

## 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](http://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.

<b>Employee Assistance Service</b>		
	<b>No. of Contacts/Procedures Initiated</b>	<b>% of Procedures Concluded</b>
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 4<sup>th</sup> 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 1<sup>st</sup> 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 5<sup>th</sup> 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 3<sup>rd</sup> 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.

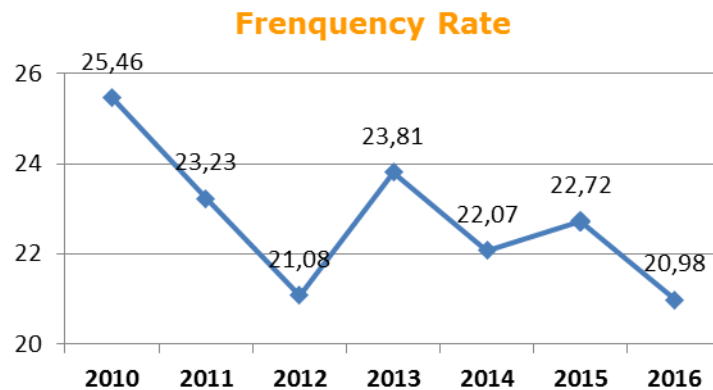
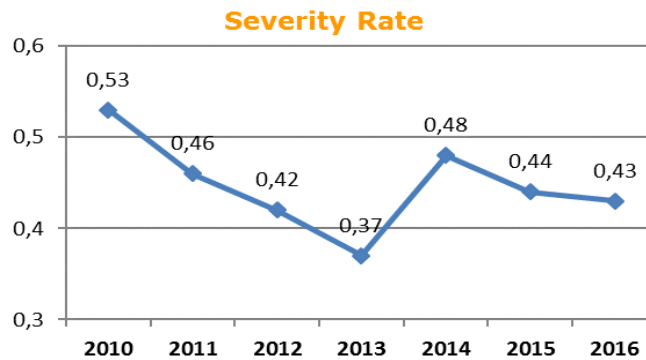
Health and Safety in the Workplace is also a priority in Colombia and so the following prevention campaigns were launched: "I'm Committed" (Yo Me Comprometo), aimed at employees in the stores and Distribution Centres, with the objective of obtaining



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 3<sup>rd</sup> 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 6<sup>th</sup> 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 1<sup>st</sup> 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.