

1. Our Approach

The Jerónimo Martins Group, which has been in business for 225 years, works to create value in a sustained manner, respecting the quality of life of the present and future generations and mitigating, as far as possible, the impact of Group's activities on the ecosystems on which it depends. The Corporate Responsibility strategy comprises five activity pillars, and is common to all the Group Companies, seeking to address the challenges identified by its stakeholders¹ and the Sustainable Development Goals defined by the United Nations²:

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

II - Respecting the Environment

The Group endeavours to foster the efficient management of resources, linked to environmental preservation, with a view to reducing the environmental impacts generated by its businesses. There are three priority areas of activity: climate change, biodiversity and waste management.

III - Sourcing Responsibly

The Group's Companies monitor the origins and production processes of the products they develop and acquire, seeking to incorporate ethical, social and environmental concerns in its decisions throughout the supply chain. The Group is committed to developing long-lasting commercial relationships, practising fair prices and 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.

¹ The 10 main material topics are mentioned in the sub-chapter 2 - "Stakeholder Engagement", also available at www.jeronimomartins.com

² Find out about the Group's main activities in the publication "The Power of Collective Action, available at www.jeronimomartins.com and in the corresponding table found at the end of this Chapter.

Jerónimo Martins Group remains in the main ESG Indexes

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

In 2017, the Jerónimo Martins Group remained in the FTSE Russell indices: FTSE4Good Developed Index and FTSE4Good Europe Index, which identify the best companies at managing sustainability risks through commitments and activities in the course of running their businesses.

The Group also maintained its presence in the STOXX Global ESG Leaders, STOXX Global ESG Environmental Leaders, Ethibel Excellence Investment Registers, Ethibel Sustainability Index Excellence Europe, and Euronext Vigeo Eurozone 120 indices.

It also continued to secure its presence in the MSCI ACWI ESG Leaders and MSCI ACWI SRI indices, which represent high-performing companies in social, environmental and governance areas. In 2017, the Group achieved an AA rating, one level below leadership.

These indices identify the companies that best manage the ESG risks and they are used, for example, in structured investment products and as a benchmark. This inclusion is the result of recognition of the Group's commitments, actions and results regarding sustainability and in the long-term development of its businesses.

Business Model and Relation with Sustainable Development

