

Jerónimo
Martins



2018

Communication on Progress

MESSAGE FROM THE CHAIRMAN

We are truly committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our Company.

Dear Mr. Secretary-General,

I am pleased to, once again, confirm that the Jerónimo Martins Group supports the ten principles of the Global Compact on human rights, labour, environment and anti-corruption.

We are truly committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our Company, and also to promote and engage in collaborative projects and initiatives which aim at achieving the Sustainable Development.

In 2018, the Jerónimo Martins' banners once again beat all sales records reinforcing its leadership positions in the countries where we operate. With over 4,000 stores spread across Portugal, Poland and Colombia, our more than 108,000 employees were the key driver to



achieve strong business results – we have added more than a billion euros to total sales compared to the previous year, reaching 17.3 billion euros. We increased the market share of our banners and invested 658 million euros in the expansion of our businesses.

We remained profitable while respecting employees, clients and communities' wellbeing, contributing to the development of local economies, and fostering a healthy ecosystem.

We conduct our businesses to be a force for positive transformation in the societies to which we belong. In recognition of our performance in over 300 social, environmental and governance indicators, the Group remained part of the Euronext Vigeo-Eiris Eurozone 120 index being also included for the first time in the Euronext Vigeo-Eiris Europe 120 index, the only Portuguese company to do so. We maintained our presence in other international sustainability indices (such as FTSE4 Good, Ethibel, MSCI or Stoxx) and entered for the first time in the FTSE4Good Developed Minimum Variance, the Ethibel Pioneer Investment Register and the Equileap Top 200, which recognises listed companies with the most proven gender balance workplace.

Our way of making a difference is expressed through the promotion of healthy eating habits, the respect for biodiversity, the responsible sourcing of

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our products, the support to our surrounding communities and through valuing our employees' work.

We try to fulfil the mission of providing healthy and quality food to the millions of customers that visit our stores every day through our product development processes and partners. An example of the outcomes of that effort is the elimination of the equivalent to 575 tonnes of fat, 81 tonnes of saturated fat, 8 tonnes of salt and 88 tonnes of sugar from our Private Brand products and from our Meal Solutions in Portugal.

Regarding the environment, we strived to improve the efficiency of our processes and to reduce the impact that our supply chains have. In 2018, not only we reduced our carbon footprint by 17.2%, by acquiring renewable energy certificates, but we also decided to hire 100% renewable sourced electricity in Portugal and install solar panels. This, together with innovative projects such as the re-filling of the reusable water bottle ECO or the eco-packaging redesign partnerships that saved 3,500 tonnes of materials.

Offering high quality products at competitive prices strongly depends on developing medium to long-term partnerships with our suppliers and service providers. We prioritize investing in local businesses, and that is one of the hallmarks of our strategy for responsible sourcing.

In 2018, we reconfirmed our commitment: 90% of the food products sold in each country's stores were bought from Portuguese, Poland and Colombian suppliers respectively. Besides that, we also worked hard to ensure the sustainable production of commodities that dictate the success of our products, guaranteeing that 70% of the palm oil and 20% of the soy in our Private Brand products were sustainably sourced and that 532 products in the three countries have sustainability certificates. The work developed with our suppliers also allowed us to focus on new local varieties of perishables and further improve animal welfare practices.

Being an active citizen in our communities, we contribute towards overcoming the economic and social risks that populations face endeavouring to promote social inclusion. Every day we make sure that the most vulnerable are not left behind: food and money donations equivalent to around 31.5 million euros were distributed through more than 1,000 charities that support children, youngsters and elderly people.

While assessing social impacts we estimate that over a million people were reached in 2018.

Because, in times of uncertainty and increasing complexity, profitable and sustainable growth can only be an outcome of a collective action and commitment, we recognised our employees' merit with the payment of a total of 110 million euros in awards and also with over 11,000 promotions. We also invested in 4.5 million hours of training, and 19.5 million euros in the development of programmes directed to our employees and their families in the areas of education and well-being.

As much as we possibly can, we will keep working towards a never-ending improvement of our own people's conditions and also aiming at mitigating the impact of our activities on the ecosystems of which we depend.

This is our way of honouring the legacy of a business with more than 225 years old.



WE SUPPORT



Network Portugal
WE SUPPORT

A handwritten signature in black ink, appearing to read "P. Soares dos Santos".

Pedro Soares dos Santos

Chairman and Chief Executive Officer
Jerónimo Martins Group