

COMMUNICATION ON PROGRESS

2017

**Jerónimo
Martins**

OUR COMMITMENT

In 2017, Jerónimo Martins celebrated 225 years of activity. We know from experience that businesses can only aspire to longevity if they are guided by both ambition and a strong sense of environmental and social responsibility.

Being a decade-long supporter of the United Nations Global Compact's Principles, we are strongly committed to making a positive contribution to sustainable development through the way we do our business in the countries where we operate.

In a globalized world marked by strong political positions with repercussions in the economic, cultural and social landscapes, 2017 was a year filled with challenges, also in the food retail sector.

With the expansion of our stores in Portugal, Poland and Colombia, we reached sales of 16.2 billion euros, broke the 100,000-employee mark, successively bolstered our market relevance and confirmed our position amongst the biggest retailers in the world.

These are the results of having an integrated, collective approach to the Company's bottom line while considering the sustainable development of our brands.

With around 5 million daily visits to our stores, driven also by the attractiveness of our private brands, in 2017 we maintained our commitment to enhance people's quality of life through our product's nutritional profiles. 718 tonnes of fat, 64 tonnes of saturated fat, 85 tonnes of sugar and 59 tonnes of salt were prevented from entering the market by our reformulation programme.

In what the Environment is concerned, our teams were able to better channel waste to recovery (reaching almost 85% of the total waste produced) and put into practice several actions that led to a 14.3% reduction of our carbon footprint for each 1,000 euros sales.

782 tonnes of fat, 85 of sugar and 59 of salt did not enter the market as a result of our reformulations programme.

We are committed to making our products healthier for the 5 million consumers that daily visit our stores.

We continued to guarantee that our Group's Companies buy at least 80% of their merchandise from local suppliers,

positively contributing to communities' socioeconomic development.

We also have important commercial relationships with these partners in order to fight food waste upstream the chain. By incorporating "ugly vegetables" in our soups in Portugal and in Poland or in 4th range products (washed and pre-cut vegetables ready to use), or by selling them at a reduced price in our Recheio cash & carry stores, over 13,600 tonnes of these raw materials were placed on the market.

Attentive to local social dynamics surrounding our stores, we know we have a role to play when it comes to helping to overcome situations of extreme vulnerability, such as hunger. In 2017, over 10.6 thousand tonnes in food were donated to people in need. Another example of community focus is the set of programmes dedicated to our workers' welfare, totalling over 18.7 million euros.

Some challenges are more easily overcome, others are much harder to address - they remind us that we still have a long way to go. As a food Company crossing three centuries, sustainability is definitely part of our DNA and code of behaviour.

That is why we work with others for global change. With creativity and teamwork, we can take part in tackling the challenges set by the United Nations in what concerns



hunger, food security and nutrition, among others, while also accomplishing our business targets.

Collaboration, we believe, is the fuel to keep us going in our fight. A powerful tool for a more inclusive, prosperous and society-driven world.

Fighting food waste calls for a strategy that must engage everyone in the supply chain.

In 2018 we have integrated 13,600 tonnes of “ugly fruit and vegetables” in many of our products and donated almost 11,000 tonnes of food surplus to hundreds of charities.

The [Corporate Responsibility](#) chapter in our annual report is only part of a bigger story. A story that ensures us a place in important international sustainability indices which recognise the best companies making a long-term investment in the development of their business while also achieving strong social, environmental and governance performance.

We will certainly continue to strongly invest in the continuous improvement of the balance between profitability and sustainability.

And we shall never forget the values that need to be put into practice every day at the core of our 225 years'-old business: while living the present and creating the necessary financial value we must respect people – consumers, workers, communities – and the planet's limited resources we are so dependant on.



A handwritten signature in dark ink, consisting of stylized, cursive letters.

Pedro Soares dos Santos
Chairman and CEO

