

Lisbon, 11th August 2014

When in 2006 we joined the United Nations Global Compact initiative we felt that it was an opportunity to deepen strongly-rooted values which were already present in our management approach.

This need came with the conviction that a responsible business is one that engages and learns from all its stakeholders while aiming continuously to create opportunities for people and preventing impacts over the planet's resources.

This is why this year we submit our Communication On Progress by forwarding our Annual Report of the 2013 activities. We believe this is the best way to communicate our vision: incorporating sustainability in every part of the business. On page 240 you will be able to consult our chart of the Ten Principles of the Global Compact and their respective connection to the Report's contents.

You will see that 2013 was a challenging year given that in Poland there was a slowdown of the economic growth, in Portugal consumption remained low and in Colombia, we launched our operations by opening our first stores.

Nevertheless, our figures show that we are using an interconnected sustainable strategy that produces good results: our sales increased 10.7% and our EBITDA increased 5.1% to 777 million euros, with gearing at 21%, reflecting the strength of our balance sheet.



You will also be able to see how Jerónimo Martins approaches environmental risks by investing on operational efficiency. For instance, the backhauling project has proven to have environmental gains: last year, in Portugal and in Poland, 6.23 million kilometres were saved, corresponding to more than 350,000 pallets collected and almost 6,000 tons of CO₂ emissions avoided.

We kept our promise of improving Private Brand products, by revising their nutritional profiles, their ingredients and size of portions. All in all, we were able to remove 161 tonnes of sugar, three tonnes of fat and five tonnes of salt. We also pushed for new fresh food products to the market, respecting quality criteria and environmental concerns. Tilapia is a good example of an aquaculture fish since it is a source of protein and minerals but is also less impactful over the ecosystem.

Also in Colombia we wanted from the very start of our activity to have a say on the progress of surrounding communities. We joined the Government's initiative to support children from low-income families by offering food normally absent from their daily diets thus contributing to their development.

In 2013, the Group created 8,256 jobs, representing a net growth of 12%. With more than 76,800 people, our commitment to ethical standards and recognition of our employees work efforts was maintained. In the three countries, our Group attributed approximately 54.7 million euros in bonuses to employees and maintained the policy for a competitive minimum wage in the Companies above the national minimum wage in the countries.

We also believe that we have greater responsibility to the families of our employees that are facing difficult times. Our Social Responsibility projects are an example of that – our most important projects accounted for investments of 2.7 million euros focusing on social welfare, medical support and educational promotion.

I hope that by sharing these examples we may be able to help promoting real changes to business activities. I strongly believe that financial results must be linked to sustainable development strategies that involve products, ecosystem resources and people. None can survive without the others.



Pedro Soares dos Santos
Chairman & Chief Executive Officer