

JERÓNIMO MARTINS COMMUNICATION ON PROGRESS 2015



OUR COMMITMENT

The timeline which crosses the past, the present and the future show us that what we did yesterday has consequences today and that what we do today will have consequences tomorrow.

In a global world, we endeavour to continue creating value without losing the values which steers us North: Humanity, Merit, Entrepreneurship and Citizenship.

That is why, in the Jerónimo Martins Group, we believe that, to ensure the continuity of the food business that we have been carrying out for the past 223 years, we must evolve, every day, as a responsible business. One that listens to its stakeholders' expectations, striving to reduce environmental and social impacts and one that makes sure that sound management policies are in place and, hence, duly followed.

Pedro Soares dos Santos
Chairman & CEO

By submitting “The World of Jerónimo Martins in 2014”, a simplified version of the Group’s Annual Report, as the vehicle of our Communication on Progress, we stress how important it is to get a full picture of what we do, what we have accomplished, what we want to achieve and how management and responsibility are intrinsically correlated.



The year of 2014 was a very special one for the Jerónimo Martins Group in what both business performance and sustainability are concerned.

On the one hand we reached yet another year of record sales – 12.68 billion euro – while preserving a strong balance sheet that translates into a debt gearing ratio of 16.7%. And on the other, these figures were a result of consistent investments in the countries where we operate – a total of 470 million euros, one and a half times more than our net profit – as well as a robust Corporate Responsibility strategy.

In 2014, the Group reformulated more than 90 Private Brands' products, preventing 281 tonnes of fat, 155 tonnes of sugar and 39 tonnes of salt from entering the market.

With respect to the Environment, we have seen our carbon footprint, compared to 2011 same-stores and per 1,000€ sales, reduced by 44%. Most of these results were due to both efficiency measures and adoption of best practices. For instance, our Portuguese "Water and Energy Teams" were able to minimize energy and water consumption by promoting behavioural changes among our employees. An overall saving of 2 million euro was achieved since 2011.

Within our Sustainable Sourcing Policy, we fulfilled our commitment to source at least 80% of food products from local suppliers. In some cases, this ratio was surpassed. This outcome needs a strong commitment on both sides: the supplier

and the buyer. And this is why we have decade-long relationships with many of our suppliers.

With a business strategy focused on store proximity, surrounding communities are a central piece of what we do. In 2014 alone, the Group's Companies support amounted to 16 million euro, an increase of 19% when compared to 2013.

Most of this support was in the form of food donations that went to local charities that fight hunger and malnutrition by providing low-income families with food items.

As a Group that is expanding its operations, we know that human capital is crucial for the success of our business. As a benchmark employer, over the last year we had a net growth of 12.7% in the number of jobs created and, by the end of the year, we employed over 86,000 people, more than two thirds of which were women. Overall, in the last five years and despite facing economic slowdown environments, we created over 33,500 jobs.

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Social Responsibility serves as a strategy to help employees in their professional or in their personal lives. Such is the case of our Social Emergency Fund in Portugal whose help measures have reached more than 5,000 employees and their families with food, legal and financial advice as well as with education and health aid. Since 2011, 3.7 million euro were invested in the scope of this Fund.

In page 164 of this Report you'll get to know the reference table for the Global Compact Principles, which once again we fully subscribe.

These results are important because they tell us we are on the right Sustainability path. I hope that by sharing these examples we may be able to demonstrate that society needs companies to engage more often and more profoundly, committing to making real changes.

August 2015



Pedro Soares dos Santos

Chairman & CEO of the Jerónimo Martins Group

