

7. SUPPORTING SURROUNDING COMMUNITIES

We establish and develop proximity relationships with the communities where we are present, endeavouring to have a positive impact on them from a social and economic point of view.



7.1. Introduction

With over 3,500 proximity food stores spread across more than a thousand cities, towns and villages in three countries, we recognize the importance of being an active citizen in the contribution towards overcoming the socio-economic risks faced by communities, such as through fighting malnutrition and hunger, and helping to break the cycles of both poverty and social exclusion. In addition, we support projects concerning knowledge about nutrition, aiming to raise awareness, especially among younger generations, about having healthy eating habits and lifestyles.

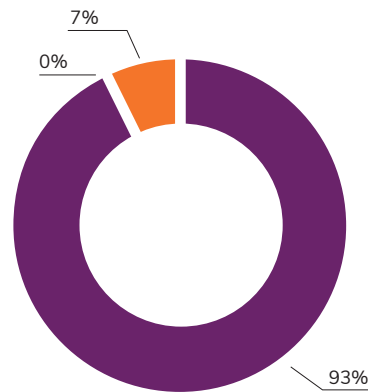
This is the guiding principle of the Policy on Supporting Surrounding Communities, available at www.jeronimomartins.com, which focuses on the more vulnerable groups in society: the elderly, and underprivileged children and young people.

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 projects covering the largest possible number of people and/or generating the greatest and best results.

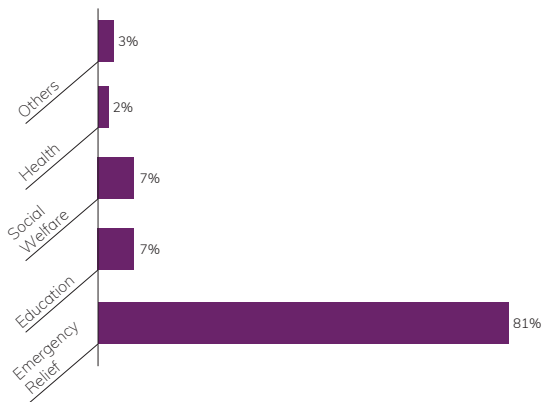
Measuring Social Impacts

Support



■ In kind ■ In time ■ In cash

Focus



The criteria implicit to the methodology for measuring social impact from the London Benchmarking Group (LBG), of which we have been a member since 2011, makes it possible not only to gauge the social changes achieved, but also to collect feedback from employees involved in the support.

In 2017, it was possible to measure the impact of investing over 8.1 million euros²⁵ in support allocated to 144 organisations, which in turn, are estimated to have reached more than 268 thousand beneficiaries. This amount encompasses donations in kind and also monetary donations, channelled mainly into support in the areas of Social Emergency, Education and Social Well-Being.

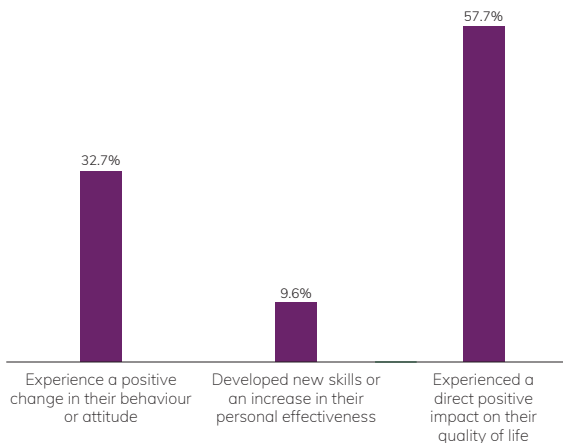
Most of the beneficiaries questioned by the institutions reported positive impacts on their quality of life. The institutions also confirmed that the support provided by Jerónimo Martins and its Companies had enabled them to invest in improved management systems, both in terms of human resources and information and management technology.

Reporting of the main indicators, using the LBG model, can be found on the corporate website, in the channel Supporting Surrounding Communities.

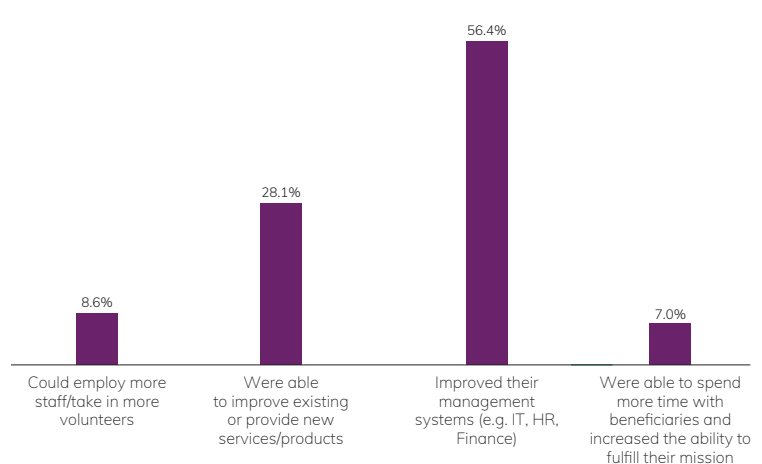


Follow-up visits to the institutions with which we have entered into cooperation agreements are also carried out, to make an *in loco* check of the quality of the infrastructures and service provided.

Impacts



Benefits for Charities



²⁵ This value refers to the activities/projects measured with institutions and their beneficiaries and which have a minimum level, as from which significant social impact data can be considered. It does not, therefore, refer to the amount reported as the total value of support offered by the Jerónimo Martins Group

7.3. Direct Support

In 2017, we continued to offer food to institutions who work on providing relief to the extremely poor, and monetary support to organisations which carry out educational work with children and young people at risk, in an attempt to curb school drop-out and social exclusion.

Direct support in money and in kind attributed at a corporate level and by all our Companies amounted to around 21.7 million euros in 2017, which represents an increase of 21% compared to 2016.

Fighting Food Waste

In the various countries, we donate surplus food that has the right food safety conditions, but cannot be sold, to institutions providing social support.

This food reaches people who are extremely vulnerable and, in 2017, amounted to the equivalent of 10.7 thousand tonnes donated.

Corporate

We supported more than 50 institutions, donating around 3.7 million euros to support projects concerning education, literacy and culture (82%), social causes (11%) and for other kinds of support, including health, environment and citizenship (7%).

With the arrival in Portugal of refugees from various Middle Eastern countries, namely Syria, we entered into a partnership with Pão a Pão – Associação para Integração de Refugiados do Médio Oriente (Association for the Integration of Middle Eastern Refugees), with a view to addressing the integration and employability of Syrian refugees, by setting up a restaurant.

This restaurant is called Mezze (Meal) and it is located in the centre of Lisbon, a place where you can eat traditional meals from Syria.

Our support is given in foodstuffs to an annual value of 18 thousand euros.

We also supported the “Despert’arte” project, which consists of creating cultural initiatives through a platform for artistic creation linking the contribution of artists from different areas – namely music, cinema, writing, dance, illustration and photography – to the participation of children, young people and adults from charities, thereby providing them with new experiences.

For the third year running, we maintained the support to Academia do Johnson (Johnson’s Academy) whose mission is to combat social exclusion and the school drop-out of about 160 children and young people from vulnerable communities in the Lisbon metropolitan area. With a further 20 people compared to the previous year, Academia do Johnson (Johnson’s Academy) offers educational, professional and cultural tools provided by trained personnel, who use sports activities and study support as a means of behavioural, social and technical development, which help prevent risk situations in their lives and that enhance their integration into schools and into society.

We also took in two young people in a real work context, who were hired to work in the Jerónimo Martins’ Headquarters and in Pingo Doce.

Pingo Doce

Pingo Doce supported more than 400 institutions in Portugal that fulfil a social mission in the communities surrounding the chain’s stores, providing foodstuffs and money.

In total, the donations amounted to more than 14.6 million euros. Over 96% of this value refers to food donations, which with an equivalent weight²⁶ of 9.6 thousand tonnes, which are distributed among 367 institutions spread across the entire country.

Within this context, Pingo Doce carried out a communication campaign to inform customers about the total weight of products donated by the stores to support the institutions in their communities.

²⁶ This value is calculated using the Portuguese Food Bank’s estimate of 1.46 euros per kilogram donated by customers.

Recheio

Recheio, João Gomes Camacho and Caterplus offered donations in foodstuffs as well as money to 147 institutions, worth more than 550 thousand euros. 84% of this amount refers to offers of surplus food, equivalent to 318²⁶ tonnes.

Biedronka

In Poland, the amount of support was more than 2.5 million euros, reaching more than 400 institutions.

Biedronka continued to donate surplus food to local dioceses of Caritas and other institutions; such as food, while fine for consumption and complying with food safety requirements, cannot be sold to consumers. Starting with 63 stores and seven Distribution Centres (DC) actively donating in 2016, the banner have now reached 437 stores and 12 DC, by the end of 2017.

As such, the food donations amounted to around 670 tonnes²⁷, an equivalent value of more than 1.4 million euros, and were estimated to have reached more than 11 thousand people.

Also within this context, Biedronka provided 77 thousand euros to support the purchase of two refrigerated goods transport vehicles. Together with this amount, the sales money from the Gang Świeżaków (fruit and vegetable plush toys) campaign, which was around 170 thousand euros, was used to purchase another five vehicles for Caritas, among other things.

As in previous years, as part of International Children's Day, Biedronka supported the "Let's Stay Together" campaign, developed along with Caritas, to foster the strengthening of ties between children and their families. The campaign took place in 22 cities in various regions in Poland. More than 200 thousand children and parents have enjoyed the various entertainment activities and foodstuffs offered by Biedronka, representing an investment of around 100 thousand euros.

Ara

In Colombia, within the scope of its partnership with the ICBF – Instituto Colombiano de Bienestar Familiar (Colombian Institute of Family

Well-Being), at the end of 2016, Ara stopped offering foodstuffs to community nannies who take care of children under the age of five from families and neighbourhoods with very few financial resources.

The *Madres Comunitarias* (Community Mothers) programme has fulfilled its purpose of addressing the nutritional deficiencies that children had with regard to proteins, vitamins and minerals, a check being made through ICBF, on the routing of the foodstuffs, as well as the mental and physical well-being and an evaluation of the nutritional indicators of the children who benefited from it. In 2018, this support was redesigned to address the children's other needs, namely regarding their personal hygiene.

Between 2014 and 2016, the partnership between Ara and the ICBF reached a total of 3,668 children from 262 nurseries. More than 14,750 food baskets were offered during this period, to a value of more than 179 thousand euros, the equivalent of more than 220 tonnes of food donations.

Also in this country, support was maintained to Abaco – Asociación de Bancos de Alimentos de Colombia (Colombian Association of Food Banks) whose mission is to establish strategic alliances with public and private partners to fight hunger and food waste by directing surplus food to underprivileged people.

In 2017, within the scope of this programme, Ara was responsible for donating over 116 tonnes of foodstuffs, around 30% of the total managed by Abaco in the country, the equivalent of more than 238 thousand euros, corresponding to an increase of 170% due to store expansion. It is estimated that these foodstuffs reached a monthly average of over 590 people and simultaneously avoided the equivalent emission of 2,400 tonnes of CO₂, which would otherwise have been sent to landfill.

7.4. Internal Volunteering and Other Campaigns

Our employees continued to participate in the programmes of Associação Junior Achievement

²⁷ This value is calculated using the Polish Federation of Food Banks' estimate of 2.15 euros (9 PLN) for each kilogram donated by customers.

Portugal, with the objective of fostering entrepreneurship among children and young people, by teaching topics such as relations with family and the community, economics and on how to set up a business. 121 volunteers enrolled the 2016/2017 academic year and 109 applications were registered for the 2017/2018 academic year.

During the Christmas season, we organised an internal welfare campaign, to offer presents requested by 145 children, coming from dysfunctional families, who live throughout the year in foster homes supported by Jerónimo Martins.

In addition, during the Christmas Party, which brings together around 1,000 managers and the Group's senior executives, a photo exhibition of an urban environment was held, taken by children and young people from four institutions with which the Group has a cooperation agreement. Within the scope of the "Somos Imagem" (We are Image) initiative, employees had the opportunity to see these children and young people's creativity exhibited under the theme "Growth".

We offered the items produced to various employees, making them aware of the need to value the perspective of these children and young people of the world around them, as a means of promoting social inclusion. Within the scope of this initiative, the amount we offered to Casa Pia, Obra do Ardina, Aldeias SOS and SOL – Associação de Apoio às Crianças Infectadas pelo Vírus da Sida (Association Supporting Children Infected with AIDS), totalled 2,500 euros, which will be used to boost investment in the personal and educational development of the children and young people in their care.

7.5. Indirect Support

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

In Portugal, Pingo Doce's customers donated around 1,000 tonnes of food²⁸ to the campaigns

organized by the Food Bank. In addition, the cards sold to consumers, convertible into foodstuffs aimed at supporting these institutions, totalled more than 198 thousand euros.

In Poland, in partnership with the Polish Federation of Food Banks and Caritas, Biedronka's customers rallied round to offer food through various campaigns that ran throughout the year. The organisation's estimate indicates donations of over 1,000 tonnes of food.

In Colombia, Ara has also been raising the awareness of consumers to help the most needy by 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, Bolívar and Bogotá. Customer donations increased by 73% to over 86 thousand euros, an amount which was used to support the work carried out by Aldeas SOS, which help children and young people from 1,544 families.

7.6. Other Support

Partnerships with members of civil society are key mechanisms for understanding and approaching the main social risks, and also for identifying and fulfilling opportunities for furthering social cohesion

Semear Project

In Portugal, our cooperation towards the Semear project began in 2014 with the aim of supporting young adults, from the age of 18 to 45, with intellectual and developmental difficulties, through projects which enable them to overcome the barriers to their social and professional inclusion, taking into consideration the high unemployment rate affecting this vulnerable population.

The Quality and Commercial areas supported the implementation of the programme, which consists of producing fruit and vegetables, and giving advice about crops that are viable for selling in Pingo Doce stores. With the support of the vegetable supplier Estevão Luís Salvador, it was possible to offer technical training through internships and a solution for packing and selling the products.

This year, over 12 tonnes of butternut squash was produced and 5 tonnes of tri-colour sweet potato.

²⁸ Estimate of the said institutions.

in the countries where we operate. We believe that only by joining forces and through collective action is it possible to have a positive and lasting impact on people's lives.

Within this context, Biedronka has cooperated with Danone, Lubella and Instytut Matki i Dziecka (Polish Institute of Mother and Child) within the scope of the *Partnerstwo dla Zdrowia* (Partnership for Health) to fight malnutrition in children by facilitating access to products with the right nutritional profile, and raising awareness about healthy eating.

The two projects supported by the Company are:

- the social products from the *Mleczny Start* (Milk Start) range, which are sold exclusively at Biedronka and were created with the intention of offering low-price food solutions, which provide up to 25% of the daily needs in vitamins and minerals recommended for a child's healthy growth. Without any associated profit, a monthly average of 1.4 million units were sold in 2017, totalling, in more than 10 years, in excess of 200 million units.
- the *Śniadanie Daje Moc* (Breakfast Gives You Strength) programme, which, in a playful way and using learning materials, endeavours to raise the awareness of children up to the age of three, their parents and teachers from the primary schools that are part of the programme, about the importance of the first meal of the day for a balanced nutrition and healthy growth. An increase of 6.3% in the number of schools involved was recorded, to 8,318, compared to the previous school year, which represents more than half of the primary schools in the country. The programme encompassed 275,758 children, an increase of more than 80 thousand children.

Also on the subject of food, Biedronka maintained the cooperation with the vegetables supplier Green Factory, to continue with the *Zielona Kraina* (Green Earth) programme, in which Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition) takes part. In the 2016/2017 academic year, and in line with the school programmes and eating habits recommended by specialists, 400 free workshops

Pingo Doce and Biedronka Children's Literature Prizes

Promoting and publicising children's literature has been one of our priorities within the scope of bringing greater democracy to the access to books as a source of knowledge, critical spirit and creativity among younger generations.

Along with the strategy for selling books at prices that are accessible to all household budgets, Pingo Doce and Biedronka have been fostering children's literature competitions, which help new writers and illustrators to gain prominence.

The 4th edition of the Pingo Doce Children's Literature Prize and the 3rd edition of the Piórko Prize, which reward the winners with 50,000 euros to be divided equally between the text and illustration categories and with the opportunity to publish and sell their works, resulted in more than 2,350 and 4,100 entries, respectively. Since their first editions, the cumulative value of the prizes attributed amounts to 350,000 euros and the total number of award-winning books sold amounts to around 69,000 and 115,000 respectively.

took place (which include preparing meals, games and talks), with nutritionists and cooks. In this academic year, until December, 189 workshops were conducted in 61 schools. During the 2015/2016 and 2016/2017 academic years, Biedronka engaged with more than 13 thousand 4th-year students.

In Portugal, in partnership with ABAE – Associação Bandeira Azul Europa, we cooperated on the Eco-Cooks project, within the scope of the Healthy and Sustainable Food project, which aims to raise the awareness of students from participating schools on topics such as food, nutrition and sustainable agri-food production.

Within this project, an assessment was made of the preparation of complete menus with local and seasonal ingredients, which could be made in a school environment. We provided the financial support to buy the food, for the teams' travel and offered solar ovens to the winners in each school level. Over 200 students participated in the various contests that took place.