



V.

**Corporate Responsibility
in Value Creation**

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1. Our Approach

With a history of over two centuries, the Jerónimo Martins Group works to create value in a sustained manner, respecting the quality of life of the present and future generations and seeking to mitigate, as far as possible, the impact of its activities on the ecosystems. The Corporate Responsibility strategy is common across all the Group's Companies and comprises five pillars:

I - Promoting Good Health through Food

Promoting good health through food is embodied in two action strategies:

- i. fostering the quality and diversity of the food products Companies sell;
- ii. ensuring food safety in its broader sense, including the availability, accessibility and sustainability of the products sold.

II - Respecting the Environment

Aware of the impacts generated by its businesses, the Group aims to promote the efficient management of resources, linked to preserving the environment. Its actions are focused on three priority areas: climate change, biodiversity and waste management.

III - Sourcing Responsibly

The Group's Companies are aware of the origins and production processes of the products they develop and acquire, seeking to incorporate ethical, social and environmental concerns in the decisions regarding their supply chains. The Group is committed to developing long-lasting commercial relationships, practising fair prices and actively supporting local production in the countries where it operates.

IV – Supporting Surrounding Communities

The Group is strongly committed to the communities in the countries where it operates, fostering social cohesion and endeavouring to contribute towards breaking cycles of poverty and malnutrition, by supporting projects and causes concerning the more fragile groups in society: children and young people, and underprivileged elderly people.

V – Being a Benchmark Employer

By creating employment, the Group aims to stimulate social and economic development in the markets where it does business. To do so, it promotes balanced wage policies and a stimulating and positive work environment, in a firm commitment to its employees, who are also the target of social responsibility policies that are extended to their families.

Jerónimo Martins Group included in the FTSE Russel Indices

The Group's approach and its performance within the scope of the Corporate Responsibility pillars has been followed by a wide set of stakeholders, including Environment, Social and Governance (ESG) analysts.

In 2016, the Jerónimo Martins Group was included – for the first time – in the FTSE Russel indices: FTSE4Good Global Index and FTSE4Good Europe Index. The FTSE4Good series was created with the objective of helping investors to incorporate ESG criteria in their investment decisions. The indices identify the companies that best manage these risks and they are used, for example, in structured investment products and as a performance benchmark.

This inclusion is the result of recognition of the Group's commitments, actions and performance in the sustainability area and in the long-term development of its businesses.

Fighting food waste

This topic has been on the Group's agenda of concerns for several years, through the way it conducts its businesses for the efficient management of raw materials, throughout their value chains. There is a clear objective: to prevent waste production, using an approach incorporated in the five pillars of its Corporate Responsibility strategy:

- Promoting Good Health through Food, by supplying ready-made soups and salads, incorporating products that are not standardised for sale;
- Respecting the Environment, endeavouring to reduce the waste generated;
- Sourcing Responsibly, by purchasing non-graded food products, which previously had little or no economic value. This practice guaranteed the use of over 13,300 tonnes of products during the year;
- Supporting Surrounding Communities, by donating more than 10 thousand tonnes of food to social institutions reaching hundreds of people in need, thereby contributing towards the fight against hunger and malnutrition;
- Being a Benchmark Employer, by training employees to identify, select and separate safe food to be donated.

In 2016, the Group was recognised for its actions by the European Business Awards, having won the National Champion and Ruban d'Honneur awards in the "The Award for Environmental & Corporate Sustainability" category. Within this context, the Ethical Corporation also awarded an honourable mention in the "Most Effective Domestic Community Investment" category.

Business Model and Relation with Sustainable Development



2. Stakeholder Engagement

For the Jerónimo Martins Group, stakeholder engagement plays an important part in defining and managing material environmental, social and economic aspects, as well as in formulating the communication strategy. With a view to continuous improvement, the Group furthers its engagement with stakeholders that depend on or influence its activity, by using various communication channels, with the objective of being more in line with their needs and expectations.

Stakeholders	Interfaces	Communication Channels
Shareholders and Investors	Investor Relations Department.	Corporate website, e-mail, Annual Report, half-yearly corporate magazine, financial releases, meetings, conferences, roadshows, Investor's Day and shareholders' meetings.
Analysts	Investor Relations Department, Communications and Corporate Responsibility Department.	Corporate website, e-mail, Annual Report, half-yearly corporate magazine, financial releases, meetings, conferences and Investor's Day.
Official Bodies, Supervising Entities and Local Councils	Investor Relations Department, Tax Departments, Legal Departments, Communications and Corporate Responsibility Department.	Corporate website, e-mail and post, half-yearly corporate magazine and meetings.
Suppliers, Business Partners and Service Providers	Commercial, Marketing, Quality and Private Brand Development, Food Safety, Environment, Regional Operations, Technical, Expansion, IT Departments and Ethics Committee.	JM Direct Portal, follow-up visits, quality and food safety audits, business meetings, direct contacts and half-yearly corporate magazine.
Employees	Human Resources Departments, Training School, Ethics Committee and Employee Assistance Services.	Employee Assistance Services (telephone line, post and electronic mail), internal magazines, intranet, operational and management meetings, interpersonal relationships, annual performance appraisal, training sessions and internal climate surveys.
Customers and Consumers	Customer Services, Customer Ombudsman and Ethics Committee.	Toll-free phone lines, e-mail, corporate website and post.
Local Communities	Communications and Corporate Responsibility Department, Stores and Distribution Centres.	Follow-up visits, meetings, protocols and partnerships/patronage.
Journalists	Communications and Corporate Responsibility Department.	Corporate website, press releases, press conferences, meetings, Annual Report and half-yearly corporate magazine.
NGOs and Associations	Communications and Corporate Responsibility Department.	Follow-up visits, meetings, partnerships/patronage and half-yearly corporate magazine.

In 2016, three years after carrying out the last exercise of listening to its stakeholders, the Group decided to re-evaluate the material topics to be considered, both at a management level and a reporting level, within the scope of its Corporate Responsibility strategy.

This exercise was carried out directly – through interviews and questionnaires – with all the Group's stakeholders, except Official Bodies, Supervisory Entities and Local Councils, for whom the listening process was based on an analysis of legal documents and strategic programmes in force.

Out of a total of more than 4,790 responses, including those from the Group's top management, it was possible to confirm the validity of the material aspects that incorporate the strategic plans, among which the following are highlighted, in descending order:

1. Quality and food safety;
2. Selection of suppliers based on sustainability criteria;
3. Offer of products of a sustainable origin;
4. Working conditions;
5. Preference for local suppliers;
6. Engagement with and support to employees, their families and surrounding communities;
7. Offer of healthy products;
8. Waste management and recycling;
9. Energy efficiency and reduction in water consumption;
10. Supplier relations management.

The Group's reporting of the actions in each of these material topics can be found throughout this chapter, in the area dedicated to each of the action pillars that embody the commitment to sustainable development.

In order to also ensure compliance with the Principles of Corporate Responsibility, and to disclose and reinforce them, the Group also has the Committee on Corporate Governance and Corporate Responsibility, which works closely with the Board of Directors, and the Ethics Committee, which monitors the disclosure of and compliance with the Code of Conduct in all the Group's Companies.

The responsibilities of each of these Committees are described at www.jeronimomartins.pt, in the "Investor" area.

At the end of 2016, LinkedIn, the professional social network, had more than 87 thousand followers and has been an important vehicle for disclosing the Group's activity, including the actions carried out within the scope of the five pillars of Corporate Responsibility. Within this context, throughout 2016, 78 posts were released relating to Corporate Responsibility, resulting in over 2.4 million impressions¹.

¹ This indicator refers to the number of times each post was displayed to LinkedIn users.

Non-Governmental Organisations and Associations

At an institutional level and with regard to its Companies, the Jerónimo Martins Group is part of various national and international organisations and initiatives concerning Corporate Responsibility:

- BCSD Portugal – Conselho Empresarial para o Desenvolvimento Sustentável
- Carbon Disclosure Project (CDP)
- Forum Odpowiedzialnego Biznesu (Responsible Business Forum)
- Global Social Compliance Programme (GSCP)
- Grupo de Reflexão e Apoio à Cidadania Empresarial (GRACE)
- London Benchmarking Group (LBG)
- Retail Forum for Sustainability
- The Consumer Goods Forum (CGF)
- The Supply Chain Initiative (SCI)
- United Nations' Global Compact
- We Mean Business

For further details about relations with stakeholders and about the organisations to which the Group belongs, please go to www.jeronimomartins.pt, in the “Responsibility” area.

3. Highlights 2016

Promoting Good Health through Food

- 109 Private Brand products, in Portugal and in Poland, underwent nutritional reformulation, preventing 152 tonnes of fat, 142 tonnes of sugar and 31 tonnes of salt from entering the market;
- in Portugal, 10 new products from the Pura Vida range were launched, bringing the total references up to 91. This range is aimed at people with specific dietary requirements and/or preferences, such as products without any added sugar, gluten-free or lactose-free products;
- in Poland, investment was maintained in offering new solutions for consumers with special dietary requirements, having increased the assortment of gluten-free and lactose-free products. In total, 34 references were put on the market;
- in Poland, Biedronka was the first distribution chain to launch the Wolno Gotowane (Slow Cooked) range, with the objective of offering consumers healthy convenient products, which are made using vacuum steaming techniques;
- in Portugal, the Meal Solutions area launched five new vegetarian dishes, which became part of the regular weekly offer of meals in the Pingo Doce restaurants.

Respecting the Environment

- The Jerónimo Martins Group obtained an overall rating of "A-" in the CDP Climate Change 2016, positioning the Group at "Leadership" level, closer to reaching the maximum rating (A);
- Energy consumption per one thousand euros registered a reduction of 1.6% compared to 2015;
- Biedronka's 15 Distribution Centres obtained environmental certification according to the ISO 14001:2012 standard;
- The Group was able to increase the waste recovery rate from operations by 1.2 percentage points compared to 2015, contributing to the triennium goals;
- The quantity of waste collected from clients and redirected to recovery increased by 10% in comparison to 2015.

Sourcing Responsibly

- The commitment was maintained to acquire, at least, 80% of food products from local suppliers in all the countries where the Group operates;
- the Group achieved the objective of continuing to introduce sustainability certificates (e.g. UTZ, Marine Stewardship Council and Rainforest Alliance, among others) in its Private Brand products and Perishables, having introduced over 30 products with such characteristics in 2016;
- the Jerónimo Martins Group obtained an overall rating of "A-" for palm oil in the CDP Forests 2016, positioning it at "Leadership" level, just a step away from reaching the maximum rating (A). The commodities soy, paper and wood, and beef obtained a classification of "B", the equivalent of the "Management" level.

Supporting Surrounding Communities

- The value of support offered by the Group amounted to around 18 million euros, an increase of 3% compared to 2015;
- support was maintained to Academia do Johnson (Johnson's Academy) whose mission is to combat social exclusion and the school dropout of about 140 children and young people from vulnerable communities in Lisbon;
- 63 Biedronka stores and seven Distribution Centres donated, to the local dioceses of Caritas Polska and other charities, around 87 tonnes of surplus food that although suitable for consumption, could not be put up for sale;
- the number of schools involved in the *Sniadanie Daje Moc* (Breakfast Gives You Strength) programme increased by 5.8% to 7,826 compared to the previous academic year, which is the equivalent of more than 65% of the primary schools in Poland. The programme encompassed 195,650 children, an increase of over 13 thousand children;
- in Colombia, Ara continued to support the "Madres Comunitarias" (Community Mothers) programme, by regularly supplying food to 262 community nurseries. The number of children supported increased by 8% to 3,668 compared to 2015.

Being a Benchmark Employer

- The Group created 7,206 jobs, representing a net growth of 8.1% compared to 2015;
- the Group attributed around 82 million euros in bonuses to its employees and promoted 8,714 employees from the stores, Distribution Centres and head offices;
- with regard to safety in the workplace, the severity indices registered the best performance since 2010, achieving 20.98 points, a result which is due to the employees' performance and to the Group's investment in training sessions, simulations, awareness campaigns and audits;
- The Group invested over 16.6 million euros in social support initiatives for its employees. The "SOS Dentista Júnior" programme began, which is for employees' children. In Portugal 279 children between the ages of 7 and 17 began treatment under this programme. In Poland, the "To School with Biedronka" programme continued, whereby support was given to around 2,700 families without the financial means to cover the school expenses.

4. Promoting Good Health through Food

4.1. Introduction

As food specialists, the Group is committed to contributing to the health and quality of life of its millions of daily customers, through food and the promotion of responsible consumption.

This commitment is derived from the challenges imposed by the societies where it is present, aiming to be an active player in fighting and preventing food-related diseases such as obesity, diabetes, osteoporosis and cardiovascular diseases. The Groups' Companies work to offer nutritionally balanced, less processed products, geared towards satisfying specific dietary requirements, such as intolerances to certain ingredients like lactose or gluten.

Promoting good health through food is achieved through two common action strategies in the countries and sectors where we operate: i. fostering the quality and diversity of food; and ii. ensuring food safety.

4.2. Quality and Diversity

In order to guarantee the high standards of Quality and Food Safety of the products we sell, the guidelines in place in Portugal, Poland and Colombia encompass three fundamental policies:

- Quality and Food Safety Policy – guarantees a system for continuous improvement in the processes for developing and monitoring Private Brand products and Perishables;
- Nutritional Policy – aligned with the World Health Organization's recommendations, it defines six pillars in the development of Private Brands: nutritional profile, ingredients, labelling, portion sizes, continuous improvement and communication;
- Policy on Genetically Modified Organisms – based on the principle that the Private Brand products do not contain ingredients or additives of transgenic origin and that, should that not be the case, the consumers will be informed on the respective label.

In addition, the Guidelines for Developing Private Brand Products reinforce the principles listed in the Nutritional Policy, defining the following:

- restrictions as to the use of colouring, preservatives and other superfluous, synthetic additives;
- maximum accepted quantities of some ingredients in the products, such as salt, sugar or fat;
- nutritional reformulation strategies;
- packaging material allowed for contact with foodstuffs;
- principles of nutritional labelling, including information on health, nutrition and the promotion of healthy lifestyles;
- product monitoring plans, which includes sensorial tests, audits and laboratory controls.

4.2.1. Launches

In Poland, products were launched that have potential health benefits and also aimed at people with specific dietary requirements, including the following:

- Kraina Wedlin delicatessen products, made of chicken and turkey, with just a 3% fat content;
- Marinero tuna salads, an innovation in the Polish market due to servings with wild rice and ginger, red quinoa, lentils and potatoes or sesame;
- Bonitki biscuits, coming in milk and honey, and almond and chocolate varieties, containing at least five wholemeal cereals (wheat, barley, spelt, oats and rye), vitamins and minerals such as iron and magnesium;
- light margarine, a source of polyunsaturated acids such as omega-3, which contribute towards good functioning of the circulatory system, from the Solla brand;
- functional teas from the Herbarium range, containing vegetable extracts that may help to control weight, control blood pressure and support immune functions.

Plony Natury

Launched in 2014, the Plony Natury (Nature Harvests) range seeks to offer consumers references of seeds and pulses to make meals for breakfast and to serve with soups and yoghurts.

Three references were launched: whole cereals with raisins, oats and spelt,, and also lentils which are rich in folic acid and important for the immune system, as well as complex B vitamins.

Following on from the partnership with Polskie Stowarzyszenie Osób z Celiakią i na Diecie Bezglutenowej (Polish Association of Celiac Disease Sufferers and a Gluten-Free Diet) to monitor the launch of gluten-free products, which includes the production process, ensuring the absence of cross contamination, and certification of the final product, 24 gluten-free references were launched.

Care has also been taken about the presence of lactose in the products, with a view to addressing the specific needs of some consumers. 10 lactose-free products were launched, notably Aktiplus lactose-free yoghurts, all with added vitamins C and D, folic acid and calcium, suitable for older consumers; and Bez Laktozy butter.

In the KCalculation range, launched in 2015 according to the recommendations of the Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition) to develop products with a reduced calorie level, nine references were introduced, including corn crackers and Vitanella rice, dried apple, beetroot, tomato or carrot snacks from the same brand; and also vegetable salads with Vital Fresh yoghurt. These products aim to provide suitable food portions for the physical requirements of the consumers and, thereby, make it easier for them to choose products with limited energy indices.

We have made a commitment to the Consumer Goods Forum to achieve “Zero Net Deforestation” by 2020. The focus is on removing the presence of certain ingredients linked to the risk of destroying tropical forests, such as palm oil, a saturated fat (and, as such, not very healthy) and whose production methods can have an impact on deforestation.

Within this context, we have been launching food products that contain no palm oil. 13 new references launched contain sunflower oil, standing out from similar products in the Polish market that contain palm oil in their composition. As such, we offer consumers healthier food choices.

In Poland, Biedronka was the first chain to launch the Wolno Gotowane (Slow Cooked) range with the goal of offering healthy, ready-to-cook products. Beef, poultry and pork meats are initially subject to a vacuum vaporization being cooked after during some hours at temperatures reaching as high as 85 degrees, maintaining its meat structure and taste and avoiding the use of preservatives and additives.

They are then cooled and packaged for sale. This production process also allows for a more extensive expiry date that, in some cases, can reach 80 days. In 2016, 11 references of this range entered the market.

In Portugal, the Pura Vida range is aimed at people with specific dietary requirements or preferences, such as products without any added sugar, gluten-free or lactose-free products. We placed 10 new products from this range on the market, bringing the total references up to 91.

In the 0% Lactose tag, five new references were launched: the Natas para Bater (Whipping Cream) and for Culinária (Cooking), Bolacha Maria (Maria Biscuit), Bolacha de Água e Sal (Cracker) and the Natural and Stracciatella Greek-style yoghurts. For gluten-intolerant consumers, the Tortitas de Milho com Chocolate Preto (Corn Crackers with Dark Chocolate) were launched.

Another new reference launched in 2016 were the Sementes de Chia (Chia Seeds), containing a high level of fatty acids (omega-3) and a source of vitamins B1 (thiamine) and B3 (niacin) - important for the nervous system function - fibre and various minerals such as magnesium, zinc, iron, calcium and manganese.

Other Pura Vida launches include Croquetes de Legumes (Vegetable Croquettes), to be cooked in the oven, and Hamburguer de Soja (Soy Burger), which contains a high

Products targeted at children

At Pingo Doce, the Bolsas 100% Fruta (100% Fruit Packs) were especially created for children, each pack being the equivalent of a portion of fruit. These products come in nine varieties and are sources of vitamin C and fibre, and contain no colouring or preservatives. Besides, they have no added sugar - just what is naturally present in the fruit.

In the Pura Vida range, the Bebida de Soja Kids Soya Drink for Kids) was launched, which is a product that is a source of iron, calcium, iodine and vitamins B1, B2, B12, C, D2 and E.

Aiming at offering products to newborns, the Pingo Doce Farinha Láctea Pêra (Pingo Doce's Milky Pear Flour), targeted at four months-old babies, was launched not having gluten in its composition and containing transition milk. Its sugar content is 9 p.p. below the benchmark.

The Pingo Doce products Farinha de Trigo and Farinha Bolacha Maria (Pingo Doce's Wheat Flour and Maria Cookie Flour) were also launched targeting families and children as from the age of six months, respectively. These products are rich in calcium, iron and various vitamins that are essential for growth: A, B1, B3, B9, B13, C and D.

In Poland, 22 references reached the market, including notably the Vitalss food supplements containing at least 10 vitamins, the Miami cheeses, sources of calcium and protein, and also the Vital Fresh juices, made only from fruit, which are sources of vitamin C.

The special Dada milk was also launched. This is suitable for babies as from the age of six months and it contains transition milk, is gluten free, has no added sugar and is a source of vitamins A, B1, B12 and minerals such as calcium, iron, zinc, selenium and iodine.

level of exclusively vegetable protein, both being especially indicated for vegans. The Baunilha (Vanilla) and Sem Adição de Açúcares (No Added Sugar) soy-based drinks also reached the market, being sources of calcium and vitamins B2, B12 and D2, which promote the body's natural defences, good functioning of the nervous system and bone development.

Other Pingo Doce low-processed products or those that are beneficial for the health were also launched, such as:

- Tinned Atum dos Açores (Azores Tuna) in olive oil;
- Calamares Receita Tradicional (Traditional Recipe Squid), which is gluten-free and, as is it pre-fried in sunflower oil, can be prepared in the oven;
- Gelatina Light (Light Gelatine) in sachets, in the Melancia (Water Melon), Morango (Strawberry), Frutos Vermelhos (Red Berries) and Mirtilo (Blueberry) references, which have no added sugar in their composition and are a source of vitamin C and only have 10 calories per portion;
- Gelatina Light in individual cups, in the Limão (Lemon) and Morango (Strawberry) references, also with no added sugar and only 10 calories per portion;
- Iogurte Líquido Magro (Skimmed Liquid Yoghurt), in the Maçãs Verdes (Green Apples) and Frutos Vermelhos (Red Berries) references, which are natural sources of calcium and have no added sugar or fat.

4.2.2. Reformulations

The reformulations strategy is focused on decreasing, replacing or removing ingredients from the product compositions such as salt, sugar and fat, in order to make a positive contribution towards improving public health. With a view to maximising the desired results, the execution of the strategy gives priority to reformulating fast-moving consumer goods and/or those preferred by children.

In Poland, 78 food products were reformulated, additives of synthetic origin, flavour intensifiers and preservatives, salt, sugar and fat having been removed. In total, 147 tonnes of fat, 106 tonnes of sugar and around 27 tonnes of salt were removed.

The level of fat and also saturated fat decreased in 18 references from Biedronka's exclusive brands, where the Kraina Wedlin pork sausages are highlighted, which had a decrease in fat content of around 4%, as well as the four references of Mr. Potato frozen chips, which had a reduction in fat content of between 80 and 83%, which is the equivalent of around 26 tonnes of fat not entering the Polish market.

Also considering the commitment undertaken by the Group to the Consumer Goods Forum, we progressively reformulated food products containing palm oil in their composition, replacing it with other vegetable oils, such as rapeseed or sunflower, which have a healthier nutritional profile, or removing it. In 2016, 13 references of the Group's Private Brand assortments in Poland were reformulated, which represents a total of more than 1.8 thousand tonnes of this fat being removed.

Total Reformulations

In 2016, the Group prevented the following from entering the market:

- 152 tonnes of fat;
- 142 tonnes of sugar;
- 31 tonnes of salt.

To find out more about the Group's positioning and its actions regarding the origin of palm oil in Private Brand products, please refer to subchapter 6. "Sourcing Responsibly".

Among the seven references reformulated to reduce salt, of particular note is the Złoty Łan rye and wheat bread, whose salt content was decreased by 23%, and the Culineo vegetable stock cubes, which had a 17% reduction in salt. By intervening in these two references it was possible to prevent around three tonnes of salt from being placed on the market.

With regard to sugar, of note is the reformulation of the Donatello family pizzas with ham reference, whose level was reduced by 67%, the equivalent of around 45 tonnes.

The composition of various product references was reformulated as to superfluous ingredients, such as preservatives, colouring, thickening agents and other additives. Monosodium glutamate, a flavour intensifier, was removed from 14 references.

In Portugal, 29 products were nutritionally reformulated, having prevented around 29 tonnes of sugar, more than three tonnes of fat and three tonnes of salt from entering the market. Among these, products for children and young people were also reformulated, including the Choco Rice cereals, whose sugar level was reduced by 32% or around 15 tonnes.

In the scope of the Meal Solutions area, in 2016, we sought to eliminate fried products by healthier options, as well as to reduce the amount of oils in its composition. The level of salt was also a matter of concern, having been launched salt-free soups.

It was possible to prevent over one tonne of fat, 685 kg of salt and over four tonnes of sugar from entering the market.

In Colombia, two Aveia prepared drinks' references were reformulated, in which the sugar level was reduced by more than four p.p., meaning around three tonnes were removed from the market, and the oats content increased more than four p.p., the equivalent of more than 30 tonnes.

4.2.3. Promoting Healthier Choices

The Packaging Manuals are for disclosing the characteristics and benefits of the Private Brand products, in compliance with the technical and legal requirements. One of the examples is the commitment to clearly and concisely inform consumers on the nutritional composition of the products, providing full nutritional tables with the values per 100 grams and per portion.

Within the scope of adapting to national and community regulations on nutrition profiles and communication of allergens, Pingo Doce labelled its pre-packed Bakery and Pastry products and those packed on request by the customers, with the necessary information. The Meal Solutions meals were also labelled with that information, being available upon client request, while communication items in the service areas were also developed, in order to disclose information legally required on allergens.

In addition, for 10 years, Pingo Doce has been following the principles of the Mediterranean Diet as a reference for developing Private Brand products and for the

meals from the Meal Solutions business unit, as a differentiating aspect of its communication with the public. One of the examples is the bi-monthly magazine "Sabe Bem" (Tastes Good), targeted at customers. With an average print-run of 150 thousand copies, it has remained one of the preferred means of communication about this diet, suggesting over 50 recipes.

Pingo Doce's website also played a part in encouraging people to adopt this diet, as well as informing about a list of lactose-free and gluten-free products, helping consumers in their choice. The list is updated every month by Pingo Doce's nutrition team, in accordance with the analytical control carried out on the Private Brand products.

Biedronka maintained the partnership with Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition), an institution which carries out studies on consumers' food requirements and promotes actions on the importance of food for the health.

In cooperation with this institute, the Group developed the "Wiesz Co Jez" (Know What You Eat) campaign, through which it provides a special telephone service to advise consumers to make healthier nutritional choices. For two weeks, 160 customers contacted a nutritionist who advised them on diets, specific dietary requirements, lesser used ingredients in Poland, such as quinoa, chia seeds or bulgur wheat, as well as on Biedronka's products.

Within the scope of this cooperation, Biedronka was one of the sponsors of the first Polish Nutritional Conference, on the topic "Food and Nutrition in Preventing and Treating Diseases", which around 400 people attended.

Geared towards the employees of Biedronka's central structure and the eight Distribution Centres, an educational campaign was developed to inform about and promote healthy eating habits.

4.2.4. Partnerships and Support

The Group continuously fosters active dialogue with institutions that might contribute towards furthering knowledge on food, nutrition and health, as well as to publicise products targeted at people with specific dietary requirements.

In Portugal, within the scope of the partnership with the Portuguese Directorate-General for Health for sharing healthy recipes, Pingo Doce contributed with six recipes specifically developed by its nutrition team for the Programa Nacional para a Promoção da Alimentação Saudável (National Programme for Promoting Healthy Food), with a total of 23 proposals, which can be seen at www.alimentacaosaudavel.dgs.pt.

The Group maintains partnerships with institutions aiming to contribute towards healthier eating, such as:

- Partnerstwo dla Zdrowia (Partnership for Health), for the Milk Start and Snidanje Daje Moc (Breakfast Gives You Power) projects in Poland¹;

¹ For more information about this programme, please refer to subchapter 7. "Supporting Surrounding Communities".

- Polskie Stowarzyszenie Osób z Celiakią i na Diecie Bezglutenowej (Polish Association of Celiac Disease Sufferers and a Gluten-Free Diet), to hold the Conference on Celiac Disease and a Gluten-free Diet;
- Instituto Colombiano de Bienestar Familiar (Colombian Institute of Family Well-Being), within the scope of the governmental programme Madres Comunitarias (Community Mothers), in Colombia¹.

4.3. Quality and Food Safety

We continually invest in the certification and monitoring of our processes, facilities and equipment in order to ensure safe and high quality products. To do so, we rely on our Quality and Food Safety technicians, as well as on external auditors to implement the adequate procedures and to assess the respective performance indicators.

Taking into account the risk analysis performed in the three countries where the Group is present, the control processes were updated, with a view to adjusting them to the changes introduced in the product assortment.

4.3.1. Certifications

During 2016, the following certifications were renewed/maintained:

- ISO 22000:2005 certification, regarding Biedronka's warehousing and distribution process in all the 15 Distribution Centres, and product development process in Biedronka's headquarters;
- ISO 9001:2008 certification for the Development of Private Brands, in Portugal, and Post-Launch Product/Supplier Follow-Up;
- HACCP certification in accordance with the *Codex Alimentarius* of Pingo Doce's central kitchens in Gaia, Aveiro and Odivelas;
- HACCP certification in accordance with the *Codex Alimentarius* of the Recheio Cash & Carry stores (including the store in Madeira);
- HACCP certification in accordance with the *Codex Alimentarius* of a franchised store of Recheio Cash & Carry in the Azores;
- HACCP certification in accordance with the *Codex Alimentarius* of the Caterplus Food Service platforms (except the Lisbon platform);
- HACCP Certification, concerning Food Safety, based on the *Codex Alimentarius* of the Azambuja, Modivas, Guardairas and Algoz Distribution Centres.

In 2016, all the Polish Distribution Centres renewed their certification for handling organic products, according to EC Regulation 834/2007.

4.3.2. Audits

To guarantee the high levels of Quality and Food Safety of the products sold by the Group, the processes, facilities and equipment are subject to control audits.

Distribution Poland

The stores in Poland underwent internal audits and the Distribution Centres were audited both internally and externally to check that the facilities, equipment and procedures are appropriate.

Stores and Distribution Centres	Biedronka			Distribution Centres		
	2016	2015	Δ2016/2015	2016	2015	Δ2016/2015
Internal Audits	4,411	4,814	-8%	30	30	-
Follow-up Audits	25	83	-70%	-	-	-
External Audits	-	-	-	30	32	- 6%
HACCP Performance*	81%	80%	+1 p.p.	96%**	95%**	+1 p.p.

* At Biedronka, HACCP implementation is evaluated based on specific requirements, which, in turn, are based on the *Codex Alimentarius*.

** In the Distribution Centres, the compliance rate refers to the ISO 22000 - Food Safety Management System certification, which is based on the HACCP principles of the *Codex Alimentarius*.

The number of follow-up audits has decreased in relation to 2015 due to the score of some stores that didn't justify corrective actions and additional audits.

Keeping the line of action of 2015, during 2016 analyses were carried out on work surfaces, equipment and handlers with the aim of controlling microbiological risks.

In 2015, this type of control was carried out for the first time in order to follow the introduction of the meat slicing and packaging service in 25 stores. However, by the end of 2016 only four stores remained in the project, resulting in the reduction of analyses. Also during 2016, the control of the microbiological risks in machines for squeezing oranges for juice, as well as the juice itself, was initiated in 19 stores.

Globally, the number of microbiological analyses carried out in stores was reduced by 72%, totalling 172.

Distribution Portugal

Audits performed on Pingo Doce and Recheio:

Stores and Distribution Centres	Pingo Doce			Recheio			Distribution Centres		
	2016	2015**	Δ2016/2015	2016	2015	Δ2016/2015	2016	2015	Δ2016/2015
Internal Audits	1,004	1,176	-15%	106	106	-	25	16	+56%
Follow-up Audits	785	842	-7%	107	102	+5%	19	15	+27%
External Audits	16	19	-16%	32	36	-11%	3	3	-
HACCP Performance*	86%	86%	-	82%	81%	+1 p.p.	91%	85%	+6 p.p.

*At Pingo Doce, as well as at Recheio, the implementation of HACCP is evaluated on specific requirements, based on the *Codex Alimentarius* and appropriate for the realities in which the Companies operate.

The decrease in the number of internal audits at Pingo Doce was due to a new evaluation criterion based on the 2015 performance: stores with an average performance above 85% saw the audits reduced.

Resorting to accredited external laboratories, Pingo Doce, Recheio and the respective Distribution Centres also performed 120,126 Quality and Food Safety analyses on work surfaces, handlers of Perishables and on products handled in stores, the water and the air. This value represents an increase of 6% compared to the previous year, reflecting the Group's commitment to the highest possible standards of Quality and Food Safety.

Distribution Colombia

In Colombia, internal audits were carried out in the Ara stores and in the Distribution Centres.

Stores and Distribution Centres	Ara			Distribution Centres		
	2016	2015	Δ2016/2015	2016	2015	Δ2016/2015
Internal Audits	182	100	+82%	2	2	-
Good Hygiene and Quality Practices*	72%	85%	-13 p.p.	95%	76%	+19 p.p.

* The compliance rate refers to the score obtained on Good Practices, in which the criteria aim to guarantee the quality and safety of the products according to the law, evaluating the operation itself and the control system and procedures. The criteria include, among others, hygiene and quality control aspects of the facilities for handling the product, such as temperature, packaging and organic waste management procedures.

A total of 625 analyses on work surfaces, handlers of perishables, products handled in the stores and on water were also performed. This figure represents a decrease of 33% compared to 2015, something that is explained by the fact that, in that year, an additional analysis diagnosis was carried out on all store surfaces, a process therefore unnecessary in 2016.

4.3.3. Analyses

As far as Food Safety is concerned, apart from the audits mentioned in the previous point, the Group carries out laboratory analyses on the Perishables and Private Brand products that are sold by its banners.

Distribution Poland

Number of Analyses/Samples collected	2016	2015	Δ2016/2015
Private Brand - Food	12,218	7,724	+58%
Private Brand - Non-Food*	1,332	1,295	+3%
Fruit and Vegetables	759	755	+1%
Meat and Fish	1,621	1,233	+31%
Bakery	39	43	-9%

* A further additional 716 Private Brand non-food product inspections were carried out.

The increase in the analyses of Private Brand food products was due to the inclusion of more nutritional parameters and labelling, and increased controls on contamination (including gluten or lactose, among others) and adulteration (for identification of genetically modified organisms, for example), in addition to regular chemical and microbiological tests.

In the case of Meat and Fish analyses, the increase in the indicators is due to the increase in the number of products and suppliers.

Distribution Portugal

Number of Analyses/Samples collected	2016	2015	Δ2016/2015
Private Brand - Food	12,566*	11,968*	+5%
Private Brand - Non-Food	3,971	3,051	+30%
Fruit and Vegetables	2,529	2,228	+14%
Meat	1,391	1,326	+5%
Fish	1,050	1,281	-18%
Bakery	642	599	+7%
Meal Solutions	1,456	591	+146%

* Including routine analyses on the presence of gluten, genetically modified organisms, lactose and on the denomination of species.

The increase in the number of analyses performed on Meal Solutions products is due, among other things, to the need to validate products following changes in processes such as the cooling of soups and revision of expiry dates as a result of altering such procedure.

Distribution Colombia

In Colombia, 563 laboratory analyses were performed on products sold, which represents an increase of 44% compared to 2015, in line with the growth in the number of stores, suppliers and products sold in 2016.

Number of Analyses/Samples collected	2016	2015	Δ2016/2015
Private Brand - Food	332	256*	+30%
Private Brand - Non-Food	144	94*	+53%
Fruit and Vegetables	26	34	-24%
Meat	44	8	+450%
Fish	7	0	-
Bakery	10	0	-

*Corrected value compared to 2015 reporting.

4.3.4. Training

In Poland, training in Food Hygiene and Safety was given to 15,507 employees in 28,705 hours of training.

In Portugal, 8,677 employees received training, in a total of over 38,511 hours.

In Colombia, training was given to 4,617 trainees, in a total of 25,846 hours.

5. Respecting the Environment

5.1. Introduction

The efficient management of resources, coupled with environmental preservation, involves the minimization of environmental impacts throughout the supply chains and the promotion of sustainable production and consumption practices. Since the Group considers it critical for the sustained growth of its activities, it has defined its Environmental Policy (available for consultation in the "Responsibility" area at www.jeronimomartins.pt), where it has established three priority management areas: i) the preservation of biodiversity; ii) the fight against climate change; and iii) responsible waste management.

Environmental Audits

In 2016, 326 internal audits were conducted on stores, warehouses and Distribution Centres (DC) in Portugal and Poland to ensure their compliance with legal requirements and with the Group's internal Environmental Management procedures. Based on the positive results of 2015, and for the cases where the level of compliance was greater than 90%, it was decided to reduce the number of follow-up audits to be carried out, thereby justifying the decrease of 12%. In Portugal, 301 internal environmental audits were carried out, while in Poland this figure stayed at 25 audits. Corrective actions were defined whenever the score obtained in the audits was less than 100%.

Environmental Certification

The Environmental Management Systems implemented are based on the ISO 14001:2012 international standard. In Portugal, the number of DC with this certification remained at four (Azambuja, Vila do Conde, Guardedeiras and Algoz) out of a total of nine. In Poland, the 15 DC have the same certification. Also in 2016, all the Polish DC renewed their certification for handling organic products, according to the EC Regulation 834/2007.

5.2. Biodiversity

With considerable expertise in Perishables, the annual sales volume of Meat, Fruit and Vegetables and Fish, among others, results in impacts on ecosystems which the Group assumes as its responsibility to become aware of, mitigate and reflect upon when defining policies, strategies and operational processes.

In recent years, we have assessed the risks linked to different ecosystem services based on the Ecosystem Services Review methodology, proposed by the World Research Institute, and defined 11 priority action areas which have led to management projects and practices for our Companies and which include:

- information management;
- training;
- partnerships with suppliers; and
- research and development.

Among the research projects that we have developed and supported, we highlight the characterization of potential risks associated with the fish species most sold by our Companies in both Portugal and in Poland. This analysis, which was carried out by a specialized independent entity along with our Environment and Sustainability teams, identified aspects such as the level of stock exploitation, impacts on ecosystems, traceability and working conditions, coming to the conclusion that none of the species sold showed high risk.

In 2016, the level of vulnerability of all fish species sold in Portugal and Poland was assessed³, to find out more about the actions carried out by the Group in this area, see subchapter 6. in this chapter "Sourcing Responsibly". This analysis was based on the Red List of the International Union for the Conservation of Nature (IUCN Red List of Threatened Species). Of all the species purchased in 2015, less than 8%, in number, showed some level of risk:

- 14 species, 18% of the total sourced (kg), are classified at the level "Vulnerable", the lowest level for threatened species;
- five species, less than 0.8% of the total sourced (kg), are classified as "Endangered", an intermediate level of risk, and for one of these it was possible to ensure its total production in an aquaculture system;
- one species, less than 0.0004% of the total sourced (kg), is classified as "Critically Endangered", the maximum level of risk. Its sale was discontinued in June 2016 since it was not possible to ensure its production in an aquaculture system throughout its complete life cycle.

In agriculture, and after carrying out a study on the practices of Portuguese supplies to the Group, a manual was developed, along with our Fruit and Vegetables producers, to promote the use of production methods which enhance, among other aspects, the protection of biodiversity.

5.3. Climate Change

The IPCC⁴ has warned that climate change impacts will be felt through an increase in global average temperature, in a rise in the average sea level and an increase of the frequency and intensity of extreme weather events. In addition to the effects on the reduction of agricultural productivity, impacts are also expected at the level of Operations as a result of droughts, floods and snowstorms. The Paris Agreement, now in force and ratified by two of the three countries where the Group operates, commits signatory countries to reducing greenhouse gases (GHG) so as to ensure that the increase in average global temperature does not exceed 2°C.

For this reason, the Group is focused on implementing measures to reduce energy consumption and to minimize GHG emissions from, for example, logistics processes and from refrigeration gases, as well as in promoting measures related to deforestation commodities⁵.

³ To find out more about the actions carried out by the Group in this area, see subchapter 6. in this chapter "Sourcing Responsibly".

⁴ The IPCC stands for the Intergovernmental Panel on Climate Change.

⁵ To learn about our initiatives related to deforestation commodities refer to subchapter 6. "Sourcing Responsibly" in this chapter.

5.3.1. Carbon Footprint

In 2016⁶, the carbon footprint was 1,267,496 equivalent tonnes of carbon dioxide (CO₂e), an increase of 17.2% compared to 2015⁷, which is mainly justified by the significant rise in the electricity market-based emission factors. For the same reason, the specific value increased from 0.079 to 0.087 equivalent tonnes of carbon for every thousand euros of sales, regardless of the reduction of 1.6% in the specific electricity consumption value.

Carbon Footprint - Indicators	2016	2015	Δ2016/2015
Overall value (scope 1 & 2) – t CO ₂ e ⁸	1,267,496	*1,081,333	+17.2%
Specific value (scope 1 & 2) – t CO ₂ e/’000 €	0.087	*0.079	+10.1

Carbon Footprint - Indicators	2016 (t CO ₂ e)	2015 (t CO ₂ e)	Δ2016/2015
Overall Carbon Footprint (scope 1 and 2)⁹			
• Distribution Portugal	339,515	261,921	+29.6%
• Agro Business	2,697	-	-
• Distribution Poland	912,312	815,770	+11.8%
• Distribution Colombia	12,952	*4,142	+212.7%
Carbon Footprint (scope 1 – direct impacts)			
• Leakage of refrigeration gases	157,794	158,097	-0.2%
• CO ₂ usage	18,007	16,646	-
• Fuel consumption	59,053	48,708	+21.2%
• Light vehicle fleet	15,074	14,490	+4.0%
Carbon Footprint (scope 2 – indirect impacts)			
• Electricity consumption (location-based)	779,842	*710,053	+9.8%
• Electricity consumption (market-based)	995,050	*825,043	+20.6%
• Heating (location-based)	22,518	18,849	+19.5%
Carbon Footprint (scope 3 – other indirect impacts)			
• Transport of goods to stores (Distribution)	155,867	141,304	+10.3%
• Disposal of waste in landfills	19,980	18,852	+6.0%
• Organic waste composting	432	833	-48.1%
• Energy consumption in franchising stores	16,697	10,750	+55.3%
• Air travel by employees	1,970	1,631	+20.8%

* Corrected figures as a result of the external Carbon Footprint certification audit.

Notes: Calculation of the carbon footprint of the different activities is made using the three levels of the World Business Council for Sustainable Development (WBCSD) Greenhouse Gases Protocol method: direct, indirect and third party. The values presented take into account emission factors defined by the IPCC – Intergovernmental Panel on Climate Change (for refrigeration gases), by the Portuguese Directorate-General for Energy and Geology, by the Unidad de Planeación Minero Energética (Unit of Mining and Energy Planning), by the Krajowy Ośrodek Bilansowania i Zarządzania Emisjami (Polish Centre for Emission Balance and Management, for fuels and heating), by the International Energy Agency and by the suppliers (electricity) and by the Greenhouse Gases Protocol (fuels used in light vehicle fleet and transport of goods to stores, air travel and waste).

⁶ The Carbon Footprint values for the year 2016 were verified by an external and independent body. The document concerning the process of certification is available in the "Responsibility" area at www.jeronimomartins.pt.

⁷ The overall and specific values for 2015 were recalculated compared to those reported in the 2015 Annual Report due to the correction of emissions resulting from electricity consumption in Colombia.

⁸ Scope 2 emissions concern location-based (heating) and market-based (electricity) type emission factors, according to the table "Carbon Footprint – Indicators".

⁹ *Idem*.

Jerónimo Martins Group scores "A-" in CDP Climate Change 2016

Jerónimo Martins obtained an overall "A-" score, positioning the Group at the "Leadership" level, and close to achieving the highest score (A).

CDP's Climate Change programme assesses the performance of the Group in terms of its climate strategy, including its transparency in the reporting of information and risk management.

CDP is a non-profit international organisation which develops programs for companies and cities to measure, disclose, manage and share important environmental information.

5.3.2. Water and Energy Consumptions

The rationalization of water and energy consumptions is one of the important action areas in the fight against climate change, encouraging initiatives to reduce its use which contribute towards the sustainability of resources and also to obtaining financial savings.

The "Water and Energy Consumption Management Teams", a project started in Portugal in 2011, achieved a reduction of these consumptions of 373,393 m³ and 32,347,700 kWh in these six years. This project, which is promoted through monthly challenges and internal benchmarking, has obtained an accumulated saving of over 4.1 million euros.

The increase in the consumption of water and energy in Colombia are due to growth of operations in this country, which has resulted in a growth of around 56% in the number of stores compared to 2015. Also in Poland, the rise of the number of infrastructures, as well as investments in the area of Perishables products led to a growth in the consumption of water. In Portugal, the increase recorded in energy and water consumptions was mainly due to the opening of new Pingo Doce stores.

Energy consumption

Total consumption	2016	2015	Δ2016/2015
Energy consumption			
• Absolute value – GJ	6,285,895	*5,996,104	+4.8%
• Specific value – GJ/'000 €	0.430	*0.437	-1.6%
Energy consumption per business unit			
• Distribution Portugal – GJ	1,857,793	1,859,034	-0.1%
• Distribution Poland – GJ	4,215,896	4,053,998	+4.0%
• Distribution Colombia – GJ	180,691	67,046	+169.5%
• Agro Business – GJ	31,515	16,026	+96.6%

* Values have been recalculated to include Agro Business energy consumption.

Water consumption

Total consumption	2016	2015	Δ2016/2015
Water consumption			
• Absolute value – m³	2,513,756	*2,292,812	+9.6%
• Specific value – m³/'000	0.172	*0.167	+3.0%
Water consumption per business unit			
• Distribution Portugal – m³	1,630,890	1,583,033	+3.0%
• Distribution Poland – m³	735,383	622,378	+18.2%
• Distribution Colombia – m³	66,454	39,230	+69.4%
• Agro Business – m³	81,029	48,171	+68.2%

* Values have been recalculated to include Agro Business energy consumption.

Renewable Energies

Technology	No. buildings	Energy saving/year	Saving CO ₂ /year
Lamp posts powered by photovoltaic panels	1	72,000 kWh	*26 t
Tubular solar light transporting system	21	120,291 kWh	*43 t
Solar collectors to produce hot water used for heating water and/or in the air conditioning system	16	284,505 kWh	*102 t
Geothermal heat pumps	12	1,365,778 kWh	465 t

* These values reflect the update in the electricity emission factor.

The investment in renewable energies, which has resulted in increasing the number of buildings with tubular solar light transporting system, and geothermal heat pumps, has enabled annual savings of over 1.8 million kWh, equivalent to approximately 63 thousand euros.

5.3.3. Reduction of Environmental Impacts from Logistics Processes

Under the Group's commitment to reduce the environmental impacts from Logistics processes, the following actions are highlighted:

Emissions in Distribution

- In Portugal, at the end of 2016, 68% of the goods transport vehicles complied with the Euro 5 requirements (192 vehicles) and Euro 6 requirements (36 vehicles). In Poland, 97% of the vehicles for the transport of goods complied with the Euro 5 requirements (687 vehicles) and Euro 6 requirements (264 vehicles);
- in Poland, testing continued on the hybrid truck Fuso Canter Eco Hybrids, part of Biedronka's exclusive fleet (the first results show a reduction in fuel consumption between 10% to 15%);
- the backhauling operation in Poland entailed a total of 306,916 pallets collected, 2% more than in 2015, which resulted in a saving of 982,067 km and a reduction of 814 tonnes of CO₂ emissions. In Portugal, this operation involved a volume of 187,665 pallets, 14% less than in 2015, leading to a saving of 6,572,703 km, avoiding the emission of 5,710 tonnes of CO₂ into the atmosphere.

Reusable Packaging

In Portugal, the use of reusable plastic boxes in the Perishables and Dairy areas stood at 17% of the total boxes handled, 3.2 p.p. more than in 2015. In Poland, a project to use reusable plastic boxes to package small electronic equipment was continued (around five thousand units) and, in Colombia, reusable transportation boxes continued to be used: more than 45 thousand units for bottled water.

5.3.4. Management of Refrigeration Gases

The Group has been reinforcing the control of leaks, using more efficient technology and co-operating with service providers in the refrigerated and air-conditioned areas, with the aim of minimizing the impact of these gases on climate change. Investments in natural refrigeration gases have been made both in Portugal and in Poland:

- in Poland, the 15 Biedronka DC have cooling systems installed with thermal roll-containers with CO₂ snow. In Portugal, the same system is in operation in the Algoz DC;
- cooling technologies are installed which run exclusively on CO₂ (10 stores in Portugal, two stores and two DC in Poland);
- five DC (four in Portugal and one in Poland) have refrigerated warehouses (positive and/or negative cold) with systems running on ammonia combined with glycol;
- in Portugal, 123 stores have refrigeration systems using R-134a combined with glycol and two stores have a cascade refrigeration system (R-134a gas or monpropylene glycol combined with CO₂);
- there are 183 stores in Portugal and 399 stores in Poland which have freezers that use only propane;
- in Poland, the centralized refrigerator system for 700 stores uses the R407F refrigerant gas, replacing R404A, resulting in a reduction of over 50% in GWP¹⁰ and, therefore, mitigating the contribution towards global warming;
- in Poland, three trucks use CO₂ as a refrigerant gas and R404A gas has been replaced by R452A gas in 264 trucks (having a GWP almost 50% lower).

The use of natural refrigeration gases – such as ammonia, carbon dioxide or hydrocarbons – represents technological challenges that are accentuated in regions with a higher average temperature, as is the case of Portugal and Colombia. However, they have the advantage of not depleting the ozone layer and also having a reduced GWP.

The Jerónimo Martins Group is testing solutions in its stores and DC in order to comply with existing legislation, as well as with its voluntary commitments to GHG reduction. The Group has established that, whenever possible, new stores or major remodelling should use equipment with fluids with low GWP potential, in the case of heating, ventilation and air conditioning installations, and 100% natural refrigeration gases in the case of industrial refrigeration installations.

Recheio Sines store uses 100% natural refrigeration gas

In June 2016, Recheio Cash & Carry opened a new store in Sines. Recheio resorted to the use of CO₂, a natural refrigeration gas, for its air conditioning and refrigeration equipment, with the aim of reducing energy consumption and GHG emissions. This gas has a GWP of 1, a value substantially lower than the 1,300 to 3,800 values of the synthetic refrigeration gases normally used.

This project has managed to lower GHG emissions, integrate refrigeration and air conditioning systems and increase energy efficiency, achieving reductions of about 30% in energy consumption.

¹⁰ GWP is the acronym for Global Warming Potential.

5.3.5. Rationalisation of Paper Consumption

In 2016, the Group continued to develop projects aimed at reducing paper consumption and promoting the use of paper from sustainably managed forests.

Measures, such as electronic invoice management, enabled a saving of more than 7.7 million sheets of paper. In Poland, the dematerialization of temperature records and the distribution of tablets to area and Perishables' operations managers, enabled a saving of 265,300 sheets. In total, these measures enabled the saving of the equivalent of 956 trees.

In Poland, the paper used in the central offices is produced by companies which have environmental certification or which, at least, have an environmental management system and, in Colombia, it is manufactured from cane sugar. In Portugal, the paper is Forest Stewardship Council (FSC) certified and comes from suppliers with ISO 14001 certification.

In Portugal, the paper used for printing the banners' magazines is Programme for the Endorsement of Forest Certification (PEFC) certified or FSC and/or the companies producing it have ISO 14001 certification. The paper used for brochures for the Pingo Doce banner is "European Ecolabel" or FSC or PEFC certified. In the Recheio banner, the brochures and catalogues are FSC certified. In Poland, the paper used for brochures is FSC or PEFC certified.

5.4. Waste Management

The reduction of waste generated and its redirection to recovery contribute to the reduction of natural resource usage and to a Circular Economy model. To this end, it is important to ensure the necessary infrastructure and awareness rising of employees, customers and surrounding communities.

Waste Recovery Rate

	2016	2015	Δ2016/2015
Distribution – Global*	83.1%	81.9%	+1.2 p.p.
Distribution – Portugal	59.9%	59.2%	+0.7 p.p.
Distribution – Poland	89.2%	88.5%	+0.7 p.p.
Distribution – Colombia	78.2%	85.2%	-7.0 p.p.
Agro Business	91.7%	-	-

* Includes all of the Group's Distribution companies

The waste recovery rate of the Group (Distribution) was at 83.1%, a value that represents an increase of 1.2 percentage points when compared to 2015.

5.4.1. Characterisation of Waste

In 2016, the Group produced 419,979 tonnes of waste, which represents an increase of 8% compared to 2015. This evolution was due to the growth of the store network and the inclusion of the Group's agribusiness activities.

Waste	Distribution Portugal (t)		Distribution Poland (t)		Distribution Colombia (t)		Agro Business (t)	
	2016	2015	2016	2015	2016	2015	2016	2015
Cardboard and Paper	34,418	32,732	211,565	187,183	4,950	2,089	5	-
Plastic	2,302	2,262	8,375	8,583	274	126	3	-
Wood	218	248	1,917	1,804	27	26	-	-
Organic	4,307	3,888	70,787	64,344	0	-	-	-
Unsorted	38,981	41,552	33,627	34,406	1,089	214	1	-
Cooking Oil and Fats	181	221	-	-	1	-	-	-
Waste from Effluent Treatment	4,212	4,382	-	-	376	176	-	-
Hazardous Waste	10	16	109	13	1	-	5	-
Other Waste	654	1,492	1,537	1,891	1	-	46	-

5.4.2. Customer Waste Recovery

The following were the most important projects in 2016:

- the network of Pingo Doce recycling bins covered 372 stores, which was 90% of the store network;
- coffee capsules and lids/corks/bottle tops recovered, resulted in more than 3,500 thousand euros being raised for charities;
- 97% of the Biedronka stores have recycling bins for the collection of small electrical appliances, fluorescent lamps and batteries.

In total, and in Portugal and Poland, there was an increase in the number and type of recycling bins available for customers. For more detailed information, go to the "Responsibility" area at www.jeronimomartins.pt.

Waste Dropped Off by Customers in Recycling Bins at Stores

Waste (in tonnes)	2016	2015	Δ 2016/2015
PORTUGAL			
Batteries	12.49	22.47	-44.4%
WEEE ¹¹ (including fluorescent light bulbs)	82.04	96.37	-14.1%
Used Cooking Oil	109.26	110.54	-1.2%
Printer Ink Cartridges	3.17	5.25	-39.6%
Capsules	108.99	72.57	+50.2%
Lids, Corks and Bottle Tops	10.24	8.89	+15.2%
POLAND			
Batteries	145.82	117.24	+24.4%
WEEE ⁹ (including fluorescent light bulbs)	224.56	199.61	+12.5%
COLOMBIA			
Used batteries	0	0.08	-100%

In Portugal and in Poland, the increase of 10% in the quantities of customer waste collected is, mainly, due to the investment made in installing recycling bins in Biedronka and Pingo Doce stores. The decrease in the quantity of batteries collected in Portugal was mainly due to changes in the collection processes of this type of waste, whose redirection to recovery will be concluded in 2017. The collection bins for used batteries in Colombia was temporarily suspended due to a new legal framework. Its relaunch is planned, for all stores, in 2017.

Energy from cooking oil and fats

In 2009, the Group started the "Oil collection" project which offers Pingo Doce customers the possibility of placing their used cooking oil at collection points located in the stores. This equipment is available in over 330 stores, covering about 80% of the network chain.

Previously, the Group already collected the cooking oil used in the preparation of Take Away products and redirected it to recovery. In total, between 2010 and 2015, more than 1,760 tonnes were sent for recovery and transformation, mainly into biofuel.

This year a pilot project was started in operations in Portugal, Poland and Colombia which consisted of collecting the fat from the cooking of roast chicken in stores and its redirection to recovery: a part for transformation into biofuel and the rest for organic recovery and subsequent use as fertilizer.

¹¹ WEEE – Waste Electrical and Electronic Equipment.

5.4.3. Ecodesign of Packaging

In collaboration with its suppliers, the Group has been working to improve the eco-efficiency of its packaging according to ecodesign strategies aimed at:

- reducing the environmental impact of the packaging of items sold by the banners, especially the Private Brands; and
- optimizing the costs of production, transport and management of packaging waste.

Products encompassed	Portugal	Poland	Unit
Number of references	222	8	SKU*
Savings in packaging materials	2,481	31	t materials/year
Transport avoided	475	-	t CO ₂ e/year
Packaging with FSC certification	8	-	SKU*

* SKU – Stock Keeping Unit.

In Poland, all the boxes from Polish suppliers for packaging fruit and vegetables are made of recycled cardboard with FSC certification.

5.5. Eco-efficient Infrastructures

The Jerónimo Martins Group's Companies include environmental criteria in their projects for building and for remodelling infrastructures, boosting positive impacts and minimising adverse ones.

Biedronka, Pingo Doce, Recheio and Ara have been implementing efficient control systems for chilling plants, more efficient technologies in terms of lighting (LED, skylights and photovoltaic cells), refrigerated displays and freezers fitted with doors and covers and, in addition, automatic management systems for energy consumption, trying to reach a more rational use of the energy required. Biedronka has 13 eco-stores, which include measures for reducing water and energy consumption and for managing waste.

5.6. Raising Employee and Consumer Awareness

The Group recognizes the importance of individual and collective behaviour towards the better management of natural resources, emissions and waste. As such, it has carried out various awareness initiatives with different stakeholders.

Employees

- In 2016, the Group organised the 5th Sustainability Conference, aimed at senior management and strategic suppliers. This meeting brought together approximately 200 participants from the three countries in which the Group has operations and focused on sustainable fishing, fishing practices, aquaculture, market trends and challenges ahead for the business;
- publication of articles on environmental themes in the in-house magazine "A Nossa Gente" (Our People), which is distributed to all employees in Portugal, such as the dissemination of tips to improve waste management and disclosure of the stores and DC with the best performance in reducing water and energy

consumption in the same period. This bi-monthly magazine had a print run of 25,000 copies;

- in the in-house magazine "Razem w JM", which is distributed to all employees in Poland, articles on environmental protection in Jerónimo Martins Polska were also disseminated. This magazine had a print run of 160,000 copies in 2016;
- raising awareness of the Group's managers in Portugal, Poland and Colombia on various topics related to environmental strategy, through the Corporate Responsibility digital newsletter – "Seeds". This bi-monthly newsletter has a readership of over one thousand employees;
- raising awareness of all office employees in Poland of World Earth Day (22.04.2016) through an internal communication and employees at the headquarters and DC through the planting of 1,500 new trees in the forest close to Baniocha in collaboration with the Sierzchow Forestry. A contest also took place involving 190 employees, with the aim of promoting the construction of something useful from waste (promoting recycling). Two first prizes were awarded – the "Playhouse for children" project and "Gardening materials organizer" – and another 10 prizes were distinguished;
- training sessions on best environmental management practices for employees carried out in Portugal, Poland and Colombia, corresponding to a volume of over 4,400 training hours;
- periodic disclosure and reinforcement of best environmental practices for employees, particularly in the Pingo Doce and Recheio stores, through the documents "Informação de Negócio" (Business Information) and "Alerta Recheio" (Recheio Alert), and, in the Biedronka DC, through 11 presentations in communal staff areas, involving 4,200 employees;
- in the DC and offices in Poland, signs were placed in strategic locations calling for savings in energy, water and waste management. Portugal experienced the roll-out of the "Let's Go Green" project in 2015 in the Group's headquarters, in two new locations in Portugal with the aim of fostering the adoption of more responsible practices in the use of energy, water and paper.

Customers and Consumers

- In May 2016, Hebe, in Poland, stopped giving away free plastic bags at the check-outs to promote customer their reduction, joining Biedronka, in Poland, and Pingo Doce and Recheio, in Portugal;
- in-store campaigns carried out in Biedronka stores promoting best environmental practices:
 - outdoor games aimed at children for 10 picnics organised by Caritas on Children's Day;
 - films about separation of packaging waste screened during the "Cinema with Biedronka" event held in 35 cities, with more than 10 thousand spectators;
 - 8th edition of the "Ecologic by nature" eco-event, which allowed the collection of about 17 thousandkg of glass waste and 49.4 thousand kg of used batteries;
 - 3D posters placed in 100 stores to show the life-cycle of packing waste when redirected to recovery by consumers.
 - support for the campaign "Make a gift to yourself and the environment" organised by UNEP/GRID in Warszawa, on the theme of energy efficiency;
- regular publication of articles against food waste and promoting environmental and social best practices in the "Sabe Bem" (Tastes Good) (bi-monthly circulation of 100-150 thousand copies), "Notícias Recheio" (Recheio News) (bi-monthly circulation of 50 thousand copies) and "Kropka TV" (weekly circulation of around 210 thousand copies) magazines, aimed at Pingo Doce, Recheio and Biedronka customers, respectively.

- in Portugal, of note we highlight the awareness campaigns on used cooking oils in Pingo Doce and Recheio and the reuse of checkout bags at Pingo Doce.

5.7. Partnerships and Support

The Group supported the following initiatives in Portugal, focused on restoring natural habitats and protecting biodiversity:

Institution	Project	Amount	Support started in	Further information at
Oceanário de Lisboa (Lisbon Oceanarium)	Oceanário de Lisboa (Lisbon Oceanarium)	€ 100,000	2003	www.oceanario.pt
World Wildlife Fund (WWF)	"Green Heart of Cork"	€ 10,000	2013	www.wwf.pt
Liga para a Protecção da Natureza (LPN)	ECOs-Locais	€ 10,000	2011	www.lpn.pt
Quercus	"SOS Pollinators" Campaign	€ 5,000	2014	www.yesweb.pt/polinizadores
European Recycling Platform (ERP) – Portugal	"Geração Depositário" Project	€ 5,000	2013	www.geracaodepositario.abae.pt
Zoo	Sponsorship of the Ring-tailed lemur	€ 4,800	2015	www.zoo.pt

In January 2016, the Group awarded, as part of the Green Project Awards Portugal, the "Jerónimo Martins-Green Project Awards Prize for Research and Development", with a value of 20 thousand euros, the project "Detergentes Verdes" (Green Detergents). This project studies the use of vegetable waste in the development of cleaning products which have less impact on water and biodiversity.

6. Sourcing Responsibly

6.1. Introduction

Partnerships are crucial for promoting the social and economic development of the regions where the Group is present, as well as strengthening the value of propositions of its brands and banners. Within these partnerships – with suppliers and service providers –, the Group seeks to integrate environmental, social and ethical criteria aiming at the gradual and sustained improvement of the impacts of its activity on present and future generations.

The Sustainable Sourcing Policy of the Group and the Suppliers Code of Conduct, both available at www.jeronimomartins.pt, in the "Responsibility" area, define the strategic areas of operation in this matter.

6.2. Commitment: Local Suppliers

The Group, under equal commercial terms, preferably chooses local suppliers in order to enhance the socio-economic sustainability of the countries where it operates and to minimize the carbon footprint of the products sold.

Importing essentially occurs in the following cases:

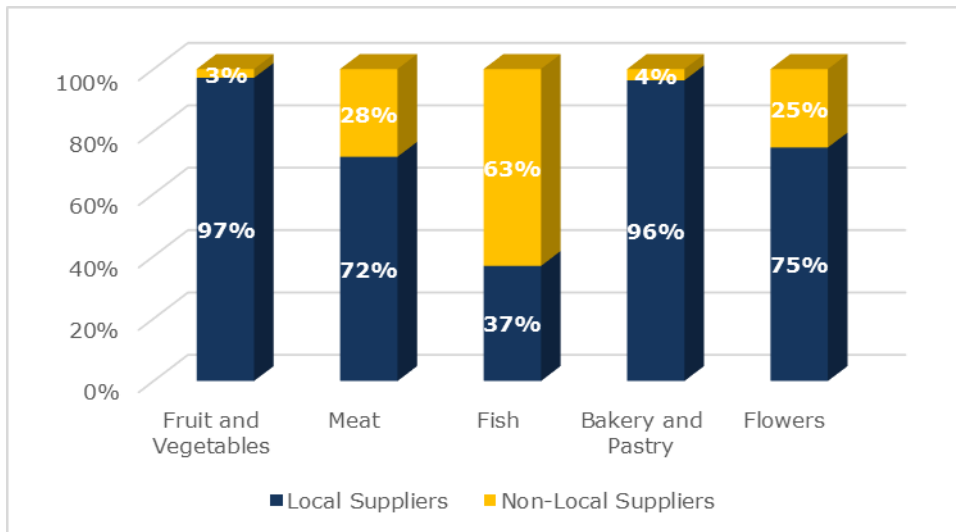
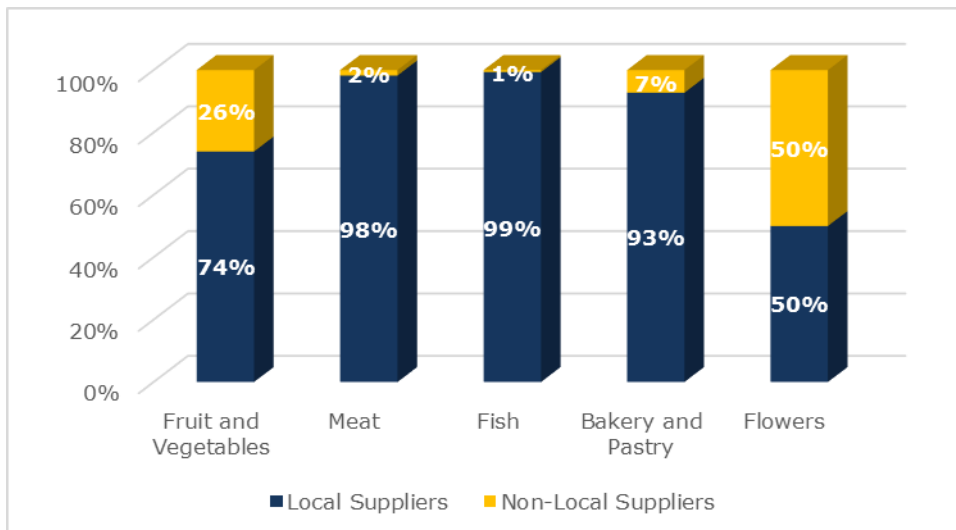
- i. products are scarce, due to production seasonality, common in the Fruit and Vegetables area;
- ii. when there is no local product or the quantity produced is insufficient to guarantee the supply to the chain stores;
- iii. when the quality-price ratio of domestic products does not allow the Group to keep its best price quality commitment to its consumers.

In Poland, 92% of the products sold were sourced from local suppliers. In Portugal, this ratio stood at 84% and in Colombia over 95%.

Perishables and Private Brand

Regarding Private Brand, most of the products were purchased from local suppliers: more than 95% in Colombia, 93% in Poland, and between 59% (Pingo Doce) and 65% (Recheio) in Portugal.

The Perishables area shows the same trend, with 69% of products in Portugal being sourced from local suppliers, while this figure reaches 88% in Poland. In Colombia, this ratio was above 95%.

Portugal

Poland


The Group's Companies carry out awareness campaigns with consumers promoting preference for locally sourced products.

In Portugal, national Perishables products are identified by "O Melhor de Portugal Está Aqui" (The Best of Portugal is Here) stickers. The nationally produced Private Brand products are identified by "Produzido em Portugal" (Made in Portugal) and "Fruta 100% Portuguesa" (100% Portuguese Fruit).

In Poland, domestic products are identified by the "Polski Produkt" (Polish Product) sticker or by the "#jedzcopolskie" (Eat what is Polish) sticker. In the latter case, Biedronka's website www.jedzcopolskie.biedronka.pl continued to promote fruit and vegetables and share information on local suppliers with whom it works as well as suggesting recipes.

In Colombia, domestic products are marked with the “*Hecho en Colombia*” (Made in Colombia) sticker and Private Brand products are marked with the “*Una Marca de Ara*” (An Ara Brand) sticker.

Supplier Engagement

The Group seeks to develop long-lasting relationships of cooperation with its producers, which often result in technical follow-ups in terms of quality, support in optimizing processes, guarantee of product disposal and stimulation of local economies. In this context, the following initiatives are worth highlighting:

Portugal

- In 2016, Pingo Doce and Recheio continued to sell, in cooperation with their suppliers, varieties underdeveloped in Portugal, giving customers access to a varied assortment of vegetables and, at the same time, stimulating the development of new skills among producers. Products included in this project were round, scratched and yellow *courgette*, scratched eggplant, sweet cucumber and *bimi*, a variety of broccoli;
- our technical support to Portuguese producers of lamb, veal, pork, chicken and turkey was maintained, promoting the use of cereal-based feed, advising on more efficient management and distribution methods. The lamb sold by Pingo Doce is from animals grazing on natural pastures, in accordance with the assumptions of High Natural Value agriculture and animal husbandry. This concept assumes that low intensity production systems with reduced inputs can contribute towards protecting the biodiversity of the regions where they are implemented;
- the partnership with a cooperative of fishermen in the area of Sesimbra was maintained, ensuring quality and price competitiveness, as well as ensuring traditional fishing practices that enables the sustained regeneration of species;
- in 2016, Pingo Doce continued the extraordinary measure of supporting Portuguese producers of Fresh Produce with whom it works and who are members of the *Confederação dos Agricultores de Portugal* - CAP (Portuguese Farmers' Confederation). This measure consists of Pingo Doce anticipating payment terms to an average of 10 days (instead of the 30 days established by law), without financial costs to the producer. Since its implementation in 2012, approximately 500 producers in the categories of Fruit, Vegetables, Meat, Fish, Cold Meat and Wine have already benefited from this initiative.

Poland

- Biedronka continued to invest in the Fruit and Vegetables category to respond to demand for Polish native varieties. This strategy implies knowledge of Polish culture and traditions, which also results from the long-standing relationships with various business partners, which take place through regular visits to production locations, and in the sharing of technical knowledge. In 2016, Biedronka strengthened its use of traditional varieties developed in 2015 and increased the volumes sold. Examples are *Irga* and *Bryza* potatoes, the production of which almost quadrupled, and *Antonówka* apples and *Klapsa* pears, the sales of which – in quantity – doubled compared to 2015;
- Poland is one of the largest producers of strawberries in Europe. However, due to their limited consumption lifetime, these were mainly sold in traditional markets. Biedronka established a network of suppliers located in regions close to the DC, to ensure sufficient quality and quantities of strawberries for sale in its stores. This network reduces the time between harvesting and making the

product available in its stores. In the first year of the project – 2014 – 74 tonnes were sold between July and September. In 2016, and as a result of consolidating this initiative, it was possible to sell 650 tonnes in the same period. In 2017, Biedronka is aiming to reach 1,000 tonnes;

- Biedronka was pioneer in selling the *Malinowe* tomato (raspberry tomato) in its stores and it was the only banner in Poland to have this variety available throughout 2015. In 2016, sales of this variety doubled, reaching 13,750 tonnes;
- equally innovative in the Meat category, Biedronka doubled the sale of free-range chicken, respecting the natural growth of the animals, and ensuring their sale in all stores. This project started in 2015 with Polish suppliers and, to date, is unique in Poland.

Colombia

- Since the start of its Operations, Ara has been aiming to establish stable relations and partnerships with Colombian suppliers. In 2016, Ara cooperated with 85 local suppliers which provided more than 500 Private Brand products;
- The 4th edition of the Ara Private Brand Congress took place in the city of Barranquilla, under the theme “We are Building New Paths Together”, which was attended by approximately 140 local suppliers.

6.3. Commitment: Human and Workers' Rights

In accordance with the Sustainable Sourcing Policy, available at www.jeronimomartins.pt, the Group only works with suppliers who commit to practices and activities that comply with the law and any applicable national and international agreements on Human and Workers' Rights.

The Group is committed to terminate business relations with suppliers whenever it learns that they and/or their suppliers violate Human, Children's and/or Workers' Rights and/or if they do not incorporate ethical and environmental concerns when conducting their business, and/or when they are not willing to draw up and implement a remedy plan.

Additionally, and as part of its participation in The Consumer Goods Forum, the Group committed to contribute to eradicate forced labour – as defined by the International Labour Organization – throughout its supply chain and continue to ensure its absence in its own operations.

6.4. Commitment: Promotion of More Sustainable Production Practices

Along with the social and ethical aspects already mentioned, environmental aspects are also considered in the relations the Group has with its suppliers, preferring production methods with less consumption of natural resources and fewer impacts on ecosystems.

The Retail sector is being challenged by various stakeholders to fight the social and environmental impacts linked to deforestation commodities (palm oil, soya, beef, wood and paper) to reduce GHG emissions linked to forest destruction, conserving biodiversity in these ecosystems and eliminating Human Rights violations of Children and/or Workers which have been reported.

In order to assess the impacts of these commodities, in 2016, the Jerónimo Martins Group continued to map the presence of these ingredients in the Private Brand and Perishables products sold in Portugal, Poland and Colombia. Additionally, the Group's suppliers, who had products where these ingredients were identified, were asked about their respective origin and the existence of certification. Since 2014, the results of this work have been publicly reported in the Group's annual response to the Carbon Disclosure Project (CDP) Forests.

Our goal is to progressively ensure the sustainable origin of these raw materials, in line with the commitment to "Zero Net Deforestation by 2020" made under the participation of Jerónimo Martins in The Consumer Goods Forum. For further details on our actions in this area, please see www.cdp.net.

Jerónimo Martins Polska continued to be a member of GreenPalm, an organisation which ensures, along with the certifying body Roundtable on Sustainable Palm Oil (RSPO), that the equivalent volume of palm oil used by the producer in the development of a reference is acquired from sustainably managed sources. In 2016, all the soaps in the "Linda" range were relaunched in Poland, with the GreenPalm logo. In total, approximately 800 tonnes of palm oil obtained this certification.

Jerónimo Martins Group achieves an "A-" and "B" scores in the CDP Forests 2016

Jerónimo Martins obtained an overall "A-" score for palm oil, positioning the Group at the "Leadership" level, one step away from achieving the highest score (A). The soya, paper and wood and beef commodities obtained a classification of "B", corresponding to the level of "Management".

The CDP "Forests" programme assesses the performance of the Group in terms of its strategy for deforestation commodities, including its transparency in the reporting of information and risk management.

CDP is a non-profit international organization which develops programs for companies and cities to measure, disclose, manage and share important environmental information.

In the context of the Group's sustainable fishing strategy, and as a result of the studies which have been carried out in this area¹², action lines were defined to reduce pressure on threatened species¹³. These include: i) banning the purchase and sale of species classified as "Critically Endangered" for which there are no extraordinary licences; ii) looking for alternatives from aquaculture for species classified as "Endangered", and not carrying out promotional activities involving fish from wild populations that have not come from sustainably managed stocks and/or that do not have a sustainability certificate; and iii) limit promotional actions for species classified as "Vulnerable" whenever they do not come from aquaculture and/or have not come from sustainably managed stocks and/or that do not have a sustainability certificate.

¹² To find out more about the actions carried out by the Group in this area, see subchapter 5. "Respecting the Environment" in this chapter.

¹³ Based on the classification of the International Union for Conservation of Nature and Natural Resources (IUCN) and the Convention on International Trade and Endangered Species of Wild Fauna and Flora (CITES).

The Group has also developed partnerships with its Fruit and Vegetables suppliers seeking to reduce the environmental impacts associated with their sale. This is the case of the production of mangoes in Senegal. This partnership has production characteristics similar to those of the mangoes produced in Brazil, but has allowed the distance travelled to be reduced by more than 5,000 km and substitute air by sea transport, leading to a significant reduction in CO₂ emissions. This partnership also ensures a product of higher quality, since the reduction in distance makes it possible to harvest the mango when it is more mature.

Biedronka has joined the "Charter for Sustainable Cleaning" initiative, promoted by AISE - International Association for Soaps, Detergents and Maintenance Products, which promotes performance improvement of products in the Hygiene and Cleaning category according to a set of criteria: such as toxicity, eco-efficiency and consumption of raw materials, among others.

Certified Products

In an effort to continuously improve the sustainability of fishing products, in 2016, Biedronka launched a campaign for Private Brand products with Marine Stewardship Council (MSC) certification, which involved eight products: seven fresh and one frozen.

In Portugal, more than 90% of codfish (*Gadus morhua*) comes from Norway and around 50% of the frozen fish sold by Pingo Doce was caught in South African waters. In both cases, fishing was carried out by vessels which meet the standards of MSC certification. Pingo Doce maintained its assortment of six canned tuna products with the Dolphin Safe label.

Cocoa, tea and sustainable coffee in Private Brand products

In 2016, four tea product references were launched with "Rainforest Alliance" certification, ensuring that the black tea contained in the product comes from sustainable agriculture and that it meets the environmental and social criteria defined by that entity. The percentage of certified tea varies between 40% (two references) and 80% (two references) of the total tea composition.

In the same period, Pingo Doce launched the first coffee product reference with 100% Fairtrade certification. The certification ensures compliance with social, environmental and economic criteria, supporting small suppliers through payment of a guaranteed minimum value for production.

The Jerónimo Martins Group also maintained its investment in UTZ certification for cocoa products, and in 2016 reached a total of 18 products: 15 in Biedronka and three in Pingo Doce. An UTZ product seeks to demonstrate, through a certification programme, that the raw material was obtained using a sustainable agricultural model.

These certifications promote good agricultural practices while guaranteeing farmers an improvement in their working conditions and quality of life, as well as protecting the natural resources on which they depend.

In 2016, the range of Pingo Doce organic products accounted for a total of 52 Stock Keeping Units (SKUs) from the Fruit and Vegetables category. These products are developed according to organic production rules, certified by an independent external

entity (Ecocert) and show the logo of the European Union, which ensures compliance with the Community Regulation for Organic Farming.

In 2016, Pingo Doce added a new product reference with EU-Ecolabel certification, which joined the six existing references. In the same period, Pingo Doce increased the number of references with Sustainable Forestry Initiative (SFI) certification to 30 and maintained the seven references with the Programme for the Endorsement of Forest Certification (PEFC). Recheio ended the year with eight SFI and five PEFC references. In both cases, certifications are mainly associated with articles from the Personal Care category.

6.5. Supplier Audits

Quality and Food Safety

Perishables and Private Brand suppliers are regularly audited for assessment and follow-up in terms of management and control processes, implemented quality system, product formulation and labour and environmental aspects. The audits are mandatory for suppliers conducting their business in territories where the Group operates.

The assessment of suppliers also covers environmental requirements, which have a 5% weight in the assessment. These requirements include criteria associated with the management of water, effluents, waste, atmospheric emissions, noise and hazardous substances.

Each supplier is reassessed at predefined intervals based on the score they obtained.

Audits to Perishables and Private Brand suppliers*

	2016	2015	Δ 2016/2015
Portugal			
Perishables	847	802	+6%
Private Brand – Food and Non-Food	244	239	+2%
Poland			
Perishables	1,454	1,550	-6%
Private Brand – Food and Non-Food***	451	425**	+6%
Colombia			
Perishables	56	48	+17%
Private Brand – Food and Non-Food	165	121	+36%

*The audits include the following topics: selection, control and follow-up.

** Corrected figure compared to 2015.

*** In 2016 a further 3,074 inspections on non-food Private Brand products were also carried out and in 2015 a further 2,691.

In Colombia the significant increase in the number of audits is associated with the increment in the number Ara's Perishables and Private Brand suppliers.

Certification

As regards to certifications, the Group favours and requires, in the case of foreign suppliers not covered by our internal audit system a relationship with suppliers who have a Food Safety certification recognized by the Global Food Safety Initiative, namely British Retail Consortium (BRC), Global Good Agricultural Practices (Global G.A.P.), HACCP/*Codex Alimentarius* or also ISO.

All potential new Biedronka Private Brand products suppliers must be audited in accordance with the Group's internal criteria, common to the three countries in which operations are carried out. In the case of suppliers who are not located in these countries, they must be certified according to the food standards of the BRC, the International Featured Standards (IFS) or the Food Safety System Certification (FSSC) 22000.

Distinguished Private Brand non-food products

In 2016, Biedronka non-food products were once again distinguished due to their quality and/or innovation. This was the case of the Dada Private Brand nappies, to which the Instytut Matki i Dziecka (Institute of Mother and Child) awarded the Golden Logo, the only product of its kind with this distinction. Skin cosmetics for children from the Private Brand Dada also obtained a positive assessment from the same Institute.

The trash bags Cedo and Plasbel were also distinguished by Polish consumers as "Produkt Roku. Wybór knosumentów" (Product of the Year. Consumer's Choice) for offering a self-adhesive tape as an alternative sealing form and also because of their fragrance.

Environment

The Group carried out 33 environmental audits on service providers in Portugal, four in Poland and one in Colombia. These seek to ensure compliance with the minimum environmental performance requirements, assessing the performance level and defining an action plan to correct non-compliances. The level of environmental performance (for all service providers in Portugal audited since 2009) was as follows: 13% achieved an "Excellent" performance, 8% "High", 78% "Basic" and 1% "Below basic".

With the same objectives, in Portugal the Group started a pilot auditing project exclusively dedicated to environmental issues and carried out on sales providers by an external entity, which involved 15 Perishables suppliers.

All the suppliers audited and classified with a "Below basic" level have received a corrective action plan which must be addressed within a maximum of six months. The aim of the Group is to annually carry out at least 35 environmental audits on its service providers and – from 2017 – at least 50 on its Perishables suppliers. We reserve the right to suspend collaboration with business partners who do not comply with the defined corrective action plan.

6.6. Supplier Training

In Portugal and Poland, over 220 actions, involving more than 220 participants, took place which were focused on issues of Quality and Food Safety, deepening the co-operation work with business partners, especially with regard to discussing areas of improvement and development of innovative products.

In the area of Environment, in 2016, the review of the technical standard on "Environmental Management for Products and Service Providers" was assured, in order to adapt to evolving legislation. In addition, workshops on this standard took place in Portugal, attended by 18 participants from service providers, and two workshops on the Sustainable Agriculture Manual, involving 33 participants, representative of Fruit and Vegetables suppliers.

7. Supporting Surrounding Communities

7.1. Introduction

With a number of stores greater than 3,000, in more than a thousand cities, towns and villages in three countries, we recognize the importance of actively contributing towards overcoming socio-economic challenges faced by communities, such as fighting malnutrition and hunger, and helping to break the cycles of both poverty and social exclusion.

This is the guidance from the Policy for Supporting Surrounding Communities, available at www.jeronimomartins.pt, which focuses on the most vulnerable groups in society: the elderly and disadvantaged children and young people.

7.2. Managing the Policy

The actions supported and promoted by the Group are monitored and assessed according to the impact they produce, with a view to efficient allocation of resources to social projects covering the largest possible number of people and/or generating the greatest and best results.

The criteria underlying the methodology of social impact assessment, the London Benchmarking Group (LBG), a corporate network of which the Group has been a member since 2012, enables the assessment of whether social changes are achieved. The results of the consultation carried out annually are available at the corporate website of the Group.

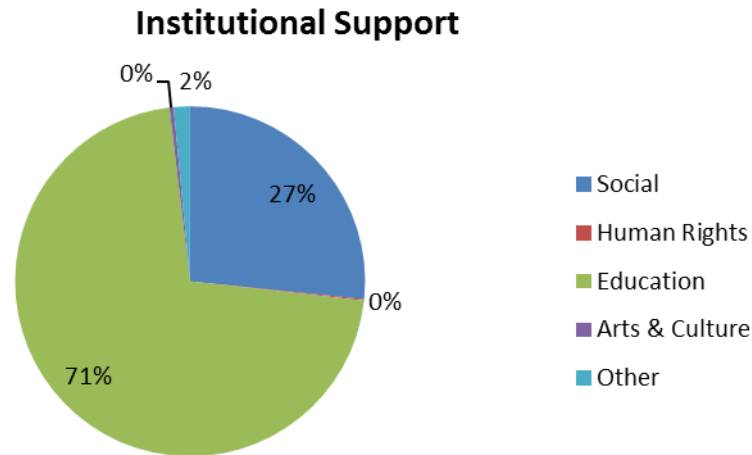
Follow-up visits to the institutions which have concluded a cooperation agreement with the Group are also carried out. The Group has a relationship guided by the sharing of knowledge with institutions which focus on providing senior citizen homes for the elderly or temporary foster homes for children and young people at risk. With a spirit of transparency and partnership, the Group checks the quality of the infrastructures and the service provided.

7.3. Direct Support

In 2016, the Group remained committed to supporting charitable organizations which carry out work to fight social exclusion in the countries where it is present. This commitment is carried out through the direct supply of food products, monetary support to organisations carrying out pedagogic work with children and young people at risk, in an attempt to curb school dropout and social exclusion, and/or encourage entrepreneurship, also through developing campaigns driving the company's contribution to social causes.

Direct support in money and in kind attributed to the surrounding communities by all the Group's Companies amounted to around 18 million euros, which represents an increase of 3% compared to 2015.

At the corporate level, support was divided as follows:



The Group supported more than 40 institutions, donating around 1.5 million euros, mainly in the social area, with the main beneficiaries continuing to be children, young people and elderly people.

Started in 2015, support for the Academia do Johnson (Johnson's Academy) was consolidated. The mission of the Academia do Johnson (Johnson's Academy) is to combat social exclusion and dropout of about 140 children and young people from vulnerable communities in the Lisbon region. This Academy offers educational, professional and cultural tools provided by trained personnel, who use the practice of sport and helping study as a means of developing behavioural, social and technical skills, which help prevent risk situations in their lives and that enhance their integration into schools and into society.

Support from the Group, around 60 thousand euros annually, supports the sports field so that various teams practice sport, along with the preparation of daily lunches for children and young people, adjusted to the demands of their physical activity, and the purchase of school materials for use in the Academy's activities, among other applications.

In addition, other cultural or educational initiatives were sponsored. For example, the 11th Social Responsibility Week was sponsored, promoted by the Portuguese Association for Corporate Ethics and by the Portuguese Network for Global Compact. Under the theme, "Cooperation for Sustainable Development", it was possible to address and discuss all the Sustainable Development Goals (SDG) approved by the United Nations by 2030.

Greenfest

In Portugal, support was given to the 8th edition of the largest festival dedicated to sustainability which, in its four days, brings together companies, non-governmental organisations, universities and public entities to show sustainable products or programmes.

The Group took part in talks aimed at students and the general public on fighting food waste (including showcooking on the creative reuse of surpluses in consumer homes), the importance of environmental sustainability in the Modern Distribution sector and the importance of the Johnson's Academy mission for young people from vulnerable communities.

The festival registered around 25 thousand visitors.

Pingo Doce provided foodstuffs and money to more than 440 institutions that fulfil a social mission in the communities surrounding the chain stores. In total, it donated more than 15.4 million euros, an increase of more than 5% compared to the previous year. Over 95% of this amount corresponded to donations of surplus food, with the weight equivalent to 9.8 thousand tonnes, to 380 institutions throughout the country serving hundreds of people in disadvantaged situations.

Recheio offered donations in foodstuffs and money to 124 institutions, worth more than 300 thousand euros. 86% of this amount were offers of surplus food, equivalent to 170 tonnes.

The Companies Jerónimo Martins Distribuição de Produtos de Consumo, Jerónimo Martins Restauração e Serviços (JMRS) and Hussel supported the Banco Alimentar Contra a Fome (Portuguese Food Bank), among other institutions. Donations amounted to more than 151 thousand euros¹⁴, equivalent to the supply of more than 51 tonnes of foodstuffs.

In Poland, support initiatives were continued to institutions that help fight hunger and malnutrition, and which sought to raise the awareness of society to social causes such as the importance of healthy eating, the welfare of institutionalised children and the centrality of the family. The amount of support was over 385 thousand euros (more than 1.7 million zlotys).

Just as in previous years, Biedronka supported the Let's Stay Together campaign, as part of International Children's Day, developed along with Caritas Polska, to foster the strengthening of ties between children and their families. The campaign took place in 21 cities in various regions in Poland and more than 200 thousand children and parents were registered, who had the opportunity to enjoy various entertainment activities and foodstuffs offered by Biedronka, representing an investment of over 170 thousand euros.

Fighting Food Waste in Poland

In 2016, Biedronka started donating food surpluses which, although fit for consumption, could not be put on sale, through its Distribution Centres and stores.

In this first year, 63 stores and seven Distribution Centres made donations to local Caritas Polska dioceses and other charities, which reach people with food situation shortages.

Around 87 tonnes of foodstuffs were donated, equivalent to over 52 thousand euros.

Biedronka also supported the organisation of charitable events carried out by Caritas Polska, such as World Day of the Sick and Saint Nicholas' Day, supporting communications campaigns and donating food products.

Other charitable initiatives from Biedronka included continued support for the association Hope for the Euro, a partnership established in 2011 that aims, through sport, to promote the social development of institutionalized children from families with economic difficulties and/or which are dysfunctional. This organisation promoted football tournaments involving children and young people from Poland and from more than 36 countries. Besides financial support, Biedronka offered foodstuffs to 670 children participating in the championships, as well as special prizes, with a total investment of around 70 thousand euros.

¹⁴ The reported amount corresponds to the period between January and September 30, 2016, date from which these businesses no longer belong to the Jerónimo Martins Group.

In Colombia, Ara continued its partnership with the Instituto Colombiano de Bienestar Familiar (Colombian Institute of Family Well-Being), offering foodstuffs to community nannies who take care of children under five years of age from families and neighbourhoods with very few financial resources.

The programme *Madres Comunitarias* (Community Mothers) aims to address the nutritional deficiencies children have related to proteins, vitamins and minerals and, through ICBF, check the routing of the foodstuffs, as well as the mental and physical well-being. It also aims to evaluate the nutritional indicators of children who benefit from this.

Along with the Departamento para la Prosperidad Social (Department for Social Prosperity), Ara carried out three workshops targeted at 80 nannies from the Costa do Caribe, the second region where it set up its chain of stores, focusing on food handling methods and the need for children to have a balanced and controlled diet.

In 2016, the partnership between Ara and ICBF involved 3,668 children, 268 more than in the previous year, involving a total of 262 nurseries. 8,683 food baskets were offered, representing a value of more than 82 thousand euros and 130 tonnes of donated foodstuffs, 55% more than in 2015.

Also in this country, support was continued to Abaco – Asociación de Bancos de Alimentos de Colombia (Colombian Association of Food Banks), the mission of which is to establish strategic alliances with public and private partners to fight against hunger and food waste by channeling surpluses to people in need. In 2016, within the framework of this programme, more than 30 tonnes of foodstuffs were donated, equivalent to more than 81 thousand euros, while avoiding the emission of 700 tonnes of CO₂ equivalent that would result from the landfill of food surplus.

Imagina Só (Just Imagine)

Pingo Doce partnered with Science4you to produce a collection of 23 *Imagina Só (Just Imagine)* books in Portugal, which involves various Portuguese personalities creating stories covering various topics for children including ethnic differences, bullying, stereotypes, the preservation of the planet and family.

Under this partnership, for each copy of more than 7,450 sold, Science4you donated 0.50 euros to Operation Red Nose.

This organisation is dedicated to ensuring the weekly visit of professional clowns to children in 14 hospitals covered by the programme. These artists have specialized training for hospitals and work closely with health professionals, carrying out performances adapted to each child in each situation.

7.4. Internal Volunteering and Other Campaigns

The Group's employees continue to participate in the programmes of Junior Achievement Portugal, an association whose objective is to foster entrepreneurship among children and young people, by teaching on topics such as relations with family and the community, economics, the European Union and on how to set up a business.

During the Christmas season, an internal welfare campaign was organised, with the aim of offering presents requested by 124 children, coming from dysfunctional families, who live throughout the year in foster homes supported by the Jerónimo Martins Group.

In addition, during the Christmas Party, which brought together more than 900 managers and the senior management of the Group, a fund-raising campaign was promoted for the Association for Cerebral Palsy of Odemira, a region where social needs are high. Following our matching donation logic, the Group equalled the amount collected by individual donations among the managers present. The amount raised was used for logistical support needs and for purchasing pedagogic instruments to support the work of technicians who work with 105 children and young people in special education, aged up to 18, who attend schools in the district.

7.5. Indirect Support

Raising the awareness of society to become involved in campaigns to collect foodstuffs and other articles, as well as initiatives to raise funds, may help to create a collective awareness towards the fight against the hunger and malnutrition of more vulnerable people, through supporting the work carried out every day by charities.

The Group, similarly to previous years, made its networks of stores available for this purpose, with the banners also supporting the communication costs for the actions.

In the campaigns of the Banco Alimentar Contra a Fome (Portuguese Food Bank) and other institutions, such as the CASA – Centro de Apoio ao Sem-Abrigo (Support Centre for the Homeless), over 1,300 tonnes of foodstuffs were collected by volunteers in Pingo Doce stores.

The cards sold to consumers, convertible into foodstuffs aimed at supporting these and other institutions, totalled more than 184 thousand euros.

In Poland, in cooperation with the Federation of Polish Food Banks and Caritas Polska, Biedronka customers offered foodstuffs in various campaigns throughout the year, enabling the collection of more than 1,870 tonnes of foodstuffs, which were then channelled to people in need.

In Colombia, Ara has been carrying out a campaign to raise the awareness of consumers to help the most needed through rounding up the value of their purchases. The value donated is delivered monthly to the Fundación Aldeas Infantiles SOS Colombia (SOS Colombia Child Villages Foundation) for their programme *Fortalecimiento Familiar* (Family Support), in the municipalities of Ríosucio and Bolívar. In 2016, following the expansion of Ara, this support was extended to the municipality of Bogotá.

With donations made by customers surpassing 51 thousand euros, a 55% growth, this guaranteed an important support to the work carried out by Aldeas SOS, which support 1,654 children and young people from 2,138 families.

7.6. Other Support

Biedronka, in partnership with its vegetable supplier Green Factory, started the program *Zielona Kraina* (Green Earth, available at zielona-kraina.com), involving the participation of the Instytut Żywności i Żywienia (Polish Institute for Food and Nutrition), with the aim of fostering healthier food habits among younger generations.

Involving nutritionists and cooks, and working with school programmes and food standards recommended by specialists, 200 free workshops in 70 schools in four

Polish cities were carried out, involving more than 4,000 children from the fourth year of schooling and 200 teachers. The content included talks, joint preparation of meals with fresh fruit and vegetables and educational games. In Warsaw, workshops were held in 29 primary schools, involving more than 3,000 children and around 150 teachers.

Poland also marked the 10th year of the *Partnerstwo dla Zdrowia* (Partnership for Health), which involves a collaboration between Biedronka, Danone, Lubella and the Instytut Matki i Dziecka (Institute of Mother and Child), to fight children malnutrition through, firstly, facilitating access to products with suitable nutritional content and, secondly, raising awareness of healthy eating.

This collaboration has, since 2006, resulted in the sale of a range of social products Mleczny Start (Milk Start, available at mlecznystart.pl), that was created with the purpose of offering families with fewer financial resources food solutions at reduced prices which provide up to 25% of the necessary daily recommended needs for vitamins and minerals for growing children. Each baby food or sandwich mix has calcium and vitamin D for bone formation, zinc and vitamin E for the immune system, magnesium and vitamin B6 which help concentration, as well as iron and vitamin C.

Without any associated profit, in 2016, a monthly average of 1.8 million units were sold, to make the total for the decade more than 200 million units.

Raising the awareness of society for this partnership is also seen as a supplementary factor in fighting malnutrition.

The programme *Sniadanie Daje Moc* (Breakfast Gives Strength, available at sniadaniemoc.pl) seeks to raise the awareness of children up to three years of age in partner primary schools, their parents and teachers, through pedagogic materials and in a playful manner, of the importance of the first meal of the day for a balanced nutrition and healthy growth.

The number of schools involved has increased 5.8% compared to the previous year and now stands at 7,826, which corresponds to more than 65% of the primary schools in the country. The programme covers 195,650 children, an increase of more than 13 thousand children, and its visibility has also increased by around 82%, with the presence of more than 2,500 published items in the written press, television, radio, Internet and social media.

Sniadanie Daje Moc

The programme *Sniadanie Daje Moc* (Breakfast Gives Strength) started in 2011, based on the World Food Day as a moment to raise awareness of healthy eating and the importance of breakfast as a meal for children.

On that day, in 2015, the Guinness World Record was broken for the largest food preparation class in multiple locations, recording 6,778 participants from 89 schools as part of the programme.

In the five years since it was set up, it has extended into year-round activities, involving parents and teachers and has become an essential element in fighting malnutrition – examples include the availability of educational material for lesson planning and competitions for classes, schools and students.

Pingo Doce and Biedronka Children's Literature Prizes

Aware that the promotion and dissemination of children's literature functions as a springboard for knowledge, critical spirit and creativity among younger generations, a decade ago Pingo Doce started to produce children and young people's books at prices affordable to all family budgets.

This strategy to promote reading has resulted in more than 350 exclusive titles launched in these 10 years, and more than 1,800 copies sold have been registered in the last three years.

As part of this, in 2014, Pingo Doce launched its Children's Literature Prize (premiodeliteraturainfantil.pt), aiming to establish itself as a promoter of new talents in the areas of writing and illustration. In 2016, the third edition of this Prize had more than 2,500 entrants from all over the country. In addition to the monetary value offered, 50 thousand euros shared equally between the text and illustration categories, the winners would also have the opportunity to publish and sell their first work in Pingo Doce stores.

After the success of the first edition of the Children's Literature Prize in Poland (piorko2016.biedronka.pl), which led to sales greater than 35 thousand copies for the winning work, a new edition was held in 2016. More than 5 thousand works were submitted for consideration, with the winning work published and sold exclusively in Biedronka stores.

8. Being a Benchmark Employer

8.1. Introduction

In a context of expansion of its activities in the geographies where the Group operates, in 2016 the focus was on creating employment opportunities through investment in programmes for attracting and retaining talent.

The Group created 7,206 jobs, representing a net increase of 8.1% compared to 2015. More than 1,000 internships and on-the-job training initiatives were also provided in the Group's different Companies.

In 2016, the Jerónimo Martins team was characterised by the following indicators:

- 96,233 people: 62,413 in Poland, 30,732 in Portugal and 3,088 in Colombia;
- 77% women;
- 66% of the management positions are held by women;
- 14% are under 25 years of age; 40% are aged between 25 and 34; 31% between 35 and 44; 12% between 45 and 54; 3% are aged 55 or over;
- 87% are hired on a full-time basis;
- 67% are permanent staff.

In 2016, the Group continued to develop its Human Resources policies and processes that are in different stages of maturity in its different countries, in order to increase the commitment of its employees.

8.2. Principles and Values

The Group's Code of Conduct reflects the principles and ethical values that guide behaviour and decisions across the entire organisation, including concerning the employees' conduct when carrying out their duties and in the relations with other stakeholders.

After having strengthened the disclosure of the Code of Conduct in the Companies in 2015, through an explanatory brochure and reinforced information circulated using the Group's internal and external communication channels, in order to ensure that fulfilment of those principles is continuously promoted, the document has a prominent position on the Intranet portal, which now covers all the countries in which the Group operates.

The Ethics Committee is the body responsible for impartially and independently monitoring the disclosure of and compliance with the Jerónimo Martins Group's Code of Conduct. Further information on the Code of Conduct and the Ethics Committee can be found at www.jeronimo-martins.pt.

Respect for Human and Worker's Rights

The Group operates in strict compliance with the national labour legislation of the countries in which it operates, namely, with the prior notice period established by law, with regard to changes of an operational nature.

Also concerning Human and Worker's Rights, the Group complies with international legislation and applies the guidelines of the United Nations Organisation and the International Labour Organisation.

Its activity is based on the principles of respect and decent treatment of each individual, both during the recruitment and selection processes and regarding professional development and performance appraisals, forbidding any direct or indirect discriminatory practice and fostering a culture of fairness and meritocracy.

The Group does not hire under-age employees and the risks arising from child labour and forced labour are duly safeguarded. In the same way, in the countries where the Group operates the rights of indigenous people are in no way put at risk by the activity of our Companies.

Freedom of Association and Collective Bargaining

The Group respects freedom of association and collective bargaining, as well as union activity within the terms established in the applicable legislation in each country, as set out in its Code of Conduct.

The collective bargaining agreement negotiated between the parties, only existing in Portugal for the time being, covers more than 90% of the employees in that country.

8.3. Communication with Employees

Aware of the challenges inherent to internationalisation, especially the need for its people to be aligned with the organisational culture, which includes the values and principles and the business context of the Group in 2016 the Group continued to invest in developing a multi-format communication strategy, making it possible to reach all employees, regardless of the place where they work.

Besides the internal magazines "A Nossa Gente" (Our People), in Portugal, and "Razem w JM" (Together with JM), re-launched in Poland, or the "Open Letter" which aims to disclose institutional messages featuring the Group's managers, of particular note is the Group's new Intranet – "Our JM" – available in all the countries and to all the employees who have a computer as a work tool. Along with the corporate content common to all countries, this internal network enables local content to be published, which is of specific interest to the employees of each country.

In Colombia, we would highlight "Ara TV", a channel available in the workplaces which ensures that training and informative content is broadcast to the employees.

In Portugal and Poland, employees have Assistance Services for clarifying any work-related issues and for receiving requests for social support, ensuring that such contacts are handled in accordance with the guarantees of confidentiality, independence and impartiality. These services aim to establish a close and trusting relationship with the employees and contribute towards the continuous improvement in their quality of life and their satisfaction at work.

In Colombia, a Comité de Convivencia Laboral (Committee for Labour Coexistence) is in place, in accordance with the applicable legislation, aimed at receiving and resolving employees' complaints, including cases of alleged or possible discrimination.

Employee Assistance Service		
	No. of Contacts/Procedures Initiated	% of Procedures Concluded
Portugal	16,606	99.4%
Poland	5,054	96.4%

After carrying out the "Organisational Climate Questionnaire" amongst employees in all the Companies in Portugal, 2016 was the year for sharing the results obtained using an intensive plan of personal meetings with all the teams, aiming to celebrate the strengths and actively work on the identified points for improvement.

The same questionnaire will be implemented in Poland and in Colombia in 2017, thereby establishing a global programme that aims not only to listen to the employees, valuing their opinion and fostering a participative culture, but also to incorporate the results of the questionnaire in the Organisation's improvement and evolution process, through extensive discussion and by implementing action plans.

8.4. Attracting and Retaining Talent

Within the scope of the programmes for attracting new employees, internal and external recruitment and mobility best practices were identified, with the objective of making the respective alignment and ensuring that there is a continuous improvement to the effectiveness of these processes, as well as widened the variety of academic profiles which include not only the areas of Economics, Management, Engineering and Science, but also Arts and Humanities.

Likewise, the Group believes internal mobility to be an enabler of people's development and a driver of knowledge transfer between business areas.

Recruitment and Internal Mobility

The professional network LinkedIn continues to be a valuable tool as a means of attracting talent and for Employment Branding, with a substantial increase in the number of candidates recruited from this network and in the number of followers of the Group's page, which at the end of the year, already amounted to more than 87 thousand.

The Group continued with its talent attraction initiatives with universities, which due to both their teaching prestige and their geographical scope, ensure that these initiatives have national coverage and disclosure. Examples of these are job fairs, workshops, sponsorship of personal leadership and development events, open days, among others.

Also of particular note is the Jerónimo Martins Campus Ambassador, a programme in partnership with students from various faculties and universities, both in Portugal and Poland, where these students undertake to represent the Group on their campus and

carry out various Employer Branding initiatives receiving in exchange, access to personal and professional development tools.

Talent Programmes

The Management Trainee Programme is the main strategic programme for attracting young talent to the Group, offering new Master's graduates a career in the Food Distribution business and the opportunity to acquire competencies and knowledge, through a unique combination of on-the-job experience and a dedicated training programme.

Counting almost 30 years of existence, in 2016, this programme took place for the third consecutive time and simultaneously in the three countries, involving a total of 65 trainees.

Also, the Summer Internship Programme, designed to offer students a unique learning experience enabling them to have a privileged perspective of the Group and which has made it possible to identify recruitment opportunities and candidates for the Management Trainee Programme, welcomed a total of 70 interns in Portugal and Poland, during the months of July and August.

Internal Mobility

As a reflection of the investment in internal mobility as a mean of boosting their development, during 2016 39,731 employees changed their position, workplace or joined a new Company within the Group.

During the year, the international mobility strategy was also consolidated, by increasing the number of expatriated employees to a total of 50. This mobility seeks to address specific business needs, by applying critical competencies, combined with creating individual development opportunities for all those who aspire to an international challenge.

There were also 8,714 promotions in the stores, the Distribution Centres and the Head Offices.

8.5. Development and Compensation

Endeavouring to overcome the challenges inherent to the Group managers' progression, we sought to gain further knowledge of their areas of competence and of their development needs, with a view to defining individual medium-term plans and succession plans for the business's critical positions.

The response to these challenges is a key part of all the Human Resources Management policies and so the performance management in 2016 was also adjusted in order to contribute more directly towards the business results.

With regard to remuneration, the Group has sought to follow fair and market-based remuneration policies in the different geographies where it operates.

Variable remuneration plays an important role in the Group's remuneration policy, being the instrument that guarantees the alignment of the policy with a culture of performance and meritocracy. In 2016, the total amount of awards attributed to the Group's employees amounted to 82 million euros. The Jerónimo Martins Group also provides a competitive benefits package considering the best market practices in the geographies.

8.6. Training

In 2016, the Group continued to strongly invest in developing its employees through training and knowledge-sharing programmes, focusing on already consolidated tailor-made programmes as one of its priorities.

At a global level, of particular note is the 4th edition of the Strategic Management Programme which was held with participants from the three countries. This is a programme developed by Universidade Católica de Lisboa and Kellogg School of Management, in Chicago, which aims to reinforce the organisational culture, promote knowledge-sharing and contribute towards a team spirit and innovation.

Cooperation with national and international benchmark training entities was maintained. In Portugal, with Católica Lisbon School of Business & Economics and the Nova School of Business and Economics; in Poland, with Warsaw University and Kozminsky Academy; and, at an international level, with Stanford University, London Business School, Kellogg School of Management, Babson College and Instituto Internacional San Telmo.

In Portugal, various programmes for developing management and leadership skills were continued, including of particular note:

- General Management Programme in Retail (GMPR), in partnership with Universidade Católica de Lisboa, focused on developing employees' common management competencies, as well as promoting innovation in responding to the specific business challenges;
- General Store Management Programme (GSMP) for future Pingo Doce deputy store managers and future heads of Perishables at Recheio;
- Advanced Store Management Programme (ASMP) for Pingo Doce store managers and deputy managers;
- Executive Management Programme (EMP), for current Recheio store managers;
- Sales Academy, for Recheio and Caterplus sales representatives;
- General Section Management Programme (GSEMP), for future Pingo Doce heads of section;
- Advanced Section Management Programme (ASEMP), for current Pingo Doce heads of section. With the objective of qualifying operators for the Perishables areas, the different Pingo Doce regions implemented various editions of courses for operators in the Butcher's, Bakery, Delicatessen and Take Away, Fishery, Fruit and Vegetables areas. There were 1,064 trainees on those courses, with a total of 252,257.5 hours of training.
- With a view to furthering technical competencies, a training partnership was also established with an external entity in the areas of Bakery and Meal Solutions, in the courses for Bread-Making Operators, Food Masters and Kitchen Masters.

Within the scope of the knowledge-sharing programmes, with a view to stimulating self-learning and informal learning, of note are the "JM Talks", a cycle of conferences encouraging discussion on world market trends which have an impact on the retail sector, thereby reinforcing the Organisation's culture.

Among other formats, we would highlight the "Leadership Talks", which cover the topic of universal leadership principles. Also noteworthy are the workshops that were held for the operations and Information Technology teams, focused on innovation, on the topic of "Customer Centricity" and on the methodology of Design Thinking.

The first edition of the "Jerónimo Martins Academic Thesis Programme" was launched, which combines knowledge from the academic world with experience from the business world, and aims to accompany university students while they develop their Master's or Doctoral theses in areas that respond to the business challenges identified by the Group.

The partnership that was established between the Group and Universidade de Aveiro celebrated its fifth anniversary, with new activities being introduced such as publicising the "Loja 2020" (Store 2020) ideas contest, open classes, the mentoring programme, professional internships, study visits and also the award of the "Jerónimo Martins Prize" to the two best students.

In Poland, the Biedronka Management Academy continued with the training programmes, comprising 1,897 employees on topics related to Leadership, and 137 employees in Talent Development in the Organisation programmes.

Also in this country, training focused on the strategic areas of Perishables, namely in the Fruit, Vegetables, Flowers and Butcher's categories, with the support of a wide team of trainers, reaching 37,442 employees. Following on from the changes that took place in Biedronka's operations, training sessions were developed in the Change Management area, which involved 506 employees.

Of note, still in Poland, is the implementation of an e-learning platform, a valuable support for the training strategy and for transmitting knowledge, which has all the advantages linked to digital format, such as the provision of content at the workplace.

At Hebe, the introduction of e-learning since September has allowed the dynamization of 2,220 hours of training in several areas of customer service, cosmetics, among others.

For the new admissions, the training in customer service and "cosmetology" stands out in order to guarantee the best advice of the clients.

The Hebe Academy also developed a training program for managers and deputy store managers, composed of two distinct modules: "How to Manage" and "How to Teach", which included 64 employees.

In Colombia, training in Store Operations totalled 472,283 hours of training. The Bakery area was considered a priority and so, a competency centre was created and training was reinforced about this dimension.

In addition to being a communication channel, Ara TV was an effective training tool along with the introduction of other teaching tools, including the revision of manuals.

The 1st edition of the Innovation Programme was launched, resulting in more than 360 innovative ideas from employees from the stores, Distribution Centres and head-offices.

Overall, in 2016, the effort of investing in training resulted in an increase of 35% in the total number of training sessions held, while the training volume rose 52% compared to the previous year.

Training Indicators	2016	2015	Δ2016/2015
Total No. Sessions	67,063	49,752	35%
Training Volume*	3,954,810	2,605,285	52%

* Training volume = No. training hours x No. employees in training

Programmes for Joining the Job Market

The Group continued with its programmes for joining the job market of groups of more vulnerable people in Portugal, through partnerships with organisations and teaching institutions, which promote social inclusion.

The objective is to make it possible, for certain groups of citizens who are especially vulnerable in terms of access to the job market, to attend on-the-job training.

The following programmes are highlighted in 2016:

- Serviço Jesuíta aos Refugiados (JRS – Refugee Support Service) – at the end of the “Capacitação 4 Job” (Training for Job) programme financed by European Economic Area Grants, a fund managed in Portugal by Fundação Calouste Gulbenkian, which integrated 36 young migrants;
- Casa Pia de Lisboa – during the 5th year of cooperation, 17 young people had access to on-the-job training, as a complement to their training paths;
- Associação Portuguesa de Síndrome de Asperger (APSA – Portuguese Association of Asperger Syndrome) – by integrating two young people in practical on-the-job training to acquire personal, relational, technical and professional skills, in the Odivelas Central Kitchen, which resulted in one of the young people being hired;
- Girl Move – two young Mozambican women graduates were taken in, who had the opportunity of an internship at the Group, which was part of a programme for promoting female leadership;
- BIPP – Banco de Informação de Pais para Pais (Parents to Parents Information Bank) – developed the “Projecto Semear”, by integrating

Support for the Inclusion of Young Migrants

In order to support the inclusion in the Portuguese society of migrants from countries affected by extreme poverty, hunger or political conflicts, Jerónimo Martins integrated, for training in the store and in the Central Kitchen of Odivelas, young people between the ages of 18 and 30 of age.

In collaboration with JRS - Serviço Jesuíta aos Refugiados (Refugee Support Service), during 18 months it was possible to offer 36 people the opportunity to obtain a training course in a real work context and to develop technical and relational skills of socialization.

22 young people were hired by the Group.

- 12 young people with intellectual development difficulties in on-the-job practical training in Pingo Doce and Recheio stores, as a complement to their formative processes;
- Rumo, Cooperativa de Solidariedade Social – nine young people with slight disabilities had access to practical on-the-job training in Pingo Doce stores, to complement their formative paths.

In Colombia, Ara's partnership with SENA – Servicio Nacional de Aprendizaje (National Learning Service) – enabled 94 students to attend on-the-job training.

8.7. Safety in the Workplace

With the motto "Safety starts with each of us", in Portugal, the Prevention and Safety in the Workplace 2016 Campaign was launched, based on topics such as load handling, the use of protective equipment and the organisation of work spaces. Within the campaign's dynamics, of particular note, among others, were the prevention and training programmes specifically for all heads of Perishables and area supervisors.

An integral part of the campaign was the Safety in the Workplace Award, which aimed to acknowledge the employees from stores with the best performance in adopting preventative workplace accident measures.

World Safety in the Workplace Day was commemorated on "Safety Day" (the Group's 3rd HSW Meeting), where there were guest speakers from the Authority on Working Conditions and the Directorate-General for Health. The meeting stood out for its focus on the need to confer authority on the Safety Deputy, the employee responsible in the workplace for ensuring that actions are implemented aiming to improve working conditions.

In accordance with a legal precept, in Portugal all employees were consulted regarding Health and Safety in the Workplace conditions, with the objective of helping to contribute towards a safer working environment for everyone.

In Poland, there was a reduction in the number of workplace accidents which was due to the various prevention campaigns concerning the most common accidents, as well as the training sessions for Operations and the development of new versions of the internal safety in the workplace manuals, among other initiatives.

In 2016, Biedronka obtained the certification of the OHSAS 18001 standard regarding its system of management of health and safety at work, process conducted by Det Norske Veritas. The application of this standard benefits, among others, the continuous improvement of the health and safety management system at work in order to prevent, minimize or eliminate risks to the physical health of employees.

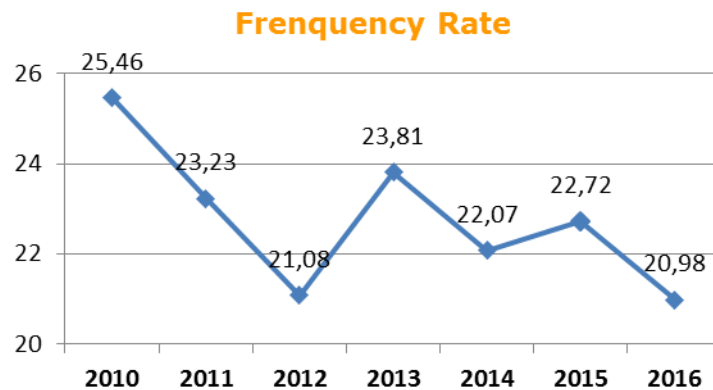
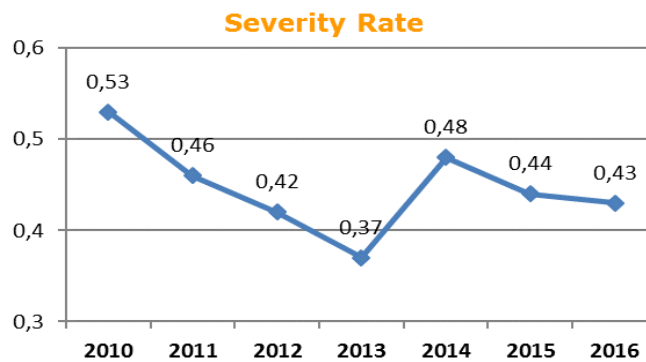
Also of note is the Company's participation in various educational initiatives related to safety in the workplace, such as Biedronka's first aid competition and participation in the Ministry of Health's public surveys.

Health and Safety in the Workplace is also a priority in Colombia and so the following prevention campaigns were launched: "I'm Committed" (Yo Me Comprometo), aimed at employees in the stores and Distribution Centres, with the objective of obtaining

their cooperation in defining Safety in the Workplace best practices and in adopting appropriate safety behaviour.

Also with regard to the operational and administrative areas, the "I choose to look after myself for me and my family" (Yo elijo cuidarme por mí y por mi familia) campaign was launched, which was used to promote the adoption of healthy lifestyle habits when carrying out daily work tasks and to reinforce the prevention of workplace accidents.

Aggregate Safety in the Workplace Indicators



Scope	Training Hours	Simulations	Audits
Portugal			
Distribution	19,119	246	648
Restaurants and Services	40	-*	68
Poland	29,897	2,148	953
Colombia	2,500	204	240

* Not obligated by law.

In addition, in 2016, 24,994 health check-ups were carried out in Portugal, 66,330 in Poland and 1,626 in Colombia.

8.8. Internal Social Responsibility

The Group's Internal Social Responsibility area continued with the strategy for implementing programmes and initiatives that aim to improve the quality of life of the employees and their families in three fundamental areas; Health, Education and Family Well-being. The investment in these programmes totalled over 16.6 million euros.

Health

In 2016, the 3rd edition of the "SOS Dentista" (SOS Dentist) programme was launched in Portugal, which aims to support employees with less income in carrying the burden of their dental treatment and, simultaneously, to promote oral health, thereby helping to improve their quality of life. There were 1,500 and 678 employees have concluded their treatments.

Despite the improvement seen over the last few years, Portugal is still classified as a country with moderate severity regarding child dental decay, which is why the "SOS Dentista Júnior Programme" (SOS Dentist Junior) was launched, which is for employees' children between the ages of 7 and 17. A total of 500 children joined the programme and 219 were screened.

The "Mais Vida" (More Life) programme, which provides family support to the cancer patient, was also extended to the entire country. Through this programme, employees, spouses and children benefit from the services of a second medical opinion at an international benchmark institution (Fundação Champalimaud), from psychological support for the entire family unit, from transport for consultations and/or treatment (through the Portuguese Red Cross) and also from home support.

The "Famílias Especiais" (Special Families) programme, which is for families with children and young people with neurological diseases provided complementary support to that offered by the National Health System, namely specific therapies (Hydrotherapy and Riding Therapy), therapies at home (Physiotherapy, Speech Therapy and Occupational Therapy) and rest for the carer at home.

It should also be highlighted that, within the scope of the partnership with Raríssimas - Associação Nacional de Deficiências Mentais e Raras (Portuguese Association of Mental and Rare Disabilities) which is targeted at employees' children bearers of rare diseases, support was extended geographically, leading to completely free consultations and treatment.

The employees continue to highly value the protocol with the Lusíadas Saúde Group, as it enables them to have access to specialist consultations and treatment at a benchmark medical institution in Portugal, at competitive prices.

The "Psicologia Infantil e Juvenil" (Child and Youth Psychology) programme aims to support children and young people with growth and development difficulties, through follow-up by a specialised professional. Within the scope of this programme, 158 children/young people received follow-up.

In Poland, the "Let's Take Care of our Health Together" programme enabled around 3,500 employees to perform more than 17,500 free health screenings, being

introduced new diagnosis specialties, such as nutrition, dermatology, gynaecology and specific exams according to gender.

Through the “Apoio a Crianças com Necessidades Especiais” (Support to Children with Special Needs) programme, 200 employees received financial support to cover expenses with medicines, consultations, rehabilitation and therapy, medical equipment or surgery. In addition, three holiday camps were held, where 70 children with physical disabilities, autism or respiratory diseases participated.

In 2016, the Group invested over 1.3 million euros in promoting the health of its employees and their families.

Education

The education support programmes continued, with a special note for the “Bolsas de Estudo” (Scholarships), which are already in their 6th edition. This is support given to employees and their children who, despite not having the necessary financial means, wish to enrol or re-enrol in higher education. 90 scholarships were attributed for the 2016/2017 academic year. Since being launched, 332 scholars have already benefited from this measure.

Within the scope of the “Regresso às Aulas” (Back to School) campaign, 4,358 school kits were offered to employees' children in Portugal and in Poland who started the 1st year of schooling.

In 2016, around 2,500 children participated in the Summer Holiday Camps, both in Portugal and in Poland. Also in 2016, “Hello Biedronka” holiday camps and an “English Summer Camp” were organised for learning English and in which 120 children participated.

Also in Poland, the “To School with Biedronka” programme continued, whereby support was given to around 2,700 families without financial means, to cover the school expenses.

In 2016, over 1.3 million euros was invested in promoting education to the universe of our employees.

Family Well-Being

In Portugal, the Group's Social Emergency Fund supported 783 employees, corresponding to an investment of 560 thousand euros, divided between support for food, health, education, legal advice and financial guidance. This Fund provides professional follow-up by five social workers from the Group, thereby ensuring, on one hand, a rapid and efficient response and, on the other, a more assertive response to the more critical cases. In 2016, the social workers provided follow-up to 404 cases of social support.

In Poland, the “You Can Count on Biedronka” programme supported more than 4,300 employees in situations of economic difficulty.

Also in Poland, a pre-paid card to provide financial support to employees was implemented, as well as a new external portal especially for all those who do not have access to a computer in their place of work, thereby enabling them to find all the information about the internal social responsibility programmes.

Children's Day and Christmas were celebrated with 27 thousand gifts being distributed in Portugal and more than 90 thousand in Poland. More than 4,600 Baby Kits were also attributed in the two countries.

In order to publicise the more than 180 existing protocols in Portugal, communication was strengthened through the Group's intranet.

In 2016, around 14 million euros were invested in the Family Well-Being pillar.

9. Commitments for 2015-2017

Action pillars	Commitments for 2015-2017	Progress
Promoting Good Health through Food	Further improve the nutritional profile of both the Private Brand products, through product innovation and reformulation, and in the Meal Solutions meals.	<p>In progress. In 2016, the Group prevented 152 tonnes of fat, 142 tonnes of sugar and 31 tonnes of salt from entering the market, which encompasses the reformulations that were made within the scope of the Meal Solutions business unit.</p>
		<p>In the case of the latter, in 2016, we endeavoured to eliminate fried ingredients or replace them with other healthier alternatives, and also sought to reduce the amount of oil present. Another focus of concern was the level of salt, having launched salt-free soups.</p>
		<p>By reformulating some recipes, it was possible to avoid placing on the market over a tonne of fat, over 685 kilograms of salt and more than four tonnes of sugar in this business segment.</p>
		<p>For detailed information on the innovation and reformulation of Private Brand products, please refer to subchapter 4. "Promoting Good Health through Food".</p>
	Continue to develop programmes promoting the Mediterranean Diet and awareness for reading food labels amongst consumers.	<p>In progress. In Portugal, Pingo Doce maintained its commitment to the magazine "Sabe Bem" (Tastes Good) with an average print run of 150 thousand copies, highlighting healthier ways of preparing products and the offer of the Pingo Doce brand.</p>
		<p>In Poland, within the scope of promoting information about nutrition, in conjunction with Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition), Biedronka developed the "Wiesz Co Jesz" (Know What You're Eating) campaign, whereby it provided a special telephone line to advise consumers on making healthier nutritional choices.</p>
	Increase the number of references of the lactose-free and gluten-free range, in Private Brand products in Portugal and Poland.	<p>For further information about campaigns carried out please refer to subchapter 4. "Promoting Good Health through Food".</p>
		<p>In progress. This year, 24 gluten-free product references and 10 lactose-free references were launched in Poland. In Portugal, five references of the brand Pura Vida "0% Lactose" were launched.</p>
	In Portugal, ensure that products intended for children have a higher nutritional profile than the market benchmark.	<p>In progress. Seeking to offer products to new-born babies, the Farinha Láctea Pêra Pingo Doce was launched for babies from the age of four months, which is gluten-free and contains transition milk. It has a 9 p.p lower sugar content than the benchmark. As for the</p>

Action pillars	Commitments for 2015-2017	Progress
		Bolsas de Fruta, these products are made from fruit puree, standing out from the benchmark which uses concentrate. In turn, Bebidas de Soja Kids contain vitamins B1, E, D or iodine, differentiating from the benchmarks.
	In Portugal, develop and implement nutritional information in the Meal Solutions area.	Accomplished. Within the scope of adapting to national and community regulations, the Meals Solutions' meals were labelled with information on their nutritional profiles, and are available for consultation at the customer's request, and communication materials were also developed in the service areas in order to publicise the legally required aspects concerning allergens.
	In Portugal, in the Meal Solutions area, test meals for consumers with special dietary requirements or those who seek other dietary options.	In progress. During 2016, the offer of meals for vegetarians or consumers seeking healthier options increased from seven references to 12. Every week three of these kinds of dishes were available in the Pingo Doce Restaurants and Take Away.
	In Portugal, continue to develop and implement nutritional information in the Bakery.	Accomplished. Within the scope of adapting to national and community regulations on nutrition profiles and communication of allergens, Pingo Doce labelled its pre-packed Bakery and Pastry products and those packed on request by the customers, with the necessary information.
Respecting the Environment	Reduce the Group's carbon footprint by 2% in the 2015-2017 three-year period (per €1,000 of sales), compared to 2014.	In progress. 2016: carbon footprint increased 10.1% 2015: carbon footprint decreased 5.8%
	Make an annual reduction in the consumption of water and electricity of 2% per year (comparing the same store network in Portugal and Poland).	In progress. 2016 - Water: -0.6%; Electricity: +0.8% 2015 - Water: +1.5%; Electricity: +1.0%
	Reduce the amount of waste sent to landfill by 5 p.p. in the 2015-2017 three-year period, compared to 2014 (objective measured using the ratio amount of waste recovered / total amount of waste).	In progress. 2016: waste recovery rate increased 1.2 p.p. 2015: waste recovery rate decreased 0.6 p.p.
	Increase the number of locations with environmental certification (at least 20).	In progress. The number of DC in Portugal with environmental certification remained at four. In Poland there are 15 DC with environmental certification.
Sourcing Responsibly	In all brands, ensure continuity of the sourcing of at least 80% of food products from local suppliers.	In progress. In 2016, the Food Distribution banners in Portugal, Poland and Colombia fulfilled this commitment by buying over 80% of food products from local suppliers.

Action pillars	Commitments for 2015-2017	Progress
	Continue to introduce sustainability certificates (UTZ certification, Fairtrade, MSC, EU-Ecolabel or others) for at least: <ul style="list-style-type: none"> • Private Brand (two products); • Perishables (four products). 	Accomplished. In 2016, the following were launched: <ul style="list-style-type: none"> • 13 Private Brand references with UTZ certified cocoa (12 at Biedronka and one at Pingo Doce); • eight references of Private Brand fish products with Marine Steward Council certification (Biedronka); • five references of perishables with European Union Organic Farming certification (Pingo Doce); • four references of Private Brand tea with the Rainforest Alliance certified seal (Biedronka); • one reference of coffee Fairtrade certification (Pingo Doce); • one reference with the EU-Ecolabel ecological certification (Pingo Doce).
	Reduce by 5% the presence of palm oil in the total sales of Private Brand products. Reduce by 5% soya, beef, wood and paper products from countries at risk of deforestation.	In progress. The calculation of the presence of palm oil and the assessment of the countries of origin of the production of these commodities are made when preparing the Group's official response to the Carbon Disclosure Project (CDP) index, in the "Forests" segment. In 2015, the Group reduced the following (in weight): <ul style="list-style-type: none"> • the presence of palm oil by 18% in the total sales of Private Brand products; • the Private Brand products containing soya (-35%), beef (-90%) and wood (-90%), from countries at risk of deforestation. For further details on the Group's actions in this area, namely the 2016 progress, information will be provided during 2017 at www.jeronimomartins.pt and at www.cdp.net .
Supporting Surrounding Communities	Monitoring and disclosure of the social impacts resulting from the support offered, according to the LBG (London Benchmarking Group) model.	Accomplished. The results relating to 2015 were disclosed by the Group at www.jeronimomartins.pt .
	In Portugal, start at least one project of community investment per year, aimed at children, young people or older people from vulnerable environments.	Not accomplished. In 2016, support to the community project Academia do Johnson was maintained, which commenced the previous year. For further details on the activity of this institution, please refer to subchapter 7. "Supporting Surrounding Communities".

Action pillars	Commitments for 2015-2017	Progress
	In Poland, strengthen the involvement in social projects, focused on children, young people and older people from vulnerable environments.	Accomplished. Various social projects were continued, including "Hope for the Euro", that aims to contribute towards the development of institutionalized children from families with economic difficulties. Biedronka continued to participate in two projects on the Partnership for Health platform: "Milk Start" and "Breakfast Gives You Strength".
	In Poland, further develop the programme to combat child malnutrition, under the project <i>Partnerstwo dla Zdrowia</i> (Partnership for Health): - increase the number of schools by at least 5% in each academic year.	Accomplished. On this multi-stakeholder platform, the number of schools involved in 2016 increased by 5.8% compared to the previous academic year, reaching 7,826, which is the equivalent of more than 65% of the country's primary schools. The programme encompassed 195,650 children, an increase of over 13 thousand children.
	In Colombia, continue to support the programme <i>Madres Comunitarias</i> (Community Mothers), supporting two community nurseries, for each Ara store opened.	Not accomplished. Support through the regular provision of foodstuffs to 262 community nurseries was maintained, the same number as in 2015, despite the expansion of the Ara stores, due to the programme having been redefined at a government level. The number of children supported increased from 3,400 in 2015 to 3,668, an increase of 8%. The volume of foodstuffs offered also increased by 55% compared to 2015.
	In Colombia, extend the involvement in social projects such as Aldeas Infantiles SOS Colombia (SOS Children's Villages) and Abaco - Asociación de Bancos de Alimentos de Colombia (Colombian Association of Food Banks) for the donation foodstuffs.	Accomplished. The Aldeas Infantiles SOS Colombia (SOS Children's Villages) project was extended to Ara's third operating region, in Bogotá. As indirect support, through the voluntary rounding up of the value of customers' purchases for this cause, which was in excess of 51 thousand euros, it was possible to ensure that important support was given to 1,654 children and young people from 2,138 families from all the regions covered. Support to Abaco - Asociación de Bancos de Alimentos de Colombia (Colombian Association of Food Banks) was materialised through the donation of more than 30 tonnes of food surplus, the equivalent of over 81 thousand euros that reached an average of 790 people each month.

Action pillars	Commitments for 2015-2017	Progress
Being a Benchmark Employer	<p>Following the commitments made for the previous three-year period and with the continued tough and very challenging economic environment for the employees' families, particularly in Portugal and in Poland, the strategic focus will remain on:</p> <ul style="list-style-type: none"> i. continuously improving the employees' working conditions; ii. supporting the quality of life of our families in the different geographical areas in which we operate. 	<p>In progress.</p> <p>With regard to safety in the workplace, the severity indices recorded the best performance since 2010, achieving 20.98 points, a result which is due to the employees' performance and to the Group's investment in training sessions, simulations, awareness campaigns and audits.</p> <p>The "SOS Dentista Júnior" (SOS Dentist Junior) programme was launched, which is for employees' children between the ages of 7 and 17. 279 children began treatment under this programme. The "Mais Vida" (More Life) programme, which provides family support to the cancer patients, was extended throughout the country.</p> <p>To find out more, please refer to subchapter 8. "Being a Benchmark Employer".</p>

10. The Global Compact Principles

	The United Nations' Global Compact Principles	Jerónimo Martins Annual Report
1	Businesses should support and respect the protection of internationally proclaimed human rights	Chapter V. "Corporate Responsibility in Value Creation"; subchapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
2	Make sure that businesses are not complicit in human rights abuses	Chapter V. "Corporate Responsibility in Value Creation"; subchapter 6. "Sourcing Responsibly" and subchapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Chapter V. "Corporate Responsibility in Value Creation"; subchapter 6. "Sourcing Responsibly" and subchapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	Chapter V. "Corporate Responsibility in Value Creation"; subchapter 6. "Sourcing Responsibly" and subchapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
5	Businesses should uphold the effective abolition of child labour.	Chapter V – "Corporate Responsibility in Value Creation"; subchapter 6. "Sourcing Responsibly" and subchapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Chapter V. "Corporate Responsibility in Value Creation"; subchapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
7	Businesses should support a precautionary approach to environmental challenges.	Chapter IV. "Corporate Governance"; Part I, section C, subsection III. Chapter V. "Corporate Responsibility in Value Creation"; subchapter 5. "Respecting the Environment".
8	Businesses should undertake initiatives to promote greater environmental responsibility.	Chapter V. "Corporate Responsibility in Value Creation"; subchapter 5. "Respecting the Environment" and subchapter 6. "Sourcing Responsibly".
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Chapter V. "Corporate Responsibility in Value Creation"; subchapter 5. "Respecting the Environment" and subchapter 6. "Sourcing Responsibly".
10	Businesses should work against corruption in all its forms, including extortion and bribery.	Chapter IV. "Corporate Governance"; Part I, section C, subsection III. Chapter V. "Corporate Responsibility in Value Creation"; subchapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".