unit (UPZ) of the suburb of Ciudad Bolívar, Bogotá.

The Unit has a population of 18,520 and was selected for its conditions of vulnerability, reflected in the high levels of monetary and multidimensional poverty, as much as for having favorable conditions of access to equipment and social services, specifically, care services and targeting of neighborhoods to attend to vulnerable populations.

To a great extent, this territory meets the conditions to generate relevant value with the support of the Foundation. It has a significant migrant population; there is business potential due to the presence of informal productive units; historically it has been the object of social assistance and strong institutional presence, which can favor its impact on public policy; it is a territory with important challenges in terms of peace and coexistence; and, as in Bilbao, the effect of the joint work of the two instruments of the Foundation will be evident, each of them from its scope of action.

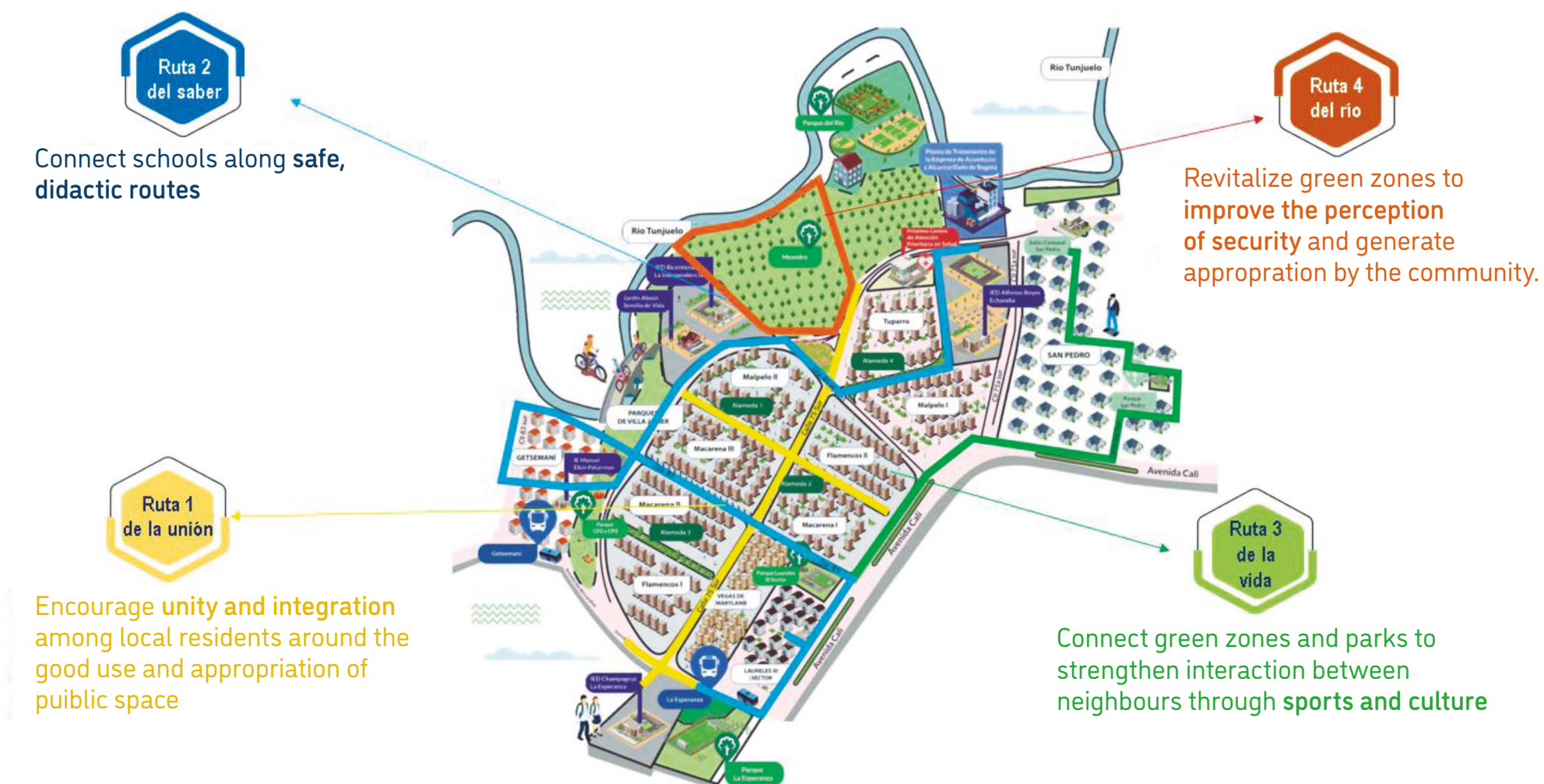
During 2023 the stage of understanding the territory will be developed.

Special Projects

Neighborhood Integration Corridor

The “Neighborhood Integration Corridor” was developed in Parques de Villa Javier and its surrounding area, aimed at strengthening social cohesion between the people who live in this housing project developed by DECO, a company of Fundación Grupo Social, and the neighboring districts of Getsemaní, Laureles III and San Pedro.

Given that the development of this real estate project coincided in a territory where work was already being done with the community to deal with the basic conditions of development in Bosa-Kennedy, direct work was done with the residents to enhance collective action on issues of common interest. After this accompaniment ended in 2019, consideration was given to work through an innovative community building experience – not a direct social program – in order to expand the spectrum of action, taking advantage of the urban project as a driving force for development. The main objective was to ensure that those who live in the condominiums complexes and the surrounding neighborhoods recognized, related and acted collaboratively to achieve common benefits.



Routes for neighborhood integration

Source: Fundación Grupo Social

The project was completed in 2022. All the actions taken were made possible by the consolidation of the network of community managers and the space for consultation between institutions and the community that brought together 17 public agencies, 21 leaders of the Lazos Activos network and the Foundation around the “Pact for Neighborhood Integration Corridor” which was renewed to continue in 2023.

Business for the Common Good

Fundación Grupo Social is the owner of a solid business group, which implies that a significant part of its assets are invested in the ownership of companies that it conceives as a fundamental element of its social work. Thus, these businesses do not exist simply to generate profits for their shareholders; they exist primarily to serve society. Their main purpose is to generate real experiences in the form of economic action guided by ethics, transcendent values, the common good, solidarity and concern for the weakest, in compatibility with the generation of wealth for society as a whole, solvency, economic viability and a fair return for its shareholders.

The specific way in which each business must serve has been established as a “vision” defined by the Foundation's Council, which is precisely the view of the horizon towards which a business must head in the medium term. Based on this “vision”, the business designs a strategic route to be implemented through annual business plans.

As the basis of their actions and mandate, they cherish the concept of Service, with a capital S:

“It is the genuine and deliberate, permanent and structural orientation, to gain a deep knowledge of the needs of others, to find in their satisfaction, the reason for being of the Organization.

In their relationship with others, preferably with the weakest, those who are part of the Organization give of themselves, and find in that a means to transcend, within the framework of respect for human dignity and, consequently, to seek that those others come to manage their own development.

This implies for the Organization that products and services must be developed, and the undertaking of interventions implemented, with the highest quality, so that they contribute to the improvement of the quality of life of others and respond to their real needs. It also implies the use of easy, opportune and clear processes, consistency and respect, providing solutions and having an attitude of legitimate interest in helping in any circumstance.”

It is worth noting that, in developing the strategic route set in 2012, Fundación Grupo Social decided that, without ruling out expansion in the sectors in which it has traditionally operated, it would seek new business developments to look towards other fields of economic activity in the which there was a very clear potential for inclusion for those who did not have opportunities, in balance with economic sustainability and a fair return.

To generate initiatives such as those intended, after deep reflection, it was decided to engage fully and rapidly in the development of lines of protection (which include life insurance, occupational risks, property insurance, assistance, services for the elderly and funerals and funerary services) and proactively to enhance financial activity, especially through microfinance. Likewise, Construction and Tourism were defined as the new sectors in which it should participate on a large scale and actively.

In addition to these lines of business, it was also decided in 2012 that, as an element essential to the fulfillment of its Mission, the Foundation should venture into relatively small projects, whose form of management would be particular since that kind of project involves close support and special relationships with entrepreneurs, communities or non-formal organizations. For this front, Gestora de Proyectos Empresariales was established.

It is important to refer here to the treasury management of the Organization, which incorporates three types of portfolio: (a) that of the Foundation's own assets, the purpose of which is, in accordance with the financial policy adopted by the Board of Directors, to guarantee the availability of funds so that The Foundation can maintain the dynamics of its operation in adverse times, meet its future commitments in full and act as required by the budget plans, provide the resources needed to meet the capital needs of its companies and make the strategic investments that allow it to move forward in the achievement of its purposes; (b) that of the Companies, whose management corresponds to their Boards of Directors and which depends on the particularities and commitments of each business, in accordance with its nature and the regulations that apply to it; and (c) that of third parties, among which are the Unit Investment Funds managed by Fiduciaria Colmena, within the framework of each investment prospectus and their registered technical specifications and the portfolios of certain customers, managed in response to their specific needs and instructions.

Each portfolio has a clearly determined purpose, which is rigorously observed, and its management follows external regulations and the framework of a strict internal control policy. The portfolios are not managed in a spirit of speculation and generally tend towards low exposure to credit risk, moderate exposure to market risk, with sufficient liquidity in the broad and adequate range of securities held.

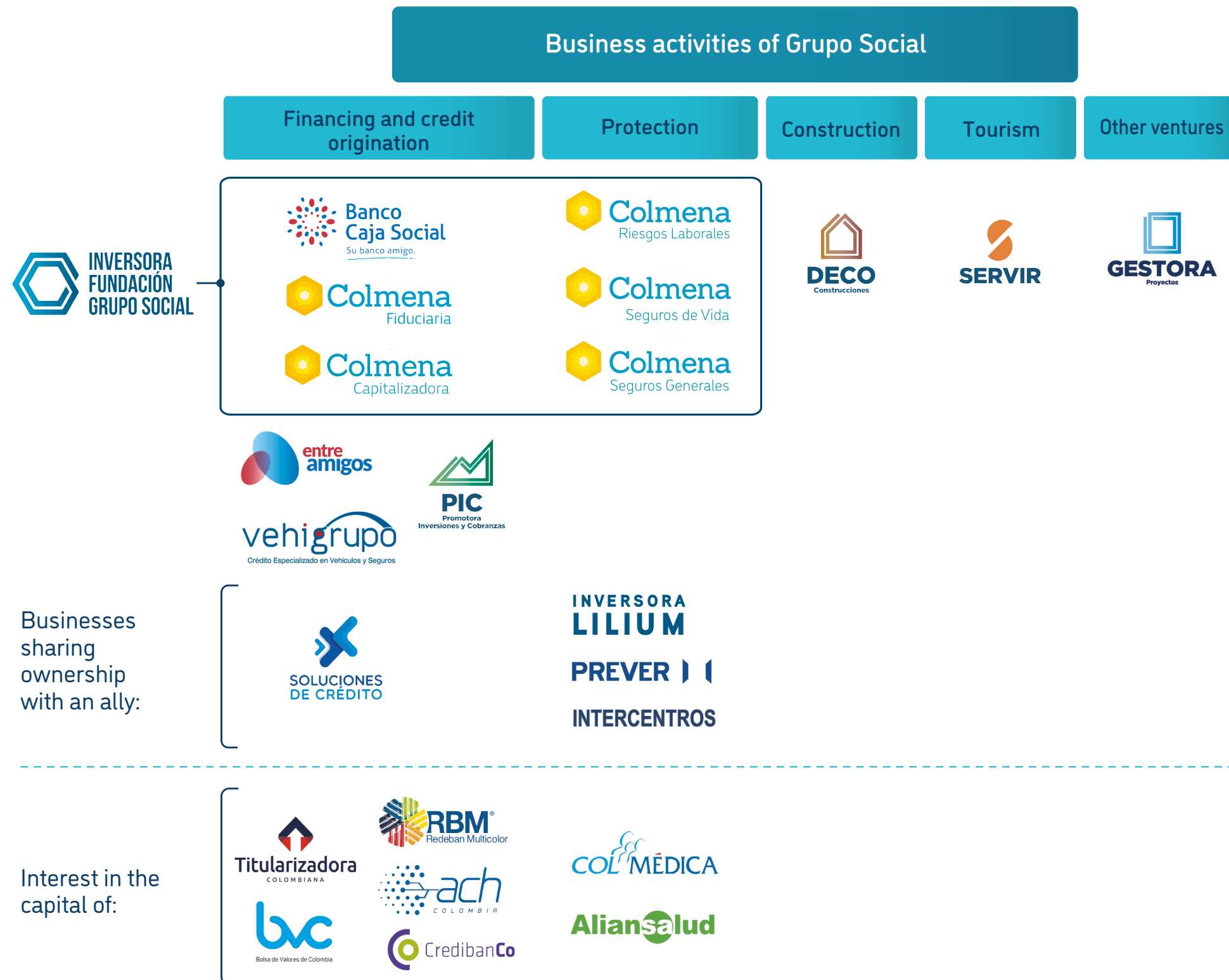
Portfolio performance was satisfactory in 2022.

Next, we will look at the most important achievements in the Foundation's business activity during 2022. Despite the environmental conditions, it faced all its challenge creatively, developed the routes outlined rigorously and its efforts exceeded the expectations raised at the beginning of the year with specific results such as those presented below:

Digital capabilities

Special mention should be given to the consolidation, through a cross-cutting project in the Organization in matters of digital capabilities, to gain better knowledge and digital technology instruments that would enable us to serve more efficiently, correctly and innovatively for mission-related markets and to respond to their needs. In 2022 organizational structures were reshaped and process of formation and development of competences were enhanced for staff in specific areas where we needed to face challenges arising. In parallel, the businesses moved decisively forward in their processes of digitalization and transformation designed to improve their value proposals and gain efficiency in their activities.

Within this initiative, the work initiated by Banco Caja Social, and the insurance companies was particularly important, as was the strengthening of the operation of Entre Amigos SAS.



Financial, Savings and Lending Activity

Since its origin in 1911, Fundación Grupo Social has been responsible for providing financial services to popular sectors, with the deep conviction of the power of savings to make families' personal projects a reality and improve their quality of life.

Today, the Foundation's presence in the financial sector is led by its financial conglomerate holding company, Inversora Fundación Grupo Social SAS, which controls Banco Caja Social, Fiduciaria Colmena, Capitalizadora Colmena, and the three insurance companies, to which reference will be made in the section on protection. Entre Amigos, Soluciones de Crédito, Vehigrupo and Promotora de Inversiones y Cobranzas are also part of this line.

During 2022 **Inversora Fundación Grupo Social S.A.S.** continued to strengthen the capacities required by its business and to comply with its obligations. In particular, the requirements regarding an adequate level of capital of the Conglomerate and Related Parties and Exposure Limits were met, in line with the policies approved by the Board of Directors and the requirements established by the regulator, Superintendencia Financiera de Colombia. Likewise, the holding company continued to advance with the development of the Technological Infrastructure and Data Aggregation that supports its Risk Management Framework (MGR).

With particular reference to the insurance activity, the most important developments were the completion of the split between the Occupational Risk and Life Risk companies, and the authorization by the regulator to begin business in General Insurance, to which we will refer later.

In terms of savings and credit, **Banco Caja Social** has been developing the vision that Fundación Grupo Social has for it.

In this sense, the Bank continued its management focused on serving especially the mission segments to which the entity is oriented, with the development of proposals and products to be close to its customers.

In 2022 the Bank made progress along its path to consolidation of its brand projection: The Friend Bank of Colombians that makes Service its reason for being, with emphasis on middle- and low-income households, microentrepreneurs and MSMEs. Thus, aware of the speed of change in the provision of financial services and the new forms of management in the digital era, it defined a comprehensive medium-term program. The initiatives considered there will enrich the value proposition and optimize the cost of Servir. At the same time, the development of the digital capabilities required to increasingly understand and know customer needs has been strengthened, as a basis for offering relevant and significant solutions.

The business plan was fully developed in 2022. The prioritized fronts, due to their ability to contribute to their strategy, were:

- 1 Commercial growth, with a focus on efficiently increasing the preference of current customers and the ability to attract and engage potential customers. Throughout the year, the Bank achieved adequate growth dynamics in all its lines, maintaining its vocation to provide more and better Services to its mission-related markets.
- 2 Adjustment to value proposals with an emphasis on closing the most critical gaps and strengthening the universal-channel service, to enhance its presence in non-face-to-face channels and improve the productivity of face-to-face channels. Customers expressed higher levels of satisfaction (INS) and recommendation rates (NPS); In the sector, the Bank remained in first place in the satisfaction ranking; and the brand remained in the TOP 3 of the industry's favorites, according to the syndicated study of Recall, Attitude and Purchase (RAC)⁶.

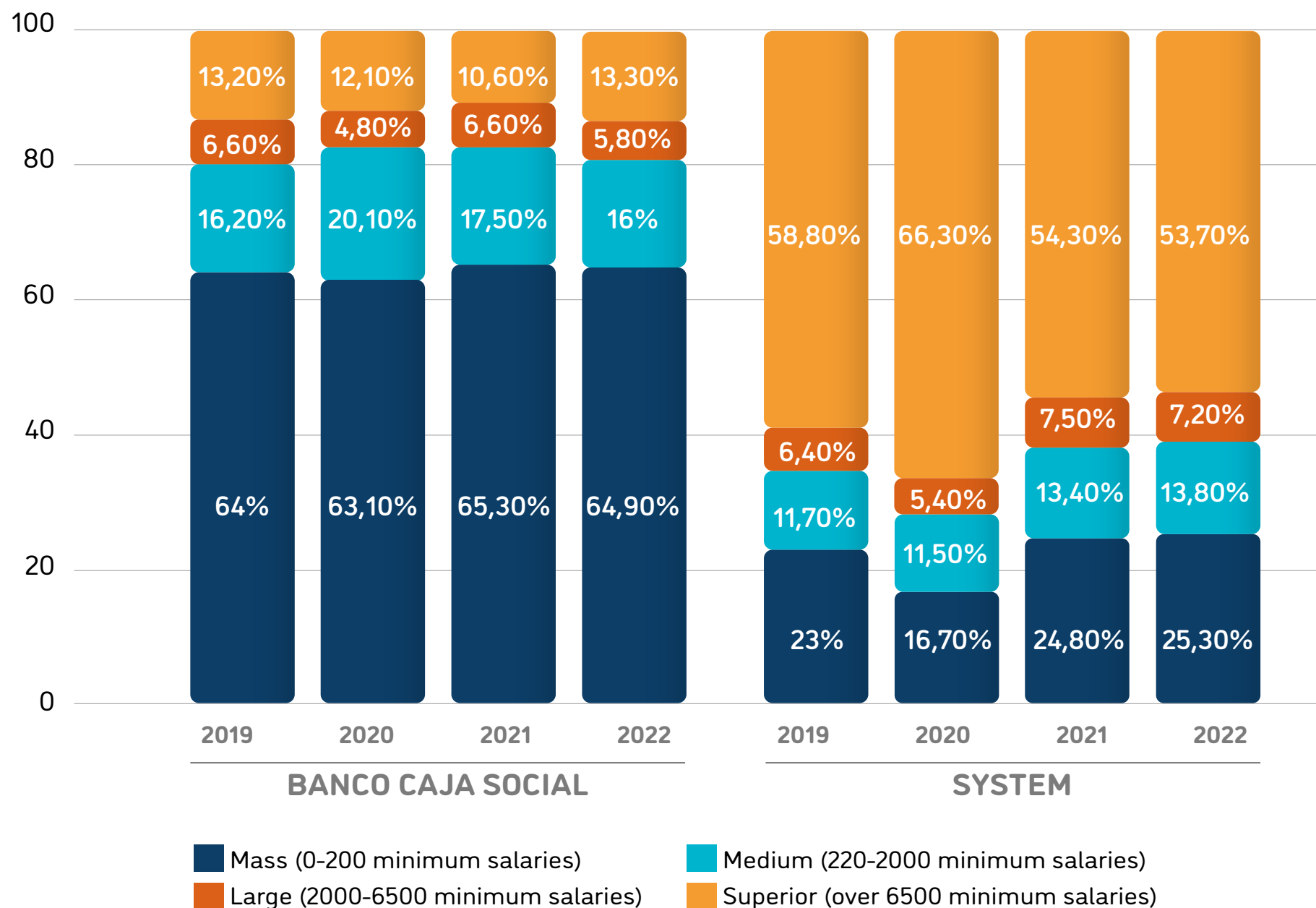
⁶ Source: Byóptimos

- 3 Strengthening the operating model, channels and spending efficiency, aimed at the review and redesign of its processes, structure and technology, as well as the optimal use of the different channels, to make the Bank's proposal of difference a reality and to achieve efficiency in its management; and,
- 4 Digital transformation, creating structural capabilities in talent, culture, technology, cybersecurity, process automation and use of data and analytics, to adapt in a way relevant to new market realities.

As of December 2022, the Bank already had 6,030 service points in more than 781 towns and cities across the country, covering more than 92% of the Colombian population⁷.

The results are highlighted below with the major indicators of performance:

Deposit-taking by ranges

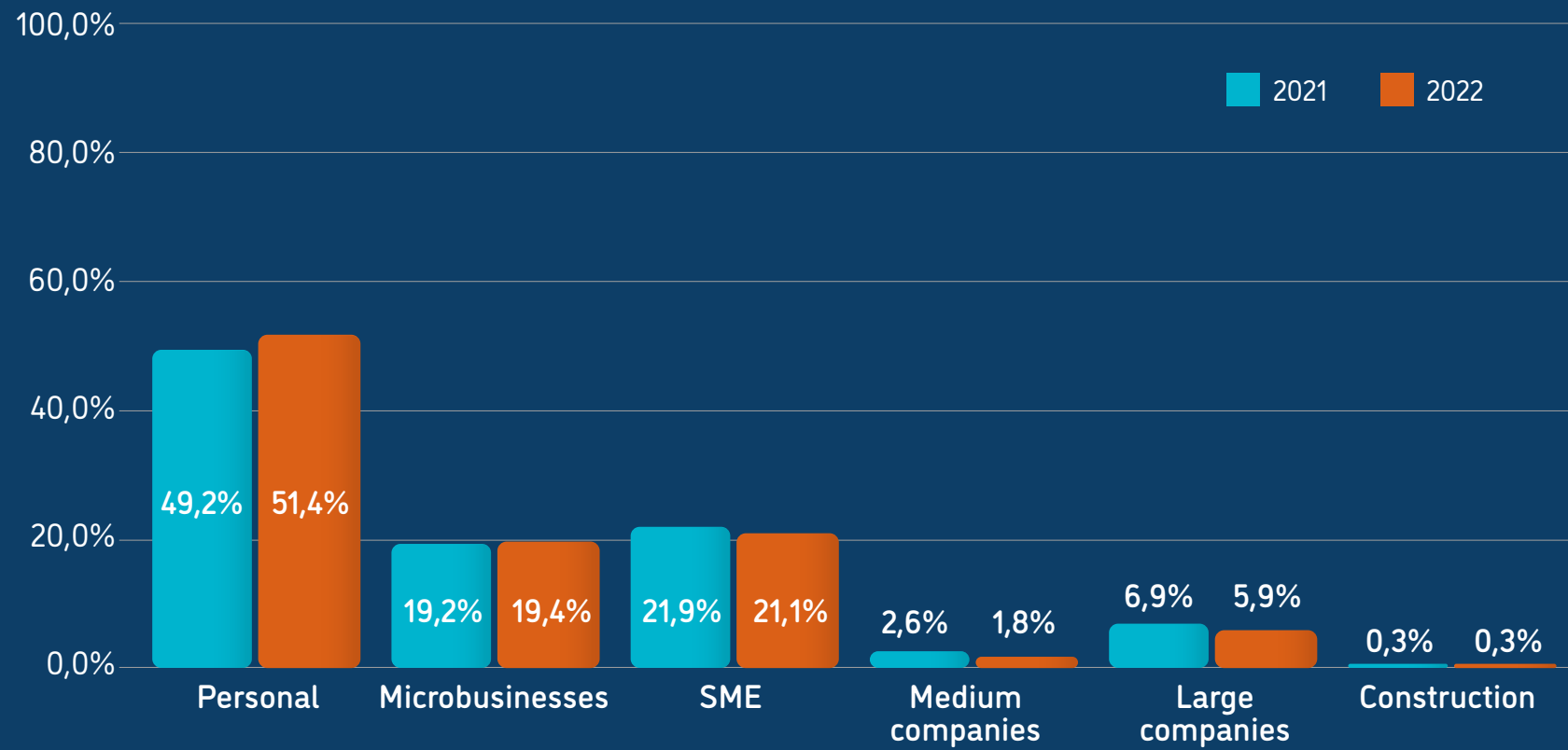


Savings is one of the Bank's strengths. Deposit balances remain concentrated in large numbers of small and stable accounts (64.9%).

Source: Banco Caja Social

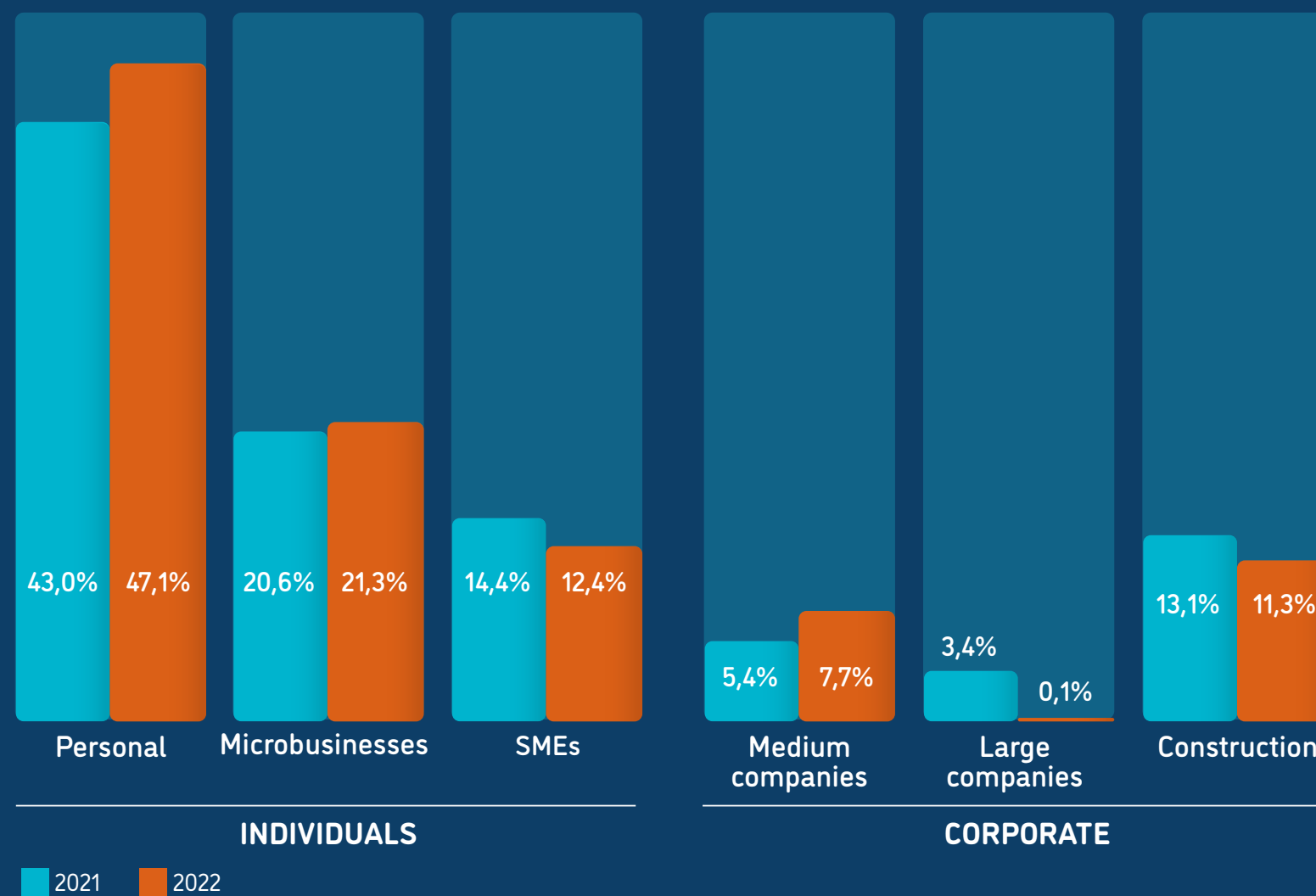
⁷ 678 ATMs and own multi-functional terminals; 2,485 correspondents and 2,4385 Servibanca terminals for use by Banco C aja Social customers free of charge.

Deposits by segments

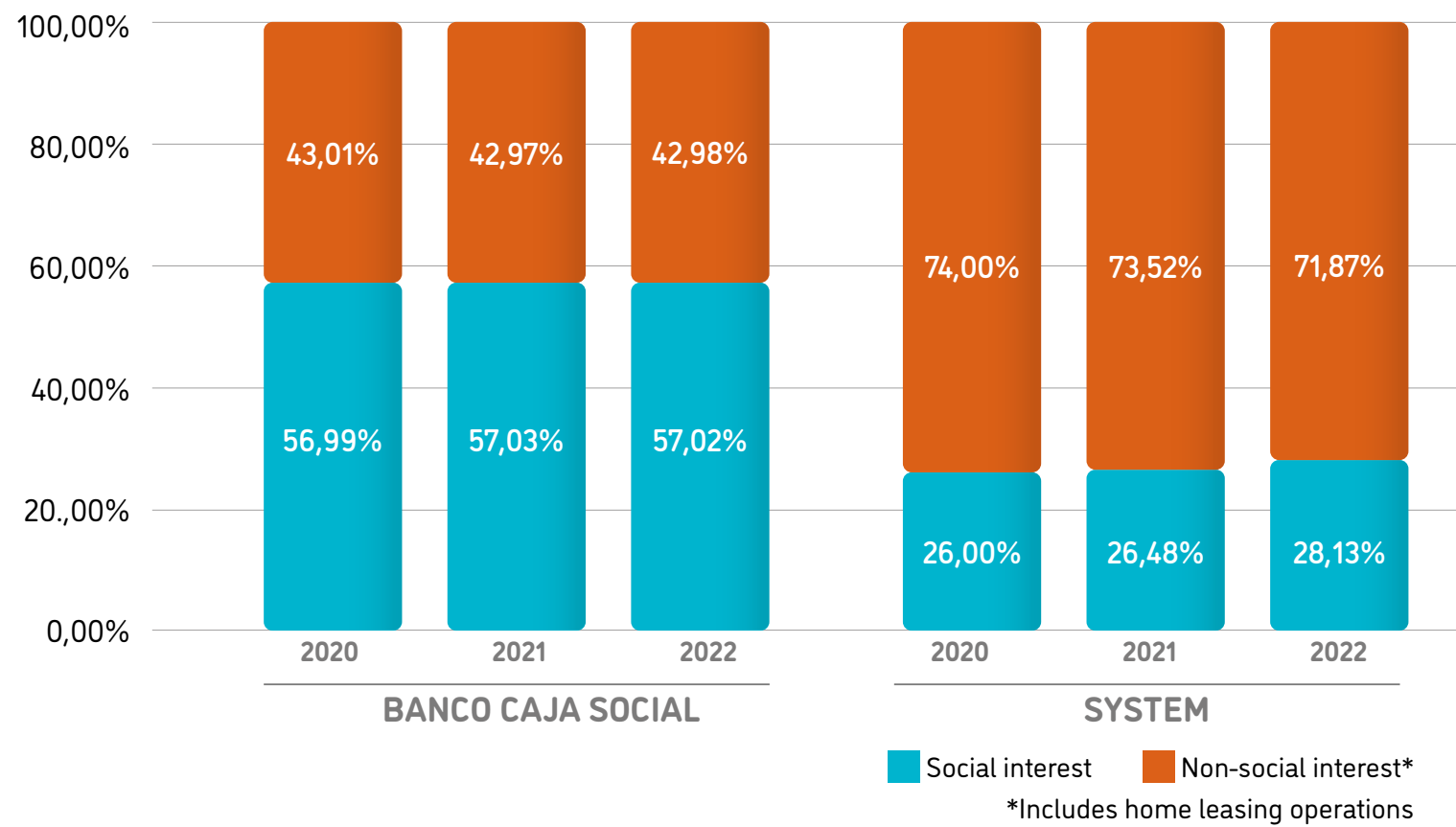


In line with the target segments defined by the Strategy, 93.8% of deposit balances are concentrated in individual personal

Distribution of Disbursements by Segments

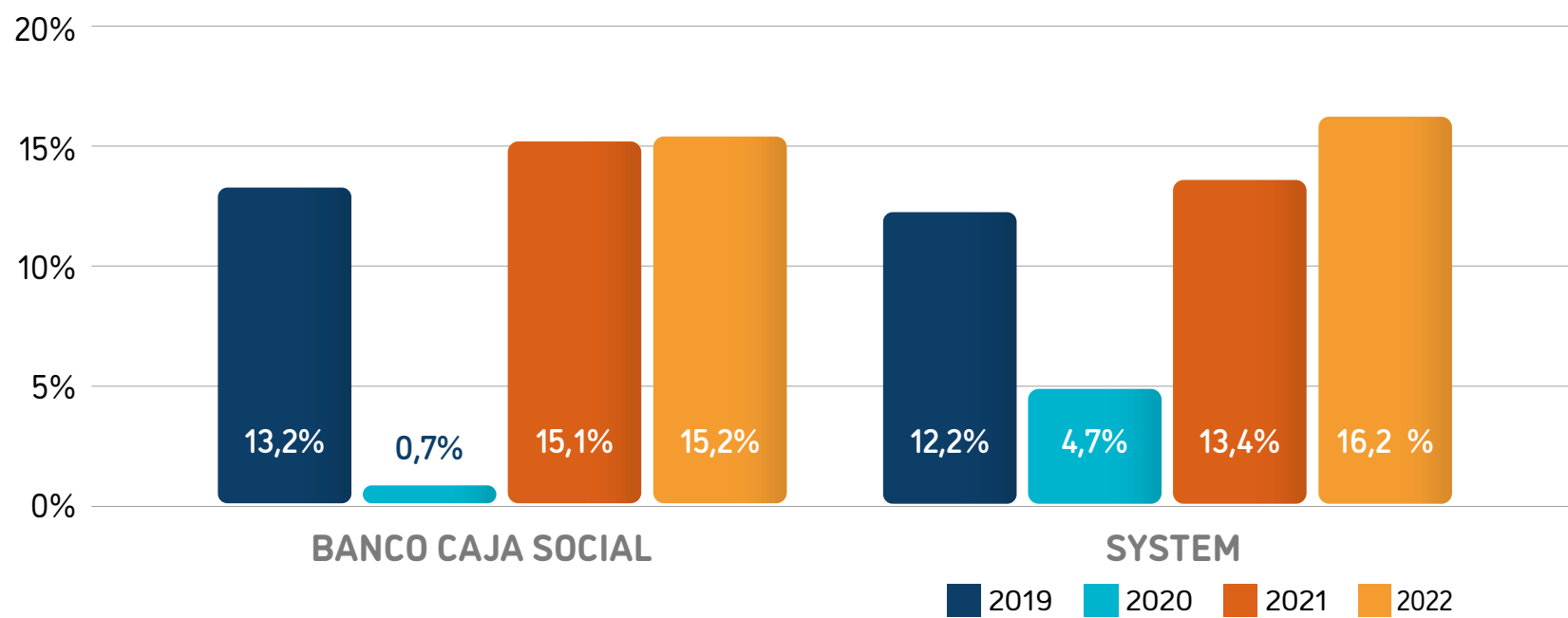


Composition of housing loan portfolio



The Bank has a clear orientation towards its mission-related markets and maintains its focus on loans for the purchase of social housing. It continued with the expansion of FRECH VIS coverage, which consists of extending the Government-subsidized rate reduction benefit (4 or 5 percentage points) throughout the life of the credit. Likewise, and in response to the inflationary situation, it assisted customers with the greatest impact on their payments, granting preferential conditions for the migration from the UVR constant-value system of amortization to ordinary pesos financing. The portfolio recorded an annual growth of 15.6% in portfolio balances.

ROE



The Bank continues to report stable results in its return on equity. In 2020, the year of the pandemic, Banco Caja Social, true to its mission to be the Friend Bank of Colombians, accompanied its customers with significant and truly differentiating efforts, granting relief and adopting special measures of assistance for them. This led to a reduction of net income in the year of around \$81,199 million. If these effects are isolated from the 2020 results, the Bank would have obtained a profit close to \$90,000 million and an ROE of 4.42%. This calculation does not take account of the benefit that Fundación Grupo Social granted directly to all customers of the Bank’s mass-debtor market on their behalf, and at no expense to them, Fundación Grupo Social paid between 20% and 25% of the value of their loan installments for six months, in the hope that this would relieve stresses on their cash flow.

Source: Banco Caja Social

The Bank's vision extended to the trust company **Colmena Fiduciaria**, of which it is the controlling shareholder, and which made progress in 2022 in the objective of complementing the value proposals offered by both companies to their customers. The Trust worked to enhance and consolidate the unit investment funds as a real solution to savings and investment needs. The funds earned adequate returns for their investors, and this made it possible to maintain a growth trend in both the number of member-investors and in the volume of balances managed.

Faced with the purpose of complementing the value proposal that the Foundation has for popular markets, with an emphasis on microenterprises, progress was made in the consolidation of **Entre Amigos**. The work team today has a very high level of technical capabilities; and the digital platform for loan application approvals has prepared the company for the challenges posed by growth and, above all, to serve this segment in a special way. In 2022 it placed a portfolio of around \$12,000 million. Despite the high levels of overdues in the portfolio, which forced the temporary suspension of placements, it managed to test and evolve different sales channels with a focus on comprehensive alliances and promoters, based on a scheme of relationships that combines initial face-to-face contact with digital management.

Along the same lines, a pilot operation was completed in **Soluciones de Crédito SAS**, a company in which shares an interest with Cementos Argos, seeks to serve microenterprises (mainly master-builders) in the construction sector by providing them with credit. This project demonstrated the benefits and relevance of the channel in relation to the objective of inclusion. The integration of the operation with Entre Amigos was formalized in 2022 in order to obtain efficiencies and to offer better solutions.

Finally, for **Promotora de Inversiones y Cobranzas ("Promotora")**, a company specializing in the management and recovery of loans written-off, and for **Vehigrupo**, a vehicle credit originator, 2022 was a year of commercial consolidation and strengthening of the management model with the incorporation of new technologies and data analytics.

One important development last year was the successful implementation by **Vehigrupo**, in alliance with Banco Caja Social, of a line of finance for purchasers of motorcycles, on the understanding that this is a felt need for customers in the most popular segments. The first disbursements were made, and rollout growth is expected in 2023. In the case of **Promotora**, nearly 18,000 debtors settled their accounts in 2022, 12.1% more than the previous year, 852 customers to regularized their credit and their payments remain adequate to the extent that they have been able to be re-instated into the ordinary financial system in an operation to sell an up-to-date loan portfolio to Banco Caja Social. By the end of the year, **Promotora** has recovered loans worth \$75,870 million.

Protection activity

The strategic objective defined for this area is intended to provide comprehensive satisfaction of individual needs for protection, with special emphasis on those who do not find adequate solutions, from various areas or dimensions (includes life insurance, occupational risks, damage, healthcare, services for the elderly, and funerals and funerary services).

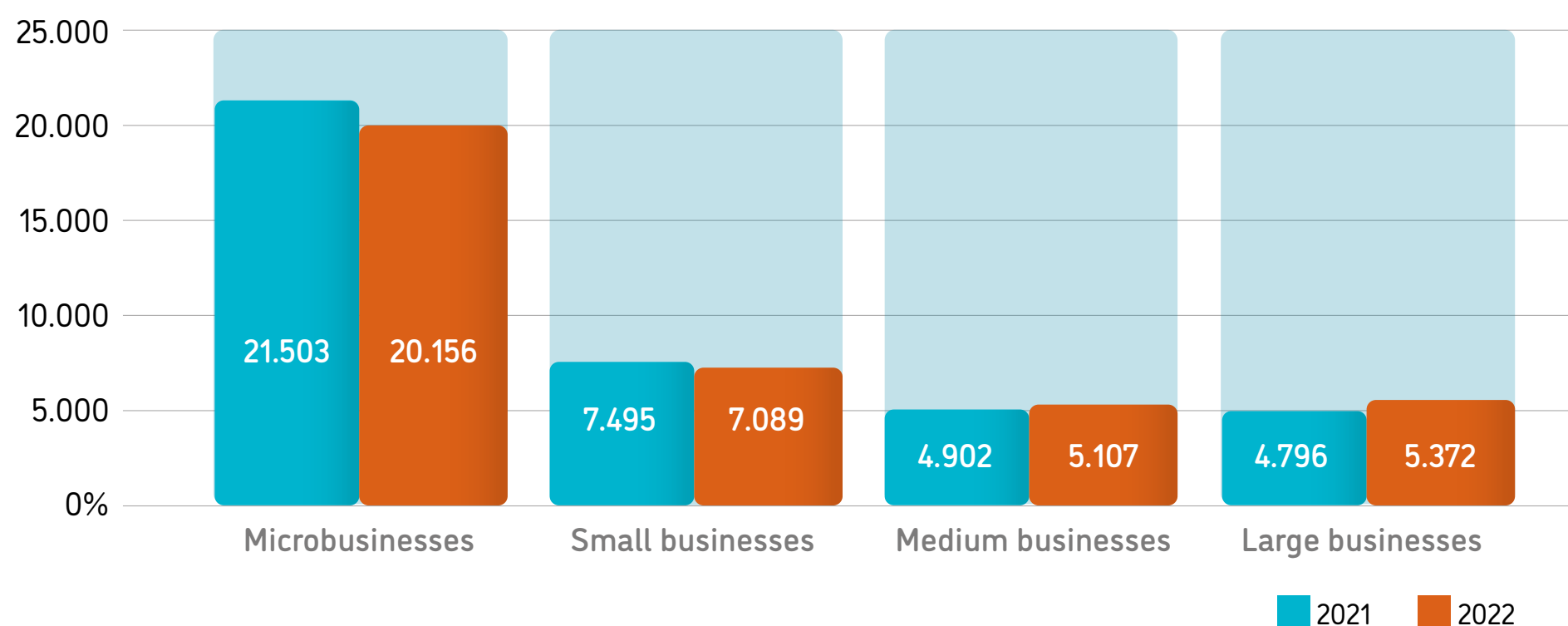
The Organization today has three insurance companies offering cover for occupational accident, life assurance and property risks; a holding company to develop funerals and funeral planning activities; and a company that seeks to provide services for the elderly through the operation of geriatric care centers. These last two activities are undertaken, in conjunction with the Spanish group Santalucía Seguros. Likewise, the Foundation participates in 10% of Colmédica Medicina Prepagada and Aliansalud EPS.

The main advances in these lines of action in 2022 are highlighted below:

Throughout 2022 the insurance company **Colmena Riesgos Laborales** focused on advancing the implementation of its strategy of differentiation by service and risk management, with an emphasis on promotion and prevention, to impact all companies, but particularly those with less than 50 workers. To this end, it created virtual prevention services and launched a pilot scheme for the creation of an internal prevention unit, seeking to maintain quality and effectiveness with improved levels of efficiency.

In parallel, the Company made progress along the route of inclusion of groups of the population not adequately served, adapting its current offer to suit them better. The company continued to pursue improvements to customer experience in the indemnity process. And finally, the Company provided appropriate attention to all affiliated employees who were COVID-19 victims.

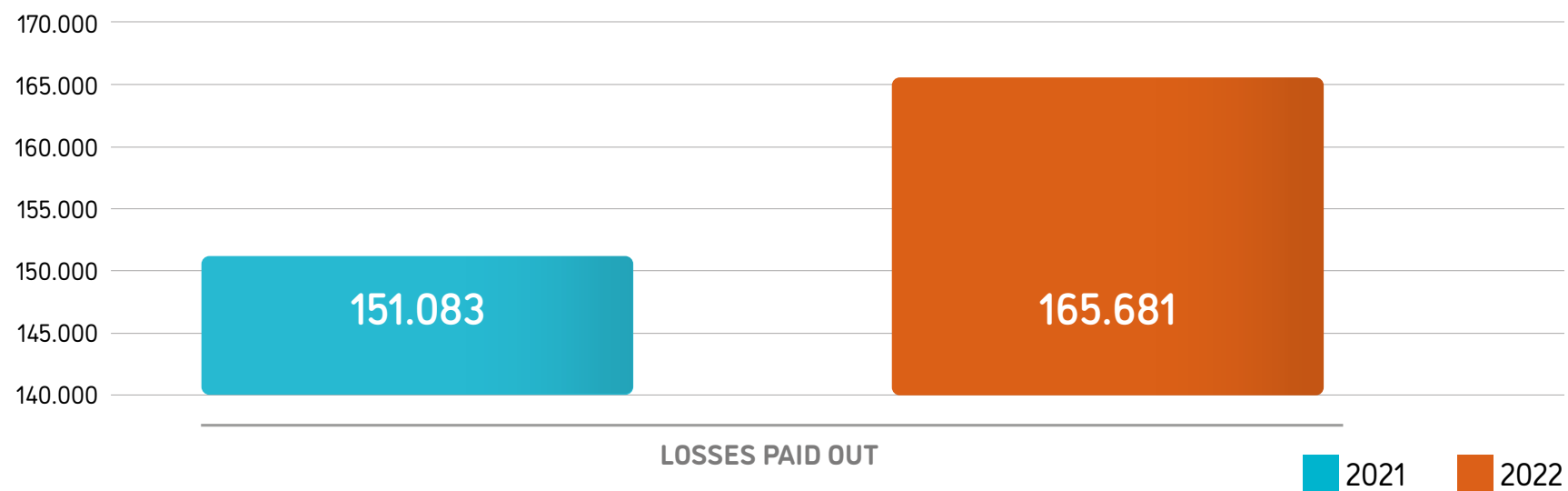
Numbers of businesses affiliated to occupational risk insurance



Composition by number of businesses
The largest group is that of the mission-related segments.

Source: Seguros Colmena

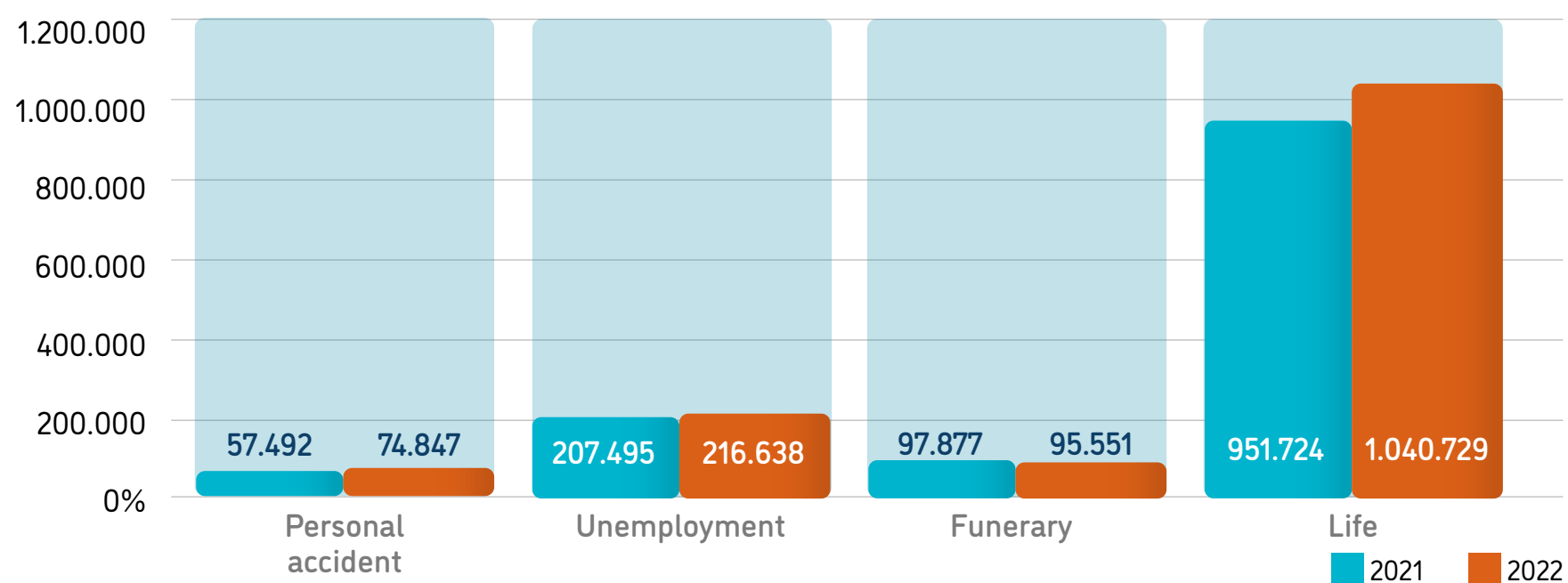
Losses paid out for Occupational Risks



The life company, **Colmena Seguros de Vida**, for its part, began its independent management after the spin-off. In 2022, it focused on the implementation of its medium-term strategy, which is based on four fundamental factors: (i) It is aimed at popular segments and/or those who do not easily find protection solutions, (ii) it offers solutions that address their true protection needs, (iii) with a process that seeks to ensure that all sales are good and are based on a clear and timely explanation of the content of the insurance and its exclusions, and (iv) attention to compensation requests with principles of opportunity and solidarity. The main advances were achieved in the implementation and improvement of products and services, the development of new channels, advances in the implementation of the Buena Venta Colmena model and the installation of new capabilities strongly leveraged in technology, data and analytics, cyber security and information security.

In addition to the combined banking/insurance programs (especially with Banco Caja Social), progress was made in the formation of strategic alliances in the Affinity channel and the value offer for these allies was adjusted. Along these lines, agreements were signed with utility companies, credit generators and family compensation funds, which will enable us to serve more than 12 million individuals in the target segments

Number of insured by Class – Personal Insurance



The Organization considered it important to create a general insurance company, to be able to offer protection to the income, productivity and assets of individuals, microenterprises and small businesses, to complement the existing capabilities and coverage offered by the life and occupational risk companies. In 2022 **Colmena Seguros Generales** defined its Vision, strategic focus and target market based on the analysis of customer needs and last December the Financial Superintendency granted the operating permit and authorization to offer the lines presented for its consideration after running the tests to measure its technical capacity satisfactorily.

Given its defined strategic route, the Company found that the best alternative lay in the development of alliances. During the year, progress was made in specifications for implementation from 2023.

In the line of funeral services, **Inversora Liliun SAS**, the company is owned in equal shares by Fundación Grupo Social and Santalucía Seguros, has been managing the consolidation of Grupo Prever. During this year, efforts focused on profitable and sustained growth, as well as the adequate provision of services. It is expected that during 2023 the evaluation of opportunities for inorganic growth can be resumed, seeking to consolidate this front.

Finally, **Colmédica Medicina Prepagada** and **Aliansalud EPS**, co- owned by the Foundation with Banmédica Chile (in turn, controlled by UnitedHealth Group), reported satisfactory performance in terms of results and maintained appropriate levels of operation, ratifying their recognition and leadership in the sector. In 2022 the companies had 286,029 and 246,417 users, respectively. It is important to note as a post-closing event, that the reforms to the health system now passing through Congress could significantly affect the operation of these companies, especially in the case of the EPS.

Construction activity

The Organization decided to engage in long-term sectoral ventures in Construction due to its important social impact and especially to its potential for inclusion, the generation of employment and income and the improvement of the quality of life of populations and communities; it also offers acceptable profitability and risk. In 2022 it defined the vision and strategy that it will follow to become a major player on this front. It is expected to begin its implementation strongly in 2023.

Deco Construcciones, one of the fundamental levers for this purpose, through the management of construction projects with special emphasis on social housing, is an alliance between the Foundation as an investor with recognized building companies. It has continued to roll out its strategy which aims to generate positive impacts on the quality of life of families and the territory in aspects related to the spaces of private and shared units, and to care for the environment and coexistence. In this sense, the company moved forward with the execution of the Hacienda La Estancia project on Calle 170 and Carrera 7 in Bogotá. It has already delivered 1,684 homes, out of a total of 6,710 that make up this development. This, together with the results of the search and evaluation of other projects, if completed in 2023, will involve the development of 6,500 units.

Tourism activity

As in construction, tourism was considered as a sector in which Fundación Grupo Social must actively participate through new business developments with high potential for inclusion, in balance with economic stability and a fair return. To advance with solid steps towards this objective, it was initially decided, in parallel with the adjustment of the business model, to enhance the work of the Las Palmeras holiday resort managed by **Corporación Servir**, to use that vehicle as a “testing laboratory” in which controlled and measured trials could be carried out, linking the region, local producers, authorities and other participants in the chain.

As a result, in November 2020 the Corporación Servir's model was adjusted and the changes and improvements to the resort's infrastructure began to improve its activity and offer services to different customer segments, winning financial sustainability, taking advantage of the experience and capacity-building for the development of the sector. The new offer must have a high content of inclusion that favors tourism service providers in the region and those people who commonly cannot access services of this nature, responding to the mission of this entity. This project will last five years, it is expected that most of the transformation and modernization will have been completed in the first three years.

Other businesses

Gestora de Proyectos Empresariales (“Gestora”) was created to manage this line, as a vehicle through which the Foundation has been investing, with criteria of sustainability and profitability in projects with a strong component of inclusion, due to their risky and demanding nature in terms of innovative ways of doing things.

In 2022 Gestora implemented the second version of its call for “Empresas +”. To achieve a greater reach, it consolidated alliances with national and regional actors linked to the entrepreneurship ecosystem, which allowed an increase in the number of applications. 183 companies applied for this new version.

Nine new investments had been approved in different departments by the end of the year and added to the portfolio. In addition to receiving financial support, the companies will have support in their business management. The companies managed to advance their business objectives and face up to the challenges of the economy, especially in the increase in raw material prices.





Honey-derived products



Ecological personal care products



Zeoflized food products



Dairy products



Biscuits, cookies and other products



Fruit-based food products for the bakery industry



Healthy conserves made with organic products



Lamb products



Gourmet Tomatoes, exotic varieties



Ice for the fisheries industry



Fruit Pulp



Special coffees

Current investments of Gestora de Proyectos Empresariales

Source: Fundación Grupo Social

At this point special mention must be made of the Emprender Paz Award, managed by Corporación Emprender Paz, created and administered by Fundación Grupo Social with the support of the Swedish Government, the Konrad Adenauer Foundation and Fundación Ayuda en Acción, as a promoter of this sector. In 2022 these awards were made for the fifteenth time, a landmark in continuous contribution to society, demonstrating that productivity and peace-building go hand in hand; inspiring others to follow the path taken by the initiatives decorated by the Award; and recognizing the role of private enterprise as an engine that drives progress and peace in society.

This year there were 4 winners among 12 finalists. The Award also recognized the contribution and commitment to the generation of alternatives in territories and populations that have been affected by violence and the lack of opportunities in the country with a special act of visibility to the achievements and track record of the companies whose initiatives produced winners in the past.

In rural areas

Work in rural areas has always been a priority for Fundación Grupo Social, and consequently it considers that it is called engage in development activities. A large proportion of the population lack instruments that would enable them to reduce their vulnerability⁸, in contrast to its potential to become an engine of progress and inclusion for Colombian society in general, has been motivating for the Group to use its two instruments in direct actions that contribute to overcoming the causes of poverty.

⁸ Through the generation of solutions in terms of income, habitability, basic services, roads, and a reduction of violence, amongst other areas.

The population of the four of the seven Territorios Progreso now in progress is predominantly rural, and for that reason the meaning and scope of most of the strategies and action plans designed to achieve the ten comprehensive results in quality of life are addressed to that population. The participatory management of development, training for Being, knowing and doing, the infrastructure for social and economic connectivity, and income generation are some of the challenges that the Foundation faces for the benefit of these communities.

In addition to this, **Gestora de Proyectos Empresariales** seeks to generate demonstrative experiences of sustainable business models in the food, agribusiness and tourism sectors, where the protagonists are individuals' people or communities who do not find any opportunities for inclusion and who are part of the so-called "informal economy" or are deeply connected to the markets of that economy. Today, Gestora has several productive initiatives of an agro-industrial nature that contribute to the improvement of the conditions of the farmers in each region.

The Emprender Paz Award also highlights those ventures and business initiatives of origin and positive impact on rural development, particularly in areas of greatest conflict, as mentioned above.

Now, after reflecting on its strategy in 2012, the decision was taken that: ***"... the Foundation will experimentally undertake specific projects that promote development in rural areas of the country, with the understanding that overcoming the abandonment of this sector is a fundamental challenge for development and coexistence."*** For this strategic objective considered complementary, it seeks to act through specific projects to produce an impact in these areas, considering their possibilities of productive chains and the development of the regions, and aware that urban areas are the craving force of development in rural areas (Conurbations). Intensive work was done in 2022 on the construction of the route to be followed on this line and the capabilities were incorporated to be able to assume it. As a post-closing event, the decisions made by the Foundation's Council regarding the path outlined and the type of projects that can be developed stand out. In 2023, significant progress will be made on this front.

Generation of wealth

Evidently, the business model that Fundación Grupo Social intends to develop is not incompatible with the expectation of generating fair and sustained profitability for shareholders; indeed, that is a substantive element of its work. However, the creation of wealth is not limited to obtaining profits, nor does it have these as its sole purpose; it must be looked at from the generation of added value of the productive process inherent to business activities. The way that this added value is distributed among staff, suppliers, the State, clients, society in general and the shareholder is an essential factor from a social point of view and has been the subject of deep reflection and decisions by the Foundation, all based on its Legacy and axiology.

We summarize below the approaches that over time the Foundation has defined as directions in its commitment to distribute the greatest possible wealth among the actors with whom it relates and who intervene in its productive process that generates worth, always with justice.

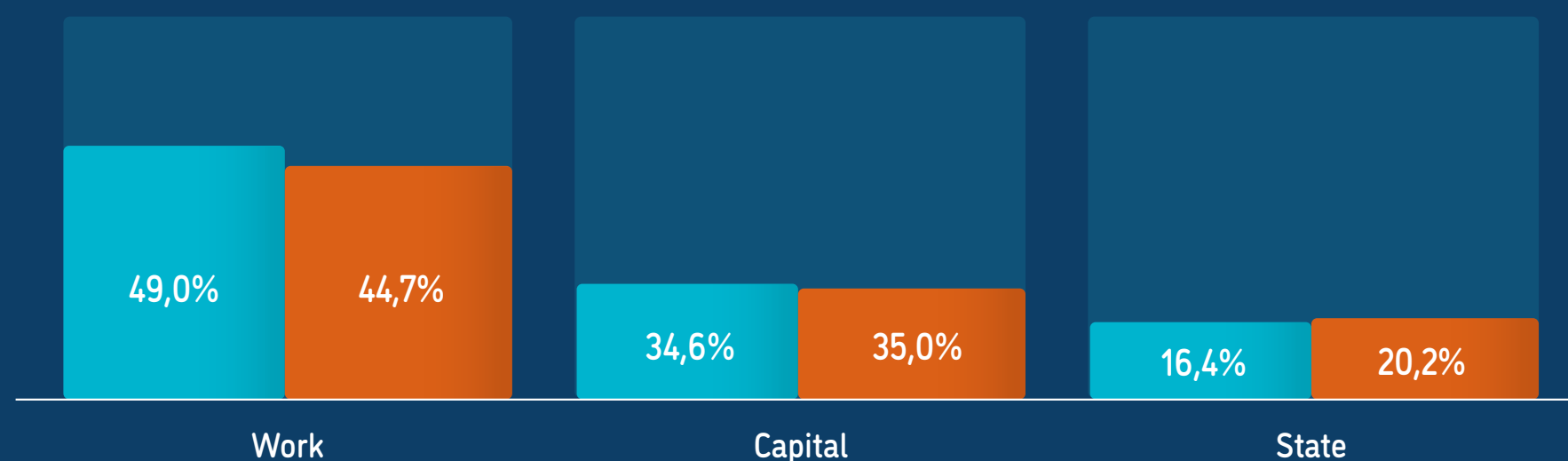
- **Staff.** In 1991 the Foundation established its fair-pay policy: its central purpose (beyond simple market reference) is to secure the sufficiency of the salary to provide a dignified life for both the employee and the employee's family, especially when it comes to non-managerial levels. Additionally, this policy takes into account the common good, considers the conditions and capabilities of the company, relates to the impact of the position and performance, as well as promotes the firm decision to apply the principle of "equal work, equal pay", which implies that the decisions made in this matter are devoid of any discriminatory consideration.
- **Suppliers.** Without prejudice to the application of criteria of efficiency to which it is very strongly bound, but aware of the co-responsibility for the well-being and growth of those with whom it interacts, the Foundation seeks and promotes the negotiation of balanced conditions in terms of justice, to ensure the full satisfaction of the interests of all parties involved. Along these lines, the characteristics of this dimension are the determination of remuneration at market prices, the eventual modification of the agreement whenever the circumstances that served as the basis for the contracting are altered, and rigor in compliance with obligations.
- **The State.** The Foundation has been absolutely rigorous in its commitment to contributing to the public purse, within the framework of current regulations, on the understanding that the existence of the State and the good quality of its performance constitute a fundamental driving force for the common good.
- **Customers.** There has been concern to ensure that Foundation's companies should generate well-being. Therefore, and within the framework of the definition of Service that we write with a capital S, the Foundation seeks to build value offers that effectively satisfy true needs and constantly reviews the conditions of its products and services, so that clients should find their expectations reasonably met. In relation to this dimension, the Foundation feels strong reasons to make comprehensive improvements in terms of service channels, promptitude, relevance, processes, price and even - and very importantly - the generation of access for those who do not have opportunities.
- **Society in general.** The Organization has instruments that allow it to make ongoing assessments of the impact of its work to adjust what is appropriate for the benefit of society. It has recently undertaken a reflection on the criteria with which it has measured the impact of its activity from an environmental perspective. The conclusions of this work will be obtained in 2023.

Now, it is not possible to ignore the fact that in terms of justice, the greater or lesser impact that we have in the relationships to which we have referred without a doubt depends on the way in which the Organization approaches the application of this criterion in the generation of wealth for the shareholders, which in the case of the Foundation translates into its status as owner and manager of companies. One of the most important challenges of Fundación Grupo Social is - given that it has defined the strategy to promote the construction of a new culture through its testimony - consists of taking the risk of determining what return considered "fair" for a capital investment. This is, so to speak, the "acid test" of the entire approach, since "fair return", is to be contrasted with "maximum return" (a central paradigm in the reality of business decisions) puts to the test the true will to share the value generated in productive activity with other agents in society.

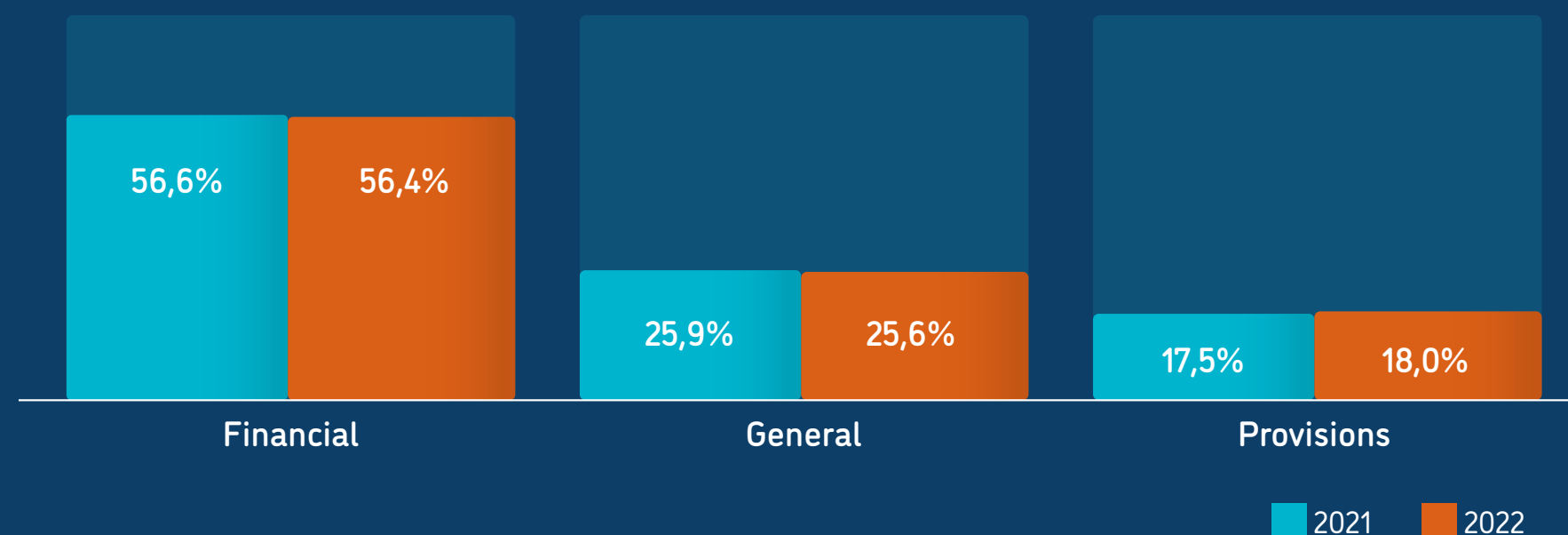
In 2017 the conceptual work that has been in progress for several years was completed, through a patient and innovative methodology that, amongst other things, takes account of the risks that are outside the management capacity of the entities. The same applied to the completion of the technical details. Thus, the specific rates of return that must be considered fair have already been determined for each of the business activities of Fundación Grupo Social. These rates are a fundamental input for directing companies towards their vision.

From a more traditional standpoint, the group's added value was \$1.42 billion; 44.7% of this amount corresponded to labor, 35.0% to capital and 20.2% to the State. The transfer to the value chain (wealth generated for suppliers and users) amounted to \$3.33 billion, generating a growth of 21.7% compared to 2021, and production grew by 21.8%, to a total of \$4.76 billion.

Added value



Distribution of Transfers

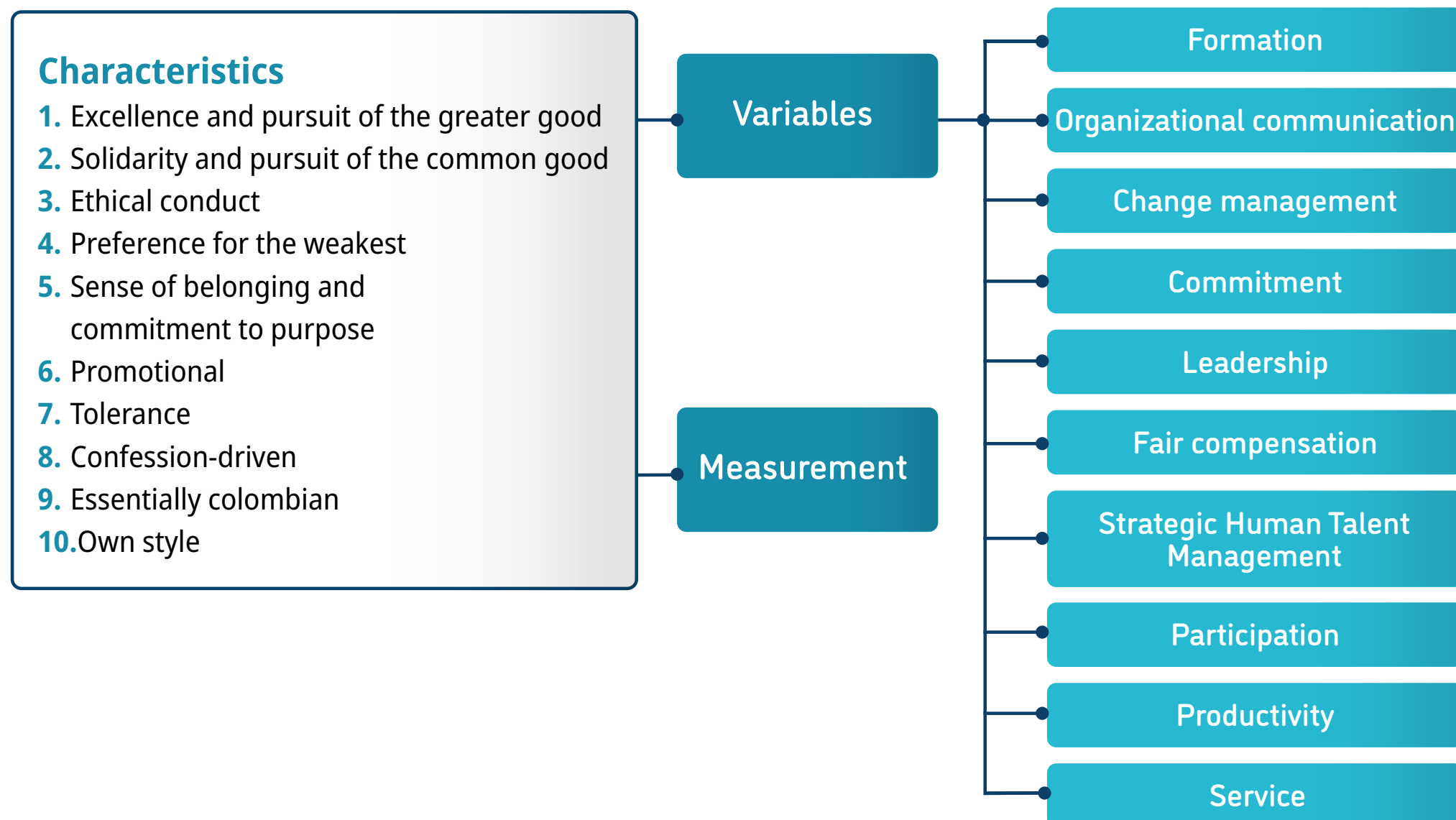


The individual contribution of some of the businesses to added value was as follows:
 Banco Caja Social: \$979,165 million, up 18.8% on 2021.
 Colmena Riesgos Laborales and Colmena Seguros de Vida with \$283,877 and \$56,354 million, respectively, up 115.3% on 2021.

Organizational Culture

Fundación Grupo Social understands its organizational culture in the broad sense as the way in which a community of individuals thinks, expresses itself and acts. This is not only a critical enabling factor for its management of human talent but is also seen as a guarantee of the long-term sustainability of its Legacy. Organizational culture is also a minimum requirement for coherence within the framework of its strategic objective.

The Organizational Culture System, built more than thirty years ago, and re-empowered on the review of the Foundation's strategy in 2012, establishes the characteristics of the desired culture, that is, the reference profile to which it aspires, and the variables that function as dynamic levers to achieve this objective. Each of the variables has defined action plans with specific objectives to be met year after year.



Organizational Culture System

Source: Fundación Grupo Social

Here are some of the milestones of 2022:

- In **Formation**, progress was made in all work fronts, for positions, career paths and individual development of staff. One noteworthy element in this the Reflection Spaces that revolve around the way in which values are materialized within the Foundation and the different processes are designed to deepen and improve the understanding of the purpose and reason for being of Fundación Grupo Social. There is also special emphasis on specific technical training for new positions and roles related to innovation, digital capabilities and cybersecurity.

- In **Change Management** the most important element was the support process, designed and initiated for the moment of transformation experienced by Banco Caja Social, the Occupational Risk and Life Insurance companies, as well as Corporación Servir.
- In **Leadership**, the Skills Enhancement Program was implemented for 550 managers in conjunction with the business management school Inalde. This will be continued in 2023 to cover the entire group of leaders.
- The processes related to the **Strategic Administration of Human Talent** progressed satisfactorily and in accordance with projections⁹.

In the line of teleworking, progress is highlighted by the definition of the conditions required to develop staged pilot schemes in its three modes (supplementary, mobile and free-standing) for those roles for which this modality has been considered appropriate, without impacting the service that the companies provide to their customers, communities and users. In any case and in the interests of our culture, face-to-face contact has been privileged for certain types of interactions in these pilot schemes. **Organizational Communication** has played a leading role in maintaining close relations with staff involved.

As a particularly important development in **productivity and quality**, staff with specialized knowledge were brought in to address digital and innovation initiatives, along with those who had knowledge and experience in technology, data analytics and cybersecurity. At the same time, new working methods and more flexible forms were appropriated to combine the advantages of virtuality and the need for physical presence. In this same sense, and in the context of the processes of change, initiatives were defined with work plans designed to enhance the culture, while incorporating these new ways of doing things.



⁹ The processes in human talent are Performance Management, Corporate wellness, Clime and health; teleworking and the operation of human talent

Staff of Fundación Grupo Social

2018	2019	2020	2021	2022
9.085	9.087	8.628	8.720	9.106
	▲	▼	▲	▲

At the year end staff numbered 9,106, an increase of 4.43% on 2021.

Source: Fundación Grupo Social

	PAYROLL		SENA		TEMPORARY		TOTAL
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
2022	4.927	2.750	212	98	770	349	9.106
2021	4.801	2.636	233	71	679	300	8.720
Var %	2,6%	4,3%	-9,0%	38,0%	13,4%	16,3%	4,4%

64.2% of staff are women, 35,8% are men¹⁰

	<=3 years	>3 a<=6 years	>6 a<=9 years	>9 a<=12 years	>12 a<=15 years	>15 years	TOTAL
2022	1.461	1.063	1.391	931	675	2.156	7.677
2021	1.207	1.226	1.364	867	651	2.122	7.437
Var %	21,0%	-13,3%	2,0%	7,4%	3,7%	1,6%	3,2%

The average length of service of active staff across the entire Organization is 11.1 years

Source: Fundación Grupo Social

¹⁰ In 2021 women occupied 52% of management positions in the Organization and men 48%; In 2022 47.9% were women and 52.9% were men. On company boards, 36.6% of principal and alternate directors are women and 64.4% are men.

Visibility

Fundación Grupo Social does not seek recognition or to be treated as an object of exhibition, it does wish to make its testimony known as a reflection of a genuine form of action framed in the common good, ethics, transcendent values and the development of marginalized sectors, and hence as a demonstration that it is possible to take concrete steps towards a culture that allows us to achieve the society of which we dream.

This line of approach, established in the Legacy, is the route along which the policy on visibility has been deployed for more than four years now. During 2022 the policy made significant progress towards the continued strengthening of comprehensive knowledge of the Organization and its genuine purpose to Serve, especially those who have had fewer opportunities.

To this end, a communications strategy was developed to address the public. Through a closely directed message, it explained how the Foundation's companies open their doors so that more people have real opportunities for progress and inclusion and can therefore realize their aspirations. Today its social networks and website transmit the voice of the communities with which it works from the Territorios Progreso; the voice of our customers, whom our companies accompany; the voice of our staff; and the milestones that mark our history of more than a hundred years.

Further, and in response to the special interests of its allies, customers and strategic suppliers, among other audiences to which it relates, who have a deep and comprehensive knowledge of the Foundation, a plan was deployed with the intention of establishing a permanent practice, in which senior management take on the role of presenting the Organization within the context of their usual contact with it.

Much effort has been deployed – and many good lessons learned – in this intention to make the Foundation known as a testimony that reflects a genuine form of action in the Service of the common good in this country. A work that, in addition to fulfilling this purpose, continues with ever-increasing momentum, to help sow seeds of hope and inspiration, especially in those people and communities who need it so much today.



Corporate Government

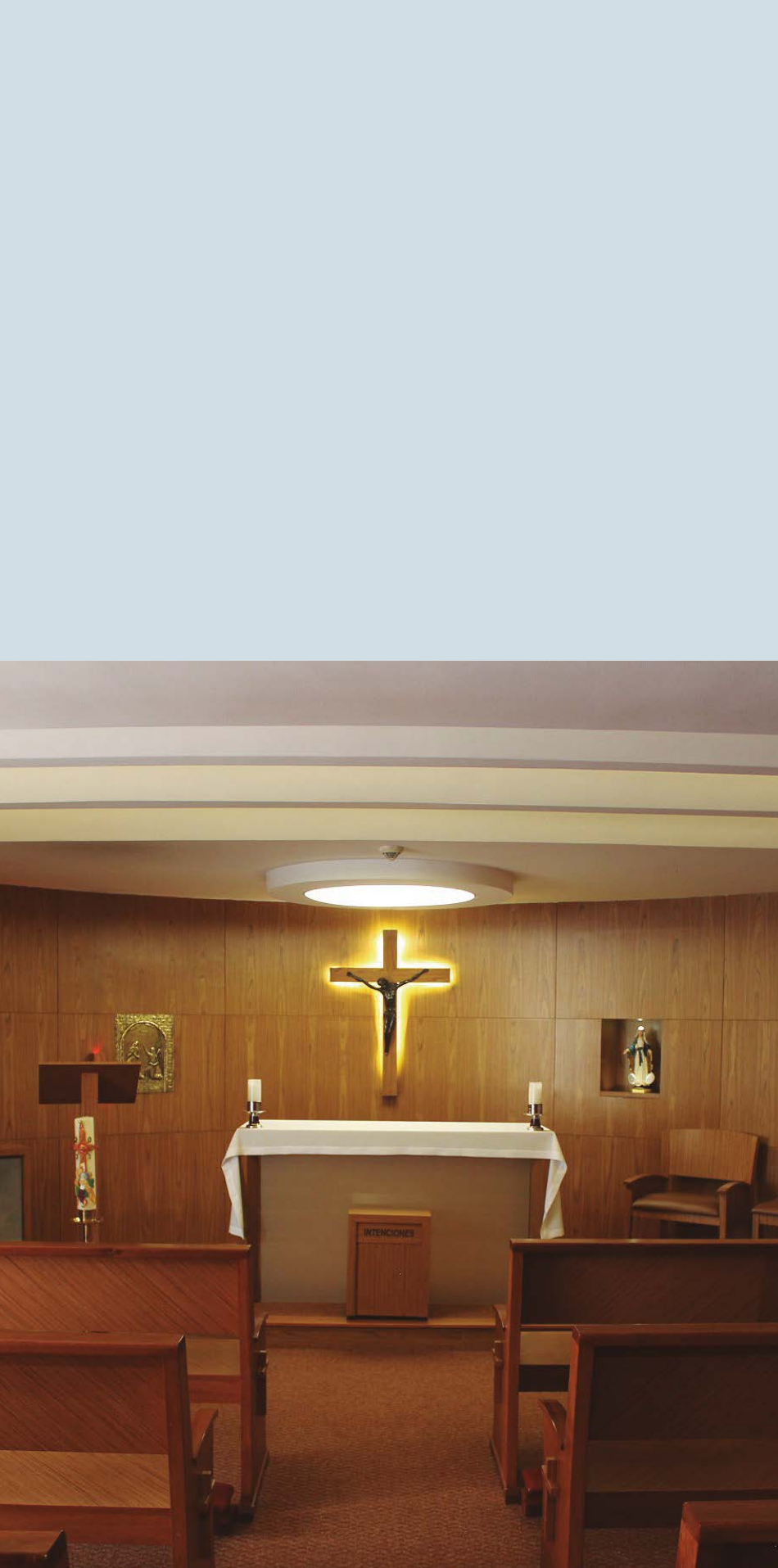
The Corporate Government System of Fundación Grupo Social is expressed in the set of values, practices, traditions, norms, agreements and conduct established over time that, documented or not, and originating both in the exercise of its freedom of self-determination and in compliance with the law, has enabled our administration to be efficient, competitive and transparent.

The System of Corporate Government is also structured in such a way as to provide proper protection of the interests of the beneficiary populations of Territorios Progreso, the customers of the companies in the business Group, their shareholders, our staff, suppliers, the State and society in general.

The Foundation's Council, the Board of Directors and the General Meeting, as the organs of government of Fundación Grupo Social, met in the manner provided for in the articles of association, and attending to the functions of each one in the context of their respective areas of competency. Elections were held for positions in Council. The process of selection of directors, adopted by the Council and supported by the committee created by the Council itself, made progress in its consolidation, and was able to engage in the rigorous analysis required by the profiles defined, for the names proposed as candidates. The Council addressed its statutory function related to the assessments of the Chief Executive of the Foundation, the Board of Directors and a self-assessment of performance. In addition to strengthening this statutory process, the conclusions reached enriched the work of these three governing bodies.

In line with the rigor demanded in these matters, the companies in the Business Group led by Fundación Grupo Social transmitted to the competent organizations the applicable regulatory assessments of the adoption of measures and recommendations, corporate governance and business practices. The conclusion from the completion of this information shows that the Group companies have satisfactory standards in line with the interests of all those with whom they interact. Likewise, they included in their year-end reports sufficient reference to their performance in relation to their corporate government.





Closing

Faithful to its Legacy, since 2013 Fundación Grupo Social has wanted to provide Foundation staff who so wished, with the opportunity to have spaces to cultivate their relationship with Jesus Christ within the Tradition and Magisterium of the Catholic Church and thus, grow and strengthen their experience of faith.

During 2022 the evolution of the pandemic and compliance with the measures adopted by the Foundation allowed sacramental life activities and training and meeting spaces to be resumed physically nationwide.

The Organization has received the grace of having the sacramental presence of the Lord in its Chapels on Calle 72 and Calle 77 in Bogotá. From there He continues to guide, inspire and protect this work and those who serve in it.

With this review, all that remains to be expressed is our deep gratitude. Thanks, always first to God for being the inspiration, the guidance and the light that has made it possible to achieve of what is recorded here. Also, our thanks to the staff of Fundación Grupo Social in Territorios Progreso and in the Group Companies, who every day demonstrate with conviction, enthusiasm and excellence that it is possible to be a witness to this special task for the benefit of our whole society. And our thanks to the Foundation Council and the Board of Directors Councils, for their unceasing and unconditional efforts in committed and effective guidance, to keep us on course in the immense task that has been entrusted to us and that we will continue to advance as new depositaries of a Legacy of more than 112 years.

Handwritten signature of Juan Carlos Gómez Villegas.

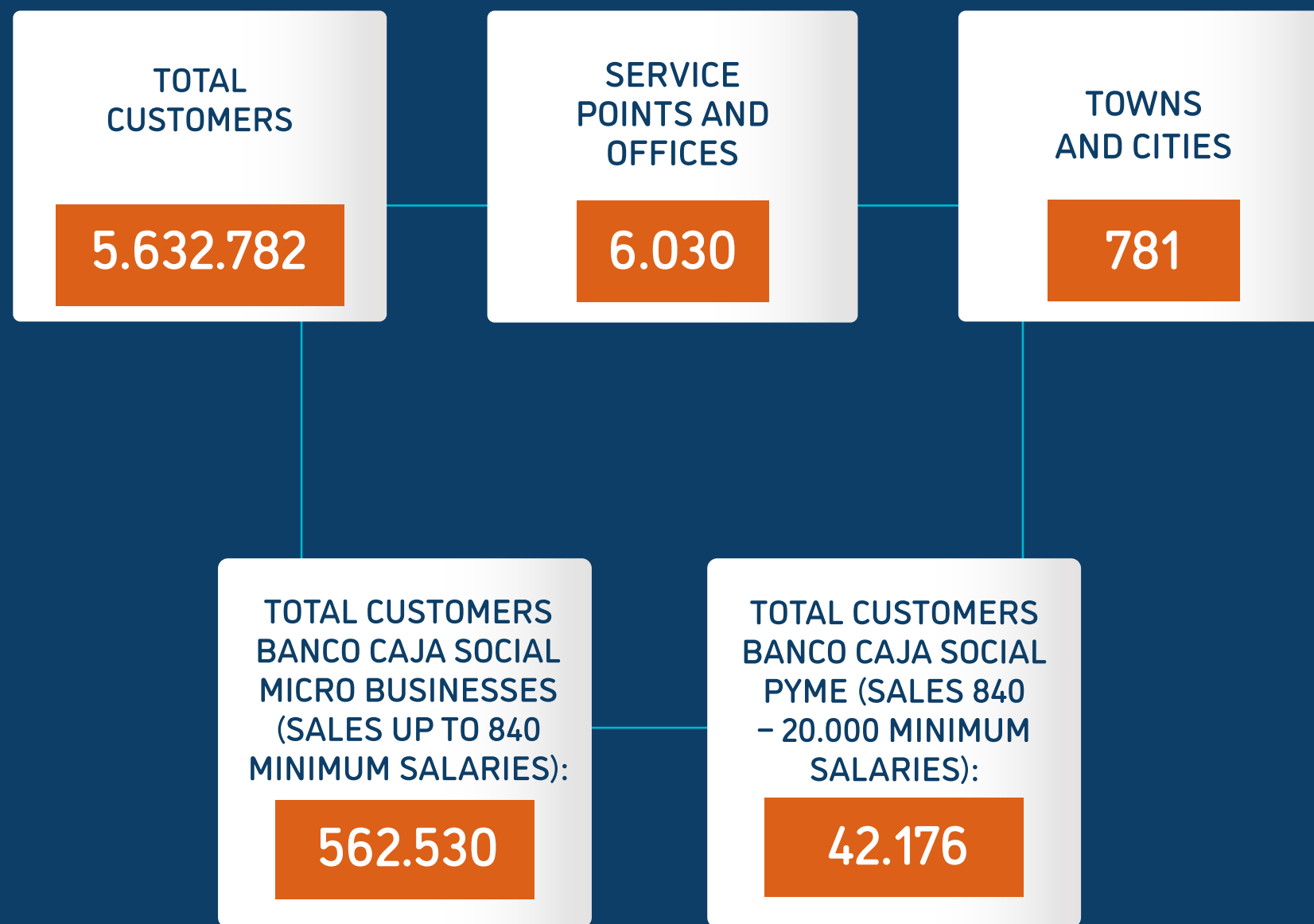
JUAN CARLOS GÓMEZ VILLEGAS

President

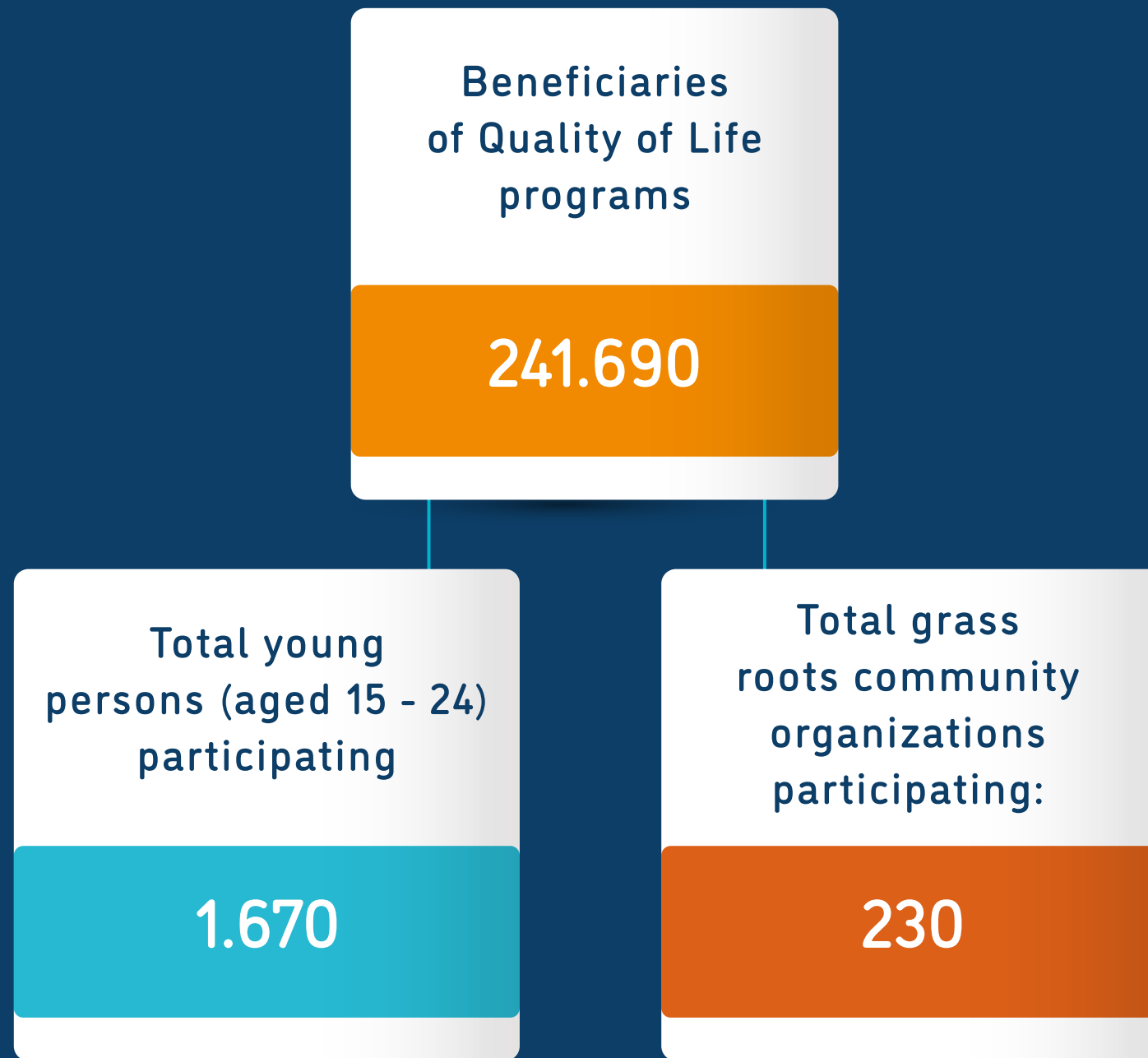
Fundación Grupo Social

Fundación Grupo Social 2022 in figures

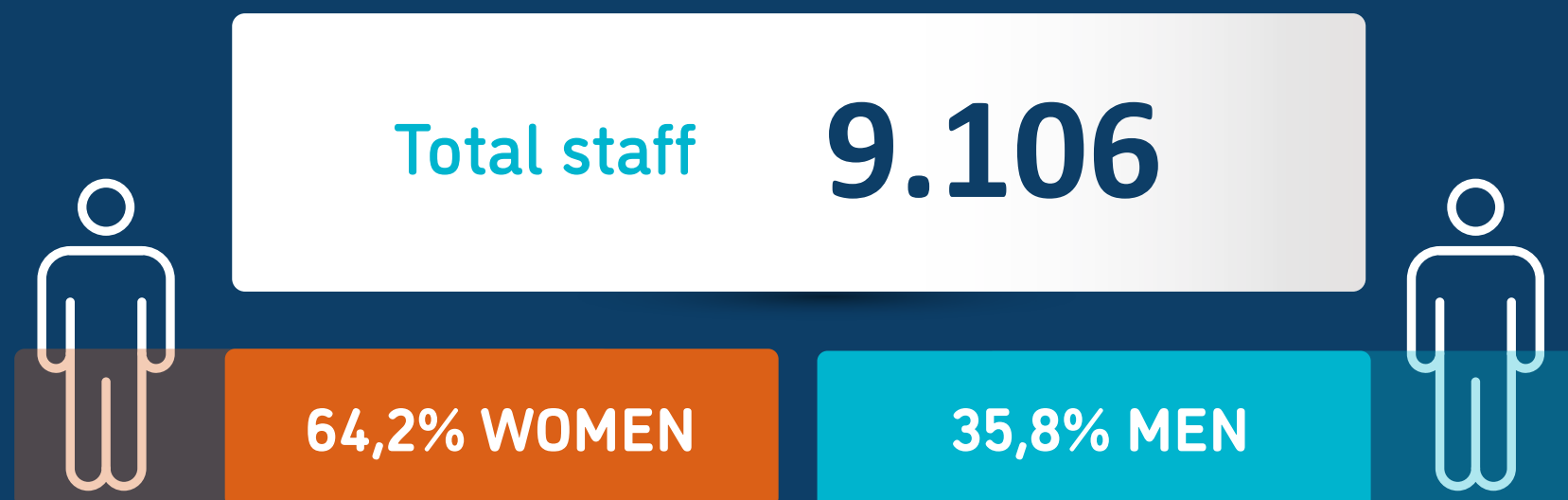
COMPANIES



TERRITORIOS PROGRESO



ORGANIZATIONAL CULTURE



Annexes

Global Compact Comunicación de Involucramiento (COE 2022)

Bogotá, May 2023



ANTONIO GUTERRES

Secretary General of the United Nations Organization
UN Headquarters
New York, NY

Dear Mr. Guterres:

I wish to express, on behalf of Fundación Grupo Social Foundation, our firm commitment to continue supporting the 10 principles of the Global Compact, to which we adhered in September 2004.

Our Organization continues to work with the mission to contribute to the overcoming the structural causes of poverty in Colombia, in favor of a more just, supportive, productive and peaceful society. To achieve this, our companies pursue their activities by deliberately assuming and managing their impact on society.

The Social Work Report and Accounts is an exercise that the Organization has been implementing for several years and accounts for the main elements of our activities during the past year. This instrument, which is essentially a support for the ordinary management of the business, includes, among others, the various issues contemplated in the Global Compact.

As usual, the Progress Report is presented as an annex to the Report, indicating the location of each of the indicators and initiatives that show compliance with each of the principles.

Cordially,

JUAN CARLOS GÓMEZ VILLEGAS

President

Fundación Grupo Social

Principles Global Compact

PRINCIPLES	DESCRIPTION	POLICIES OR PROGRAMS (PAGES)	PROGRESS INDICATORS (PAGES)
Principle 1	The business must support and respect the protection of internationally-proclaimed human rights.	5 41	6 - 36
Principle 2	The business should make sure that it is not complicit in human rights abuses.	5 41	6 - 36
Principle 3	The business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5 41	37 - 39
Principle 4	The business should support the elimination of all forms of forced and compulsory labor.	5 41	37 - 39
Principle 5	The business should support the effective abolition of child labor.	5 41	37 - 39
Principio 6	The business should support the elimination of discrimination in respect of employment and occupation.	5 41	37 - 39
Principle 7	The business should support a precautionary approach to environmental challenges.	5 41	6 - 35
Principle 8	The business should undertake initiatives to promote greater environmental responsibility.	5 41	6 - 35
Principle 9	The business should encourage the development and diffusion of environmentally friendly technologies.	5 41	6 - 35
Principle 10	The business should work against corruption in all its forms including extortion and bribery.	5 41	41

Principles of the Resolution of the European Group of Savings Banks on corporate responsibility

	PRINCIPLE	PAGES
1	Transparent and fair relations with customers.	21 - 36
2	Promotion of financial accessibility and inclusion.	21 - 36
3	Ecological business.	7 - 20
4	Responsible actors who contribute to the development of the community.	7 - 20
5	Responsible employers.	37 - 39
6	Communication	6 - 36

Index of Contents GRI

DECLARATION OF USE	Fundación Grupo Social has filed the information cited in this Index of GRI Content for the period January 1 – December 31, 2022, using GRI standards as reference.
GRI 1 USED	GRI 1: Basics 2022

GRI STANDARD	CONTENT	LOCATION
GRI 2: GENERAL CONTENT 2021		Pages
1. PROFILE OF THE ORGANIZATION		
2-1 Details of the organization	Legal name Legal nature and form Location	5 11 48
2-2 Entities included in the presentation of sustainability reports	Entities	6
2-3 Period reported, frequency and point of contact	Period Date of publication Point of contact	3 48
2. ACTIVITIES AND EMPLOYEES		
2-6 Activities, value chain and other business relationships	Sector(s) Value chain, activities, products and services	21 - 36
2-7 Employees	Total employees detailed by gender Fixed and temporary positions	36 - 39
3. GOVERNMENT		
2-9 Structure and composition of government	Structure of government: senior organ of government	41
2-10 Designation and selection of members of the senior organ of government	Processes of designation and selection	41
4. STRATEGY POLICIES AND PRACTICES		
2-23 Commitments and policies	Responsible business conduct	41
GRI 201: ECONOMIC PERFORMANCE		
201-1 Direct economic value generated and distributed	Direct economic value generated and distributed	34 - 36
GRI 304: BIODIVERSITY		
304-3 Habitats protected or restored	Creation of associations with third parties to protect or restore	9 - 15
GRI 413: LOCAL COMMUNITIES		
413-1 Operations with programs if participation of the local community, evaluations of impact and sustainable development	Community development programs	7 - 20

Additional corporate information

There follow other relevant statements in relation to good practices and compliance with particular standards:

Intellectual Property

In the terms of Section 4 article 47 of Law 222 / 1995 (amended by Article 1 of Law 603/2000) it is stated that the laws on intellectual property and copyright have been observed, for which reason it is specifically reported that, in accordance with the controls applied by Fundación Grupo Social, it may be asserted that the systems and programs of software used by the entity are adequately covered by the appropriate licenses. There is no claim against the Foundation based on violations of intellectual property regulations.

Systems of Disclosure of Accounting and Financial Information

During the period there was evidence of adequate management of the disclosure of financial information and control systems, given that there were no deficiencies that would have prevented Fundación Grupo Social from registering, processing, summarizing and presenting it properly, in such a way that the financial statements that were presented and approved at the time by the competent bodies satisfactorily comply with the statements derived from the basic regulations and the professional accounting standards regarding existence, integrity, rights and obligations, valuation and, finally, on presentation and disclosure.

Special Report of the Business Group – Article 19 of Law 222/1995

The economic relations between the entities that make up the Business Group led by Fundación Grupo Social are reflected, among other matters, in their participation in the Shared Activities Units (UAC), created to take advantage of synergies and economies of scale, as well as in performing operations specific to the corporate purpose of the Group entities with the Foundation and among themselves.

We draw attention to the fact that the most important operations carried out between Fundación Grupo Social, and its subsidiaries were duly disclosed in the financial statements and in the notes to the financial statements of the entity, which, in accordance with the guidelines of Fundación Grupo Social and those of each of the companies in the Business Group that it leads, obey market conditions and are subject to disclosure and approval by the appropriate authorities.

Additionally, there were no operations between Fundación Grupo Social and its subsidiaries due to the influence or interest of the former or the latter; the decisions of the entity have not been taken or not taken due to the influence or in the interest of the subsidiaries, nor have they taken or failed to take decisions due to the influence or in the interest of Fundación Grupo Social. The details of these transactions are to be found in the notes to the Foundation's financial statements.

Free circulation of seller or supplier invoices

In accordance with Article 7 of Law 1231/2008, amended by Article 87 of Law 1676/2013, the provision in question has been observed in relation to the free circulation of those securities. It is further reported that there is no knowledge of any situation in which the free circulation of invoices issued by the Foundation's vendors or suppliers was hindered.

Transactions with management

Fundación Grupo Social is a private non-profit entity, classified as a foundation, which, in accordance with the applicable regulations, has no shareholders or partners, and therefore qualifies for that legal nature, its assets are destined or assigned to the pursuit of its object.

Operations with the Foundation's administrators are disclosed in note No. 30 (Transactions with Related Parties) of the notes to its Financial Statements.

Foreseeable evolution of the Foundation

It is expected that in 2023 the Foundation will continue to engage in its activities unimpeded, complying with its stated object and the regulations applicable to it.

Post-closing events

No relevant events occurred after the closing date of the financial statements.



DISCOVER MORE
www.fundaciongruposocial.co

If you have a comment please write to the following address:
comunicaciones@fundaciongruposocial.co



FUNDACIÓN
GRUPO SOCIAL
Una semilla de cambio