

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.

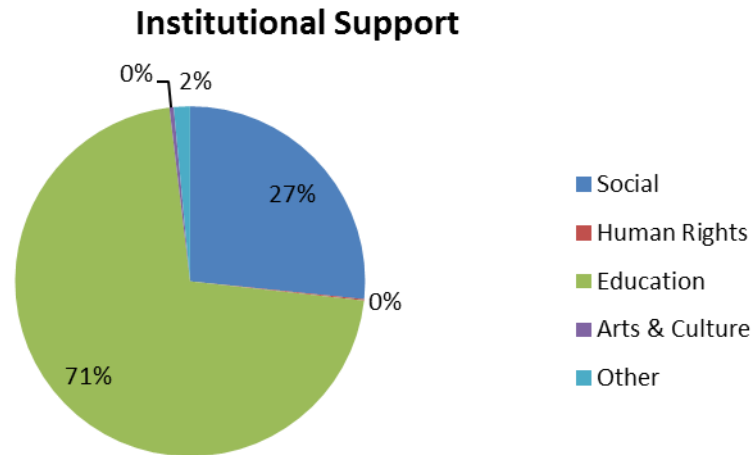
Follow-up visits to the institutions which have concluded a cooperation agreement with the Group are also carried out. The Group has a relationship guided by the sharing of knowledge with institutions which focus on providing senior citizen homes for the elderly or temporary foster homes for children 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.