C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Jerónimo Martins Group ("Jerónimo Martins" or "the company") operates in the Food Distribution and Specialised Retail sectors. Food Distribution is the company's core business (over 98% of consolidated sales in FY 2018), where it holds market leadership positions in Poland (Biedronka retail banner) and Portugal (Pingo Doce and Recheio banners for the retail and wholesale market, respectively) and a growing business in Colombia (Ara retail banner). Jerónimo Martins’ portfolio also includes a Specialized Retail division (230 Hebe drugstores and pharmacies in Poland and 46 coffee shops and confectionary stores in Portugal; 1% of consolidated sales in FY 2018) and an Agribusiness division (intra-Group supply of dairy products, meat and farmed fish; small scale operations with beef production limited to Portugal; less than 0.1% of consolidated sales in FY 2018).

By the end of 2018, Jerónimo Martins operated 4136 stores (3130 in Poland, 474 in Portugal and 532 in Colombia), registered consolidated sales of 17337 million euros, an EBITDA of 960 million euros, employed 108560 people globally and achieved a market capitalization of 6507 million euros on NYSE Lisbon Euronext.

All information disclosed in this response pertains to Jerónimo Martins Food Distribution (global) and Specialized Retail (Poland) businesses which, together, accounted for 99.9% of the Group’s consolidated sales in 2018. Selected operational data (e.g. GHG emissions from energy consumption in dairy factory and enteric fermentation from cattle fattening) for Agribusiness is also included, although the scale of activities in this business area is currently immaterial.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Row</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 1, 2018</td>
<td>December 31, 2018</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Colombia
Poland
Portugal

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5
Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Responsibility for Board oversight of climate-related issues lies with the Chief Executive Officer (CEO) who is, simultaneously, chairman of the Board of Directors and chairman of the Committee on Corporate Governance and Corporate Responsibility. The latter is a Board Committee that monitors and supervises all matters concerning the Company's corporate governance, social responsibility, ethics and environmental issues, among which climate change features prominently. The CEO is the Board member to which the company's Corporate Communications and Responsibility division (the top level department coordinating the implementation of Jerónimo Martins Responsibility Strategy) reports to. The CEO is responsible for bringing all the relevant climate-related issues - including company policies, commitments, action plans and related budgets for approval - to the meetings of the Board of Directors and, when adequate, of the Board Committee on Corporate Governance and Corporate Responsibility.</td>
</tr>
</tbody>
</table>

C1.1b
(C1.1b) Provide further details on the board’s oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled – some meetings</td>
<td>Reviewing and guiding strategy</td>
<td>Corporate responsibility themes, including climate-related issues, are brought to Board meetings by the company’s CEO and Chairman, who is also chair of the Committee on Corporate Governance and Corporate Responsibility. Our climate-related commitments and targets are approved by the Board and progress reports are regularly prepared by the Corporate Communications and Responsibility functional division for Board analysis. Business decisions that can have an impact on the company's ability to achieve its climate-related commitments and targets have such impact factored into the decision-making process, namely decisions on acquisitions and divestitures, major capital expenditures (e.g. investment cost of energy and emissions saving initiatives such as refitting of warehouse refrigeration systems to run on low GWP refrigerants), annual budgets, business plans and major plans of action (e.g. decision, made in 2018, to purchase only certified renewable electricity for the company's operations in Portugal), management policies and strategy. Climate-related issues also inform the review of our corporate responsibility strategy, given the high profile of climate change in our sustainability agenda.</td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding annual budgets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding business plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Setting performance objectives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring implementation and performance of objectives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overseeing major capital expenditures, acquisitions and divestitures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</td>
<td></td>
</tr>
</tbody>
</table>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Sustainability Officer (CSO)</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

C1.2a
(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CSO – who is also the Head of the Corporate Communications and Responsibility Functional Division of Corporate Support - reports directly to the CEO, to which she presents quarterly progress reports on the corporate responsibility commitments publicly assumed by the company, including those related to climate change (e.g. 5% reduction in the company's carbon footprint per sales in 2020, from 2017 levels). The CSO is also a member of the company's Managing Committee, a specialized body created by the Board of Directors to assist the CEO in the course of his duties, namely in implementing the policies defined by the Board. The CSO's position in the company structure –its functional connection both to the Board and to the operational departments coordinated by the divisions of corporate support – allows for an adequate assessment and management of climate-related issues in all company's operations.

The CSO is responsible for the supervision of the company's Corporate Responsibility Strategy, including the management of climate-related issues, which are currently a high profile theme in the Respecting the Environment pillar of said strategy. These responsibilities include designing corporate policies, commitments and action plans for Board approval (e.g. the decision to source 100% certified renewable electricity to supply operations in Portugal), as well as to monitor and report to the Board on the company progress towards the approved targets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a
Who is entitled to benefit from these incentives?
Chief Sustainability Officer (CSO)

Types of incentives
Monetary reward

Activity incentivized
Other, please specify (ESG ratings performance)

Comment
CSO Position is key to delivering the company's climate-related commitments. Part of variable remuneration is linked to measurable qualitative targets regarding ESG (Environmental, Social and Governance) performance, based on the company's performance in ESG evaluations. Given the high-profile of the company's Climate Change commitment and targets, its achievement is a relevant factor in the company's evaluation. Performance indicator is the company's inclusion in specific ESG indexes, the success threshold being said inclusion.

Who is entitled to benefit from these incentives?
Chief Executive Officer (CEO)

Types of incentives
Monetary reward

Activity incentivized
Other, please specify (ESG ratings performance)

Comment
Following the review of the process for defining targets and accessing performance according to the company's Executive Remuneration Policy, a part of the CEO's variable remuneration is now linked to measurable qualitative targets regarding ESG (Environmental, Social and Governance) performance, based on the company's performance in ESG evaluations. Given the high-profile of the company's climate change and energy commitment and targets, their achievement is a relevant factor in the company's evaluation. Performance indicator is the company's inclusion in specific ESG indexes, the success threshold being said inclusion.

Who is entitled to benefit from these incentives?
Environment/Sustainability manager

Types of incentives
Monetary reward

Activity incentivized
Emissions reduction target

Comment
Indicator is monitored through individual KPIs that factor the achievement of yearly sustainability targets, including energy and CO2 emissions reduction targets. These KPIs determine the individual annual bonus. Managers in the environment and corporate responsibility divisions are entitled to this incentive.

Who is entitled to benefit from these incentives?
Other, please specify (Store staff)

Types of incentives
Recognition (non-monetary)

Activity incentivized
Behavior change related indicator

Comment
Indicator is monitored through the on-going evaluation of each store's performance against its energy reduction monthly target. Within the same programme, a water reduction target is also monitored. Recognition consists of a featured article in the company's internal magazine "A Nossa Gente", focusing on the store staff that achieved the best energy performance. Store staff in Portugal is entitled to this incentive.
C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

<table>
<thead>
<tr>
<th></th>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>0</td>
<td>1</td>
<td>12-month period, corresponding to the analysis of the current situation.</td>
</tr>
<tr>
<td>Medium-term</td>
<td>1</td>
<td>3</td>
<td>Corresponding to the analysis in the company's 3-year business plan horizon.</td>
</tr>
<tr>
<td>Long-term</td>
<td>3</td>
<td>10</td>
<td>Corresponding to the analysis in the longer-term horizon, beyond the company's current 3-year business plan.</td>
</tr>
</tbody>
</table>

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

<table>
<thead>
<tr>
<th>Row</th>
<th>Frequency of monitoring</th>
<th>How far into the future are risks considered?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Annually</td>
<td>&gt;6 years</td>
<td>Frequency of monitoring refers to the update of the company's overall risk profile. Time horizon of analysis refers to the analysis of long-term climate change physical risks.</td>
</tr>
</tbody>
</table>

C2.2b
(C2.2b) Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

Risk Management is set as an integral part of the decision making and management processes across all levels of Jerónimo Martins Group and embedded within the company’s strategic and operational planning processes. Climate change risks and opportunities are identified and assessed by the Group within this risk management process, are classified under environmental risks according to the company’s risk taxonomy, and can take the form of both transition risks (e.g. associated with increased costs of compliance with refrigeration gases regulations; reputational impacts associated with expectations of the Group’s stakeholders to reduce carbon emissions and contribute to tackle deforestation) and physical risks (e.g. driven by shortage of natural resources, such as agricultural products, resulting from changing climate patterns or by the disruption of food Private Brand portfolio supply chain activities associated with extreme weather events).

Climate risks and opportunities are assessed at corporate level when they have the ability to impact on the overall Group business. Identification processes involve, among other, stakeholder consultation on corporate responsibility perception (reputational risks), sourcing strategies definition (availability of global food resources risks) and assessment of opportunities to development low carbon products in private brand portfolio.

Climate change risks and opportunities that fall below the materiality threshold set at corporate level are identified and managed at business/operational unit level. Identification processes include follow-up of country specific regulations with potential impact on costs (e.g. energy taxes in Portugal, Poland and Colombia) and assessment of facilities vulnerability to extreme weather events (e.g. mapping flood risk of stores and Distribution Centres in Portugal, Poland and Colombia).

Additionally, in order to better understand environmental risks and opportunities for the company’s operations and supply chain, we carry out specific in-depth assessments focused on ecosystems services (2010, updated 2014), agriculture (2014-2015), fish species (2013-2016) and deforestation commodities (ongoing). Climate change emerged has a supply chain risk driver, given the expected impacts on productivity and geographic patterns of both fisheries/aquaculture and agriculture. The findings gave rise to an action plan in which short and medium term actions were defined to mitigate impacts and build value on opportunities.

Jerónimo Martins Group risk methodology involves the preparation of a Risk Exposure Matrix upon which risks are prioritized and top risks clearly identified. Risks are classified according to five levels of likelihood of occurrence and five levels of impact over sales, EBITDA, people safety and reputation. High exposure risks correspond to the aggregated risks that are classified on the top quadrant of the matrix.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization’s climate-related risk assessments?

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Relevance &amp; Inclusion</th>
<th>Please Explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Regulation</td>
<td>Relevant, always included</td>
<td>Current climate-related regulations in place in the geographies where Jerónimo Martins operates (Portugal, Poland and Colombia) can drive an increase in our capital and operational costs. Examples include the carbon taxes currently in place in Portugal, Poland and Colombia, which place an additional fee on fossil fuels, thus increasing the respective prices. The company continuously follows developments in climate-related policy and regulations through its participation in specialized working groups of distribution trade associations, namely EuroCommerce (at EU level) and Portuguese and Polish Distribution Companies Associations (at national level). These developments are fed into our risk identification and assessment process.</td>
</tr>
<tr>
<td>Emerging Regulation</td>
<td>Relevant, always included</td>
<td>Emerging energy and climate-related regulations applicable in the geographies where Jerónimo Martins operates (Portugal, Poland and Colombia) can drive an increase in our capital and operational costs. Examples include the new energy taxes and regulations likely to emerge from the evolving legislative framework on energy and climate, especially in the European Union (GHG reduction, renewable energy and energy efficiency targets), driving an increase in energy prices, namely electricity, that makes up over 90% of our total energy costs. The company continually follows developments in energy and climate-related policy and regulation through its participation in specialized working groups of distribution trade associations, namely EuroCommerce (at EU level) and Portuguese and Polish Distribution Companies Associations (at national level). These developments are fed into our risk identification and assessment process.</td>
</tr>
<tr>
<td>Technology</td>
<td>Relevant, always included</td>
<td>Transition to lower emissions technology, namely that imposed by new climate-related regulations, can drive an increase in Jerónimo Martins’ investment costs. Examples include the new European Union regulation on fluorinated greenhouse gases (Regulation 517/2014), that imposes conditions on the placing on the market of products and equipment containing or relying upon F-gases. As our operations rely heavily on refrigeration and cooling equipment and many of these equipments contain HFCSs within the scope of the new regulation, there is the need to anticipate the replacement of such equipment in our European operations (Portugal and Poland), with a negative impact on the company's capital costs. The company continually follows developments in energy and climate-related policy and regulation through its participation in specialized working groups of distribution trade associations, namely EuroCommerce (at EU level) and Portuguese and Polish Distribution Companies Associations (at national level). We also monitor, through in-house, external expertise and active participation in industry fora (e.g. Consumer Goods Forum technical working groups and workshops) the technology developments in the field of natural and low-GWP refrigeration and its application to the specific conditions (e.g. average air temperatures) of our operation in the geographies where we are present. These developments are fed into our risk identification and assessment process.</td>
</tr>
<tr>
<td>Category</td>
<td>Relevance &amp; inclusion</td>
<td>Please explain</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Legal</td>
<td>Not relevant, explanation provided</td>
<td>Jerónimo Martins does not operate in a high carbon-intensity sector and thus climate-related legal risks (e.g. penalties and fines, litigation costs) arising from non-compliance with climate-related laws and regulations are not material as both the probability of occurrence and the potential financial implications are small. In the last three years there were no significant environmental fines applied to our operations, climate-related or otherwise. There has also been no climate-related litigation cases, in the same period.</td>
</tr>
<tr>
<td>Market</td>
<td>Relevant, always included</td>
<td>Jerónimo Martins’ most relevant climate-related market risk is associated with possible shifts in global supply of food products. This is connected to the chronic physical risk identified in our risk assessment process: long-term changes in global climate patterns are expected to have an impact on productivity and geographic patterns of both fisheries/aquaculture and agriculture (described below, under the chronic physical heading). Being a food retailer with an international presence, our supply chain is exposed to such risks, which can drive an increase on the company's operational costs. We carry out risk assessments on ecosystems services (2010, updated 2014) using the Corporate Ecosystem Services Review methodology (WRI/WBCSD), followed by specific assessments for fisheries and agriculture, the results of which were fed into our risk identification and assessment process.</td>
</tr>
<tr>
<td>Reputation</td>
<td>Relevant, always included</td>
<td>Given the high profile of climate change on the agenda of governments, industry and civil society, failure to appropriately address climate related corporate responsibility, risk management and opportunity enhancement will impact negatively on the perception of Jerónimo Martins by its different stakeholders, from clients to regulators and investors. Potential impacts include reduced brand value, reduced sales and decrease in investor interest in the company share, ultimately leading to reduced stock prices. Climate-related reputational risks and opportunities are assessed at corporate level using stakeholder consultation on corporate responsibility perception as part of our risk identification and assessment process.</td>
</tr>
<tr>
<td>Acute physical</td>
<td>Relevant, always included</td>
<td>Increase in frequency and severity of extreme weather events may pose a higher risk of damage to Jerónimo Martins stores and distribution centers, leading to interruption of business activity, repair costs and rising insurance costs, impacting our assets in Europe (Portugal and Poland) and South America (Colombia). Our business units conduct assessment of facilities vulnerability to extreme weather events (e.g. mapping flood risk of stores and Distribution Centres in Portugal, Poland and Colombia) and the results are fed into our risk identification and assessment process.</td>
</tr>
<tr>
<td>Chronic physical</td>
<td>Relevant, always included</td>
<td>Changes in global climate patterns are expected to have an impact on productivity and geographic patterns of both fisheries/aquaculture and agriculture. Reduced global availability and geographic distortions may drive price volatility, especially in agricultural commodity markets, and scarcity may ultimately cause supply chain disruptions. As a food distribution international Group, Jerónimo Martins’ supply chain is exposed to such risks, that can drive an increase on the company's operational costs. This is especially important for our operations in Portugal, given our preference for local suppliers and the particular vulnerability of agricultural production in Southern Europe to climate change, as foreseen in both IPCC and European Environmental Agency climate scenarios. To better understand supply chain environmental risks and opportunities, Jerónimo Martins carries out a risk assessment on ecosystems services (2010, updated 2014). It uses the Corporate Ecosystem Services Review methodology (WRI/WBCSD) and encompasses operational, regulatory, reputational and market risks and opportunities. Climate change emerged as a relevant supply chain risk driver, and the findings gave rise to specific assessments on fisheries and agriculture, the results of which were fed into our risk identification and assessment process.</td>
</tr>
<tr>
<td>Upstream</td>
<td>Relevant, always included</td>
<td>Jerónimo Martins’ upstream value chain climate-related risks are the chronic physical risks associated to changes in global climate patterns and the resulting impacts on productivity and geographic patterns of both fisheries/aquaculture and agriculture. Reduced global availability and geographic distortions may drive price volatility, especially in agricultural commodity markets, and scarcity can drive an increase in the company's operational costs and ultimately cause supply chain disruptions. To better understand supply chain environmental risks and opportunities, Jerónimo Martins carries out a risk assessment on ecosystems services (2010, updated 2014). It uses the Corporate Ecosystem Services Review methodology (WRI/WBCSD) and encompasses operational, regulatory, reputational and market risks and opportunities. Climate change emerged as a relevant supply chain risk driver, and the findings gave rise to specific assessments the results of which were fed into our risk identification and assessment process.</td>
</tr>
<tr>
<td>Downstream</td>
<td>Relevant, always included</td>
<td>Jerónimo Martins’ downstream value chain climate-related risks are reputational risks associated possible negative perception, by our customers, of the company's climate change strategy and performance. This is expected to become an increasingly important risk drive, as recent analysis shows the growing importance of sustainability in young consumers' buying decisions. Failure to be perceived as a climate-responsible company, can lead to decrease in revenues and reduced brand value. Climate-related reputational risks and opportunities are assessed at corporate level using stakeholder consultation on corporate responsibility perception as part of our risk identification and assessment process.</td>
</tr>
</tbody>
</table>
Management of climate-related risks and opportunities is conducted according to Jerónimo Martins’ risk management framework, which sets up a continuous process of assessment, follow-up and monitoring, aligned with ISO 31000 Standard. The Group regularly updates its overall risk profile, listing all risks and management measures, including those for the management of transition (regulatory, technological and reputational) and physical (acute and chronic) climate-related risks. Management can include mitigation (e.g. reduction of energy consumption to reduce exposure to regulatory risks that can drive an increase in energy costs), risk transfer measures (e.g. insurance against damage to company property caused by increasingly frequent extreme weather events), or maximizing of opportunities to engage with both niche and mainstream investors (the later ever more often) on the company’s climate-change strategy and performance, thus improving investor appeal.

At corporate level, The Board of Directors defines the Group Risk Management policy and strategy and sets risk-taking goals. The CEO, assisted by the Managing Committee, ensures strategy implementation, reviews the risk profile, submits proposals to the Board and decides on mitigation. It is advised by the Risk Committee. The Risk Management Division coordinates, at corporate level, Risk Management activities, including Business Continuity Plans (BCP).

At business unit level, Risk Managers are responsible for the implementation of Risk Management initiatives within a specific group company. Risk Owners comprise all employees with direct responsibility over a given process or activity and are accountable for implementing the Risk Management process.

The company risk methodology involves the preparation of a Risk Exposure Matrix upon which risks are prioritized and top risks clearly identified, following its classification according to five levels of likelihood of occurrence and five levels of impact over sales, EBITDA, people safety and reputation. High exposure risks correspond to the aggregated risks that are classified on the top quadrant of the matrix.

Example for transition risk (technology) management: Jerónimo Martins operations rely heavily on refrigeration and cooling equipment for the conservation of foodstuff in stores and distribution centers. Many of these equipments contain HFCs within the scope of the new European Union regulation on fluorinated greenhouse gases (Regulation 517/2014), that imposes conditions on the placing on the market of HFCs products and equipment. Anticipated replacement of such equipment in the company's European facilities (Portugal and Poland) will have an impact on company capital costs. We are closely monitoring the development of new technology refrigeration solutions. Alternatives include the designated natural refrigerants like ammonia, CO2, non-halogenated hydrocarbons (propane, butane), helium, water or air and we are continuously rolling-out the use of natural refrigerant fluids (CO2 and propane) and decided that, from September 2016 onwards all new store openings and major refurbishing will use 100% non-HFCs as refrigerant fluid in freezer equipment and low GWP fluids in climatization (HVAC equipment).

Example for physical risk (acute) management: Increase in frequency and severity of extreme weather events, especially flooding, may pose a higher risk of damage to Jerónimo Martins stores and distribution centers, leading to interruption of business activity, repair costs and rising insurance costs. Logistics (delivery of goods by suppliers and transport between distribution centers and stores) may also be affected due to disruption of communication infrastructures. Operations in Europe (Portugal and Poland) and South America (Colombia) are exposed to this risk. Management involves both risk transfer (insurance coverage) and implementation of country-level Business Continuity Plans (for operations in Portugal, Poland and Colombia). Business Continuity Plans define a set of actions, procedures and responsibilities within the company for response to events that cause activity disruption. Their objective is to ensure activity continuity until return to standard operation mode is possible. Distribution centers operation and logistics, front of store sales and safety of people, property and goods are classified as very critical and therefore given the highest level of priority. Flooding and other extreme weather events are included in the set of crises scenarios.

Yes

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Policy and legal: Increased pricing of GHG emissions

Type of financial impact
Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

Company-specific description
Carbon Taxes – Legislation introducing carbon taxes is in place in all geographies where Jerónimo Martins currently operates: Portugal (Law 82-D/2014, in force since 2015); Poland (Environmental Protection Act, in force since 1990) and Colombia (Ley 1819/2016 art 221, in force since 2016). These regulations subject fuel prices to an additional fee which, in Portugal, is indexed to the previous year’s average CO2 price of EU-ETS auctions. To date, increase in fossil fuel prices brought about by the carbon taxes has been reduced (average +2% in fuels consumed in Jerónimo Martins operations), given the low carbon price set by the national authorities in the different geographies: 6.67 - 6.85 €/tCO2 in Portugal for 2016-2018; 4.6 -4.5 €/tCO2 in Colombia for 2017-2018; less than 0.1€/tCO2 in Poland for 1990-2018. However, the EU-ETS Reform - namely the entry into force, in January 2019, of the Market Stability Reserve, which will remove from the market up 24% of all allowances – is set to bring EU-ETS CO2 prices up considerably. Between January and December 2018 prices increased by 150% and, accordingly, the Portuguese Carbon Tax for 2019 has been set at 12.74€/tCO2. Recent projections (Carbon Tracker, 2018) point to 40€/tCO2 in 2020-2022, with expectations of even sharper increase up to 2030, with a direct impact on the carbon tax applicable to our operation in Portugal. In Colombia, CO2 price increase is also expected, following the Colombian Government's commitment to reduce the country's GHG emissions by 20% compared to projected emissions by 2030. No information is currently available on the Polish Government plans to change its Carbon Tax, which has remained at a negligible value since its entry into force. Fossil fuels (natural gas, LPG and road diesel) make up around 10% of Jerónimo Martins energy costs in own operations. Additionally, the company buys goods and services whose cost is heavily dependent on fossil fuel price, most notably transport logistics from its Distribution Centres to stores. The risk of relevant increase in fossil fuel prices resulting from increase in carbon prices could negatively impact the company's operational costs. Operations in Portugal, Poland and Colombia exposed to this risk.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
500000

Potential financial impact figure – maximum (currency)
3000000

Explanation of financial impact figure
Recent projections (Carbon Tracker, 2018) point to a sharp rise in the price of EU-ETS CO2 allowances (from average 13€/tCO2 in 2018 to 40 €/t in 2020-2022 and higher in 2030) and in the reference price used for the new Colombian carbon tax (currently using a CO2 price lower than EU-ETS average spot market). Based on these projections, prices for fossil fuels used in Jerónimo Martins operations in Portugal (natural gas, LPG and road diesel) may see an average increase of 11% by 2020-2022 and 13% by 2030. Projections for Colombian operations point to a 16 k€/year cost increase. Energy costs represent 5-10% of Jerónimo Martins operational costs, with fossil fuels making up around 10% of total energy costs. Considering only the fuel consumption in own operations, the foreseen increase in fossil fuel prices would have a reduced impact on the company's operational costs (less than 0.1%). Financial impact expressed in €/year.

Management method
The company manages risks related to energy costs through: 1 - Jerónimo Martins Energy and GHG Management Plan. An ongoing strategic energy rationalization plan (current implementation cycle: 2018-2020), focused on the reduction of energy needs for
foodstuffs refrigeration, cooling/heating, lighting and equipment operation, as well as the reduction of fugitive GWP refrigerants. By the end of 2018, energy reduction measures had been implemented in Jerónimo Martins stores in all geographies where it operates (Portugal, Poland and Colombia). Measures implemented in 2018 are estimated to deliver a reduction of around 150000 tCO2e/year (14% of the company's combined scope 1 and 2 emissions). Measures targeted at fossil fuel reduction in stores in Portugal, Poland and Colombia include installation of heat recovery systems, switch to low carbon fuels and use of solar thermal systems for water heating. 2 - Active engagement with policy makers. Jerónimo Martins participates in specialized working groups of distribution trade associations that monitor and engage in policy developments that might impact energy prices. At EU level: EuroCommerce. At national level: Portuguese and Polish Distribution Companies Associations.

**Cost of management**
1452000

**Comment**
In 2018, Jerónimo Martins invested a total of 44.1 M€ in the implementation of its Energy and GHG Management Plan. Measures targeted at fossil fuel reduction involved an investment of around 1.5 M€. Most of the measures were implemented in conjunction with the company's on-going store revamping plans (fully integrated into the company budget cycles). Cost of participation in trade associations environmental working groups is residual, as such costs are embedded in regular human resources costs. Cost of management expressed in € invested in 2018.

**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Transition risk

**Primary climate-related risk driver**
Market: Increased cost of raw materials

**Type of financial impact**
Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment)

**Company- specific description**
EU Climate and Energy Framework - New energy taxes and regulations are likely to emerge from the evolving legislative framework on energy and climate, especially in the European Union, driving an increase in energy prices. The EU Energy-Climate Regulatory Package, adopted in late 2014, introduced a new 2030 framework for climate and energy policies, setting ambitious and quantified targets for GHG reduction, renewable energy consumption and energy efficiency, by 2030. After the adoption of Paris Climate Agreement, the European Commission is considering the revision of these targets and the introduction of more ambitious reduction objectives. Several European countries have also put forward national plans for carbon neutrality in 2050, in line with the objectives of the Paris Agreement. It is the case of the Portuguese Roadmap for Carbon Neutrality 2050, presented in December 2018 and currently undergoing final stages of formal approval. Projections under the EU Energy Roadmap 2050 (EU Energy, Transport and GHG Emissions - Trends to 2050 - Reference Scenario 2013), point to a 30% increase in electricity prices by 2020 (compared to 2010), with a stabilization and moderate decrease from 2020 to 2050. Fuel taxes and carbon prices (ETS payments) are expected to increase three-fold by 2020 and ten-fold by 2050, changing from 1% to 7% of total electricity price. Energy costs - mainly electricity for refrigeration and cooling equipment - are relevant to Jerónimo Martins' operational costs (5-10%) and will be impacted by such regulatory changes. Operations in Portugal and Poland (together 98% of consolidated sales in 2017) are likely to be exposed.

**Time horizon**
Medium-term

**Likelihood**
Very likely

**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
30000000
Potential financial impact figure – maximum (currency)
60000000

Explanation of financial impact figure
The European Commission projects a 30% increase in electricity prices by 2020. Energy costs represent 5-10% of Jerónimo Martins operational costs, with electricity making up around 90% of total energy costs. The foreseen increase in electricity prices could potentially drive a 1-2% increase in the company's operational costs. Financial impact expressed in €/year.

Management method
The company manages risks related to energy costs through: 1 - Jerónimo Martins Energy and GHG Management Plan. An ongoing strategic energy rationalization plan (current implementation cycle: 2018-2020), focused on the reduction of energy needs for foodstuffs refrigeration, cooling/heating, lighting and equipment operation, as well as the reduction of fugitive GWP refrigerants. By the end of 2018, energy reduction measures had been implemented in Jerónimo Martins stores in all geographies where it operates (Portugal, Poland and Colombia). Measures implemented in 2018 are estimated to deliver a reduction of 150000 tCO2e/year (14% of the company's combined scope 1 and 2 emissions). Measures targeted at the reduction of electricity consumption in stores in Portugal, Poland and Colombia include installation of doors in cold display cabinets, engine speed controllers, equipment operation optimization, LED lightning and solar PV systems for electricity generation. 2 - Active engagement with policy makers. Jerónimo Martins participates in specialized working groups of distribution trade associations that monitor and engage in policy developments that might impact energy prices. At EU level: EuroCommerce. At national level: Portuguese and Polish Distribution Companies Associations.

Cost of management
38000000

Comment
In 2018, Jerónimo Martins invested a total of 44.1 M€ in the implementation of its Energy and GHG Management Plan. Measures targeted reducing electricity consumption involved an investment of around 38 M€. Most of the measures were implemented in conjunction with the company's on-going store revamping plans (fully integrated into the company budget cycles). Cost of participation in trade associations environmental working groups is residual, as such costs are embedded in regular human resources costs. Cost of management expressed in € invested in 2018.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Technology: Costs to transition to lower emissions technology

Type of financial impact
Write-offs, asset impairment, and early retirement of existing assets due to policy changes

Company-specific description
EU Regulation on fluorinated greenhouse gases - The European Union regulation on fluorinated greenhouse gases (Regulation 517/2014) imposes conditions on the placing on the market of products and equipment containing or relying upon F-gases, whilst setting out quantitative limits for the placing on the market of hydrofluorocarbons (HFC). Most refrigeration and air conditioning equipment containing HFC will be banned by 2020 or 2022, depending on the value of the GWP of the refrigerant gas. Jerónimo Martins operations rely heavily on refrigeration and cooling equipment for the conservation of foodstuff in stores and distribution centers. Many of these equipments contain HFCs within the scope of the new regulation. Anticipated replacement of such equipment in the company’s European facilities (Portugal and Poland) will have an impact on company capital costs.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
Potential financial impact figure – minimum (currency)
150000000

Potential financial impact figure – maximum (currency)
200000000

Explanation of financial impact figure
Estimated range for total Jerónimo Martins investment in refurbishment of refrigeration equipment in its operations in Portugal (based on APED - Portuguese Association of Distribution Companies estimates) and Poland (based on investment per sales ratio similar to Portuguese operations). Financial impact expressed in total investment cost over a several years period (€).

Management method
Jerónimo Martins is closely monitoring the development of new technology refrigeration solutions. Alternatives include the designated natural refrigerants like ammonia, CO2, non-halogenated hydrocarbons (propane, butane), helium, water or air. In 2018, the company continued to roll out the use of natural refrigerant fluids (CO2 and propane) and, from September 2016 onwards all new store openings and major refurbishing use 100% non-HFCs as refrigerant fluid in freezer equipment and low GWP fluids in climatization (HVAC equipment). The company also continues to engage actively with policy makers on this topic, both at national and European level and to monitor, through in-house, external expertise and active participation in industry fora (e.g. Consumer Goods Forum technical working groups and workshops) the technology developments in the field of natural and low-GWP refrigeration and its application to the specific conditions (e.g. average air temperatures) of our operation in the geographies where we are present.

Cost of management
4100000

Comment
In 2018, the company invested 4.1 M€ in the implementation of natural refrigerants projects in its stores (propane and CO2). Cost of participation in trade associations environmental working groups is residual, as such costs are embedded in regular human resources costs. Cost of management expressed in € invested in 2018.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact
Increased capital costs (e.g., damage to facilities)

Company-specific description
Own facilities and logistics business interruption - Increase in frequency and severity of extreme weather events, especially flooding, may pose a higher risk of damage to Jerónimo Martins stores and distribution centers, leading to interruption of business activity, repair costs and rising insurance costs. Logistics (delivery of goods by suppliers and transport between distribution centers and stores) may also be affected due to disruption of communication infrastructures. Operations in Europe (Portugal and Poland) and South America (Colombia) are exposed to this risk.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>
Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
No financial estimation available. Damage to company stores and distribution centers would lead to loss of sales from business interruption, capital repair costs and future rise in insurance costs. Detailed quantitative assessment of such costs is not available has the company risk process quantifies residual risk, i.e. net of mitigation activities in place. Such activities are considered adequate to minimization of this particular risk.

Management method
Management involves both risk transfer (insurance coverage) and implementation of country-level Business Continuity Plans (for operations in Portugal, Poland and Colombia). Business Continuity Plans define a set of actions, procedures and responsibilities within the company for response to events that cause activity disruption. Their objective is to ensure activity continuity until return to standard operation mode is possible. Distribution centers operation and logistics, front of store sales and safety of people, property and goods are classified as very critical and therefore given the highest level of priority. Flooding and other extreme weather events are included in the set of crises scenarios dealt within the Plans. Mitigation (risk prevention) is also ensured at the planning stage; areas prone to flooding are carefully assessed in the pre-project phase and the conclusions are determinant to site selection.

Cost of management
0

Comment
Cost of insurance is not disclosed. Integration of climate change variables into the company Business Continuity Plans does not lead to additional cost. Cost of the Business Continuity Plan is fully integrated into the company budget cycles.

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Supply chain

Risk type
Physical risk

Primary climate-related risk driver
Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact
Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

Company-specific description
Changes in agricultural and fishery products supply chain - Changes in global climate patterns emerged has a relevant food retail supply chain risk driver, given the expected impacts on productivity and geographic patterns of both fisheries/aquaculture and agriculture. The latest IPCC Assessment Report (5th AR, 2014) produced additional evidence supporting the scenario of overall decline in agricultural yields, especially for wheat and maize production, and reduction in fish catches in some zones of the tropics. Reduced global availability and geographic distortions may drive price volatility, especially in agricultural commodity markets, and scarcity may ultimately cause supply chain disruptions. As a food distribution international Group, Jerónimo Martins’ supply chain is exposed to such risks. The company policy of preference for local sourcing means that a significant share of its private brand food products and perishables are sourced from local producers. In July 2018, the Colombian Congress promulgated the Law of 1931, which establishes the guidelines for the management of climate change. Although it will not impact our direct operations in Colombia, the new regulation can bring about changes to our local suppliers, especially regarding adaptation plans, which can potentially affect both prices and volumes. The Mediterranean region has been identified by the European Environment Agency (Report on Climate Impacts and Vulnerability - 2012) has one of the most vulnerable to climate change in Europe, with an expected decrease in agricultural crop yields. In 2018, 96% of Jerónimo Martins fresh fruit and vegetables sold in Portugal were sourced from Portuguese suppliers. The materialization of the risk would impact the company sourcing costs and logistics, particularly for its operation in Portugal.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-low
Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
No financial estimation available. Reduced global availability and geographic distortions may lead to price volatility, especially in agricultural commodity markets, and scarcity may ultimately cause supply chain disruptions. This would lead to an increase in the company operational costs. Detailed quantitative assessment of such costs is not available has the uncertainty around the timeframe, geographical emphasis and magnitude of impact is extremely high.

Management method
To better understand operations and supply chain environmental risks and opportunities, Jerónimo Martins carries out a risk assessment on ecosystems services (2010, updated 2014). It uses the Corporate Ecosystem Services Review methodology (WRI/WBCSD) and encompasses operational, regulatory, reputational and market risks and opportunities. Climate change emerged has a supply chain risk driver, given the expected impacts on productivity and geographic patterns of both fisheries/aquaculture and agriculture. The findings gave rise to the following actions: i) Risk assessment for the 10 most relevant fish species, in Portugal, in terms of biomass, and for all fish species sold in Poland. Results showed none of the species are at high risk, considering, amongst other criteria, the level of stock exploitation and impacts on ecosystems. Following these results, specific actions were defined to reduce pressure on threatened species; ii) R&D project in the agriculture area covering 15 of the most relevant supplier farms in Portugal. Project was aimed at identification, evaluation and dissemination of sustainable agricultural practices. Based on the results, a specific Sustainable Agriculture Manual was developed and is currently being rolled-out to our fruit and vegetables suppliers based in Portugal.

Cost of management
0

Comment
Cost of the consultancy and research projects conducted on fish sourcing and agricultural practices are not relevant and are fully integrated in the company environment and corporate responsibility budget cycles.

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Customer

Risk type
Transition risk

Primary climate-related risk driver
Reputation: Shifts in consumer preferences

Type of financial impact
Reduced revenue from decreased demand for goods/services

Company-specific description
Failure to address climate responsibility - Failure to appropriately address climate related corporate responsibility, risk management and opportunity enhancement will impact negatively on the perception of Jerónimo Martins by its different stakeholders, from clients to regulators and investors. Pressure from investors, capital markets regulators and governments toward full disclosure of climate impact on the financial position is already clear (e.g. EU Directive 2014/95/EU on the disclosure of non-financial information; NYSEC Climate Change Disclosure Requirements; Recommendations of the Task Force on Climate Related Financial Disclosures). Pressure from customers is also increasing, with good sustainability performance expected to become an ever more important factor in customer shopping decisions; in a recent study, one of the four most important retail experience factors identified by young consumers was the availability of sustainably sourced products, new alternative materials and transparent supply chains (Deloitte, 2018. Global Powers of Retailing). Potential impacts, should Jerónimo Martins fail to meet these stakeholders expectations, include reduced brand value, decrease in investor interest in the company share ultimately leading to reduced stock prices and reduced revenues.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
No financial estimation available. Potential impacts include reduced brand value and decrease in investor interest in the company share, leading to loss of market premium and ultimately to reduced stock prices. Market data from Stoxx indexes shows that leadership in carbon management is linked to enhanced capital market performance: over a 7 year period (2012 to 2019), Stoxx Global Climate Change Leaders (featuring companies with lower carbon intensities) outperformed the Stoxx Global 1800 index by 5.5% per annum.

Management method
Climate change is a cross-cutting issue in Jerónimo Martins Corporate Sustainability Strategy. Climate change is a priority both in the company's own operation and in its supply chain. Actions implemented so far (Energy Management Plan, Carbon Footprint Reduction, Assessment Project of Sustainable Agricultural Practices, Risk Assessment of Fish Sourcing) enhance both company climate performance and reduce the risk of stakeholder negative perception.

Cost of management
0

Comment
Cost of actions and management of the company's corporate responsibility strategy are fully integrated into the company annual budget cycles.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes
Type of financial impact
Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company-specific description
Energy management - New energy taxes and regulations that lead to higher energy costs can drive the implementation of enhanced energy reduction initiatives (e.g. energy efficiency and on-site renewable energy production). These regulations are likely to emerge from the evolving legislative framework on energy and climate, especially in the European Union, but also in other geographies relevant to Jerónimo Martins operations, notably Colombia. Energy Management Plans can reduce company’s operational costs and add overall efficiency to operations, as the success of Jerónimo Martins’ Energy and GHG Management Program (current implementation cycle 2018-2020) demonstrates.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure

Strategy to realize opportunity
Jerónimo Martins Energy and GHG Management Plan. An on-going strategic energy rationalization plan (current implementation cycle: 2018-2020), focused on the reduction of energy needs for foodstuffs refrigeration, cooling/heating, lighting and equipment operation, as well as the reduction of fugitive GWP refrigerants. By the end of 2018, energy reduction measures had been implemented in Jerónimo Martins stores in all geographies where it operates (Portugal, Poland and Colombia). Measures implemented in 2018 are estimated to deliver a reduction of 150000 tCO2e/year (14% of the company's combined scope 1 and 2 emissions) and savings of 4.5 M€ in energy costs.

Cost to realize opportunity
44100000

Comment
In 2018, Jerónimo Martins invested 44.1 M€ in the implementation of its Energy and GHG Management Plan. Most of the measures were implemented in conjunction with the company’s on-going store revamping plans (fully integrated into the company budget cycles). Cost of management expressed in € invested in 2018.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Supply Chain

Opportunity type
Resilience

Primary climate-related opportunity driver
Resource substitutes/diversification

Type of financial impact
Increased reliability of supply chain and ability to operate under various conditions

Company-specific description
Climate risk oriented supply chain management - Reduced global availability and geographic distortions of food resources due to
changes in climate patterns are likely to impact food retail supply chains. Ability to adapt to such constrains and work with suppliers to build more resilient supply chains will be competitive advantage. As a food distribution international Group, Jerónimo Martins is looking at how to build value from this opportunity, by engaging in ecosystem services assessment and further zooming-in on risks and opportunities relates to fish sourcing and sustainable agriculture production practices. Outcomes of these projects will be used by the Group to inform its global sourcing strategy.

**Time horizon**
Long-term

**Likelihood**
Likely

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
No financial estimation available. Reduced operational costs and overall increase in the capacity to do business compared to competitors. Detailed quantitative assessment of such benefits is not available has the uncertainty around the timeframe, geographical emphasis and magnitude of impact is extremely high.

**Strategy to realize opportunity**
To better understand operations and supply chain environmental risks and opportunities, Jerónimo Martins carries out a risk assessment on ecosystems services (2010, updated 2014). It uses the Corporate Ecosystem Services Review methodology (WRI/WBCSD) and encompasses operational, regulatory, reputational and market risks and opportunities. Climate change emerged has a supply chain risk driver, given the expected impacts on productivity and geographic patterns of both fisheries/aquaculture and agriculture. The findings gave rise to following actions in: i) Risk assessment for the 10 most relevant fish species, in Portugal, in terms of biomass, and for all fish species sold in Poland. Results showed none of the species are at high risk, considering, amongst other criteria, the level of stock exploitation and impacts on ecosystems. Following these results, specific actions were defined to reduce pressure on threatened species; ii) R&D project in the agriculture area covering 15 of the most relevant supplier farms in Portugal. Project was aimed at identification, evaluation and dissemination of sustainable agricultural practices. Based on the results, a specific Sustainable Agriculture Manual was developed and is currently being rolled-out to our fruit and vegetables suppliers based in Portugal.

**Cost to realize opportunity**
0

**Comment**
Cost of the consultancy and research projects conducted on fish sourcing and agricultural practices are not relevant and are fully integrated in the company environment and corporate responsibility budget cycles.

**Identifier**
Opp3

**Where in the value chain does the opportunity occur?**
Customer

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Shift in consumer preferences

**Type of financial impact**
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

**Company-specific description**
Demonstrating climate responsibility - By adequately addressing climate related corporate responsibility, risk management and
opportunity enhancement Jerónimo Martins can improve its reputation, brand value, revenues and investor appeal. Given the high-profile of climate change within our corporate responsibility strategy, climate change commitments and actions are key to the positive evaluation of our performance by market analysts, which ensures us both a place among the top retailers of the world and the inclusion in important sustainability indexes. Good sustainability performance is expected to become an ever more important factor in customer shopping decisions; in a recent study, one of the four most important retail experience factors identified by young consumers was the availability of sustainably sourced products, new alternative materials and transparent supply chains (Deloitte, 2018. Global Powers of Retailing).

**Time horizon**
Medium-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
No financial estimation available, Potential impacts include increased brand value and in investor interest in the company share, leading to market premium, as well as better access to sources of capital. Market data from Stoxx indexes shows that leadership in carbon management is linked to enhanced capital market performance: over a 7 year period (2012 to 2019), Stoxx Global Climate Change Leaders (featuring companies with lower carbon intensities) outperformed the Stoxx Global 1800 index by 5.5% per annum.

**Strategy to realize opportunity**
Climate change is a cross-cutting issue in Jerónimo Martins Corporate Sustainability Strategy. Climate change is a priority both in the company's own operations and in its supply chain. Actions implemented so far (e.g. Energy Management Plan, Carbon Footprint Reduction, Assessment Project of Sustainable Agricultural Practices, Risk Assessment of Fish Sourcing, zero net deforestation commitment, value chain food waste reduction) enhance both company climate performance and stakeholder reputation. In 2016, the company undertook a new stakeholder consultation process in Portugal, Poland and Colombia, in order to analyse the expectations of the parties interested in matters of sustainability. The results of the more than 4700 responses gave the Group a clearer view of the concerns of its stakeholders, including climate change issues. Supply chain sustainability emerged as a key issue, namely in what concerns criteria for supplier selection and the guarantee of sustainable origins/production practices. In 2019, the company will update and deepen this consultation process.

**Cost to realize opportunity**
0

**Comment**
Cost of actions and management of the company's corporate responsibility strategy are fully integrated into the company annual budget cycles.
(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and services</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Supply chain and/or value chain</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Adaptation and mitigation activities</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Investment in R&amp;D</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td>Operations</td>
<td>Impacted</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Not impacted</td>
</tr>
</tbody>
</table>
(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Impacted</td>
</tr>
<tr>
<td>Capital expenditure / capital allocation</td>
<td>Impacted To manage identified risks associated with carbon taxes and energy/climate regulations (increase in energy prices) and EU refrigeration gases regulations (equipment replacement), Jerónimo Martins is implementing an Energy and GHG Management Plan and a refrigeration equipment renovation plan that entail significant capital expenditures. Planning of such expenditures is defined in our CAPEX plans for 3-year periods, in alignment with the company’s business plan and its overall financial impact is low to medium.</td>
</tr>
<tr>
<td>Acquisitions and divestments</td>
<td>Not impacted Identified climate-related risks and opportunities are not relevant to Jerónimo Martins acquisition and divestment decisions. Only exception could be additional costs associated with replacement of legacy refrigeration and cooling equipment containing f-gases but impact is not considered material.</td>
</tr>
<tr>
<td>Access to capital</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td>Assets</td>
<td>Not yet impacted Increase in frequency and severity of extreme weather events, especially flooding, may pose a higher risk of damage to Jerónimo Martins assets (stores and distribution centers), leading to reduction of value of such assets. The impact is likely to materialize in the long-term (&gt; 6 years) and to have medium to low financial implications although no quantification is currently available.</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Not impacted</td>
</tr>
<tr>
<td>Other</td>
<td>Not impacted Identified climate-related risks and opportunities have not been factored into other financial planning process.</td>
</tr>
</tbody>
</table>

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?
Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?
No, but we anticipate doing so in the next two years

C3.1c
(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Jerónimo Martins adopted value creation and sustainable development as the cornerstones of its mission. The Group’s strategic guidelines are based on a sound financial position, risk management, maximization of economies of scale and innovation, while also ensuring the integration of environmental and social concerns in the value chain, thus promoting the sustainable development of the regions in which it operates. Climate change is a cross-cutting issue in our value chain and has been identified by the company has a key area of its corporate responsibility strategy.

Climate-related risks and opportunities are regularly assessed, consolidated at corporate level, and taken into account in senior management, Executive Board and Board of Directors decision-making process. High level decisions with an impact on company strategy (sourcing, operations and capital allocation) include: a) targets to reduce GHG emissions per revenue by 5% in 2018-2020 and to reduce electricity consumption per 2%/year in the same period; b) commitment to Zero Net Deforestation in the value chain by 2020; and c) target to reduce value chain food waste by 50% in 2025 from 2016 levels.

These commitments and targets are key to reducing our direct and indirect GHG emissions: a) energy related emissions account for almost 70% of global GHG and for over over 85% of our combined scope 1 and scope 2 emissions (fossil fuel consumption in company premises and own fleet and electricity and heat consumption in company’s network of over 4000 stores and 29 Distribution Centers in Portugal, Polandand Colombia); b) deforestation (responsible for around 20% of global emissions) can result from the agricultural production of four important commodities (wood fibers, palm oil, soy and beef) used in many of our private Brand and Perishable products and respective packaging. Ensuring deforestation-free sourcing of these commodities will eliminate such emissions; and c) food waste (responsible for 8% of global emissions, according to FAO estimates) induces emissions in all stages of our value chain. We account for food waste from field to fork and implement measures to reduce it in agriculture production, own logistics and operation and customer use, in all geographies where we operate.

Steady increase in energy prices in recent years and forecasts of further increase in the next decade, led Jerónimo Martins to implement as ongoing strategic energy rationalization plan (current implementation cycle: 2018-2020), focused on the reduction of energy needs for foodstuffs refrigeration, cooling/heating, lighting and equipment operation, as well as the search for low GWP refrigerants. Such measures are now implemented in the majority of the company's stores and distribution centres in Portugal, Poland and Colombia. Since 2014, the company invested invested more than 145 million euros in the programme, which delivered emissions reductions of 230 thousand tonnes of CO2e/year from energy use and refrigeration gases leakage in our own operations.

On the longer term, reduced global availability and geographic distortions of food resources may drive price volatility, especially in agricultural commodity markets, and scarcity may ultimately cause supply chain disruptions. As a food distribution international Group, our supply chain is exposed to such risks. Since 2010, the company engages in a risk assessment process focusing on ecosystems services and based on the Corporate Ecosystem Services Review methodology (WRI/WBCSD). Assessment led to further projects currently being developed in the fisheries and agriculture areas. Outcomes of these projects will be used by the Group to inform its global sourcing strategy. We have also committed to the Consumer Goods Forum’s 2020 zero net deforestation target. In 2017, we has also adopted the Consumer Goods Forum’s resolution on food waste and committed to cut food waste to half by 2025, from 2016 levels.

Climate change action benefits Jerónimo Martins's long term competitive position by reducing its exposure to climate transition and physical risks, giving the Group a competitive advance in the construction of more resilient food supply chain and increasing reputation and brand value. Given the high-profile of climate change within our corporate responsibility strategy, climate change commitments and actions are key to the positive evaluation of our performance by market analysts, which ensures us both a place among the top retailers of the world and the inclusion in important sustainability indexes. Good sustainability performance is expected to become an ever more important factor in customer shopping decisions; in a recent study, one of the four most important retail experience factors identified by young consumers was the availability of sustainably sourced products, new alternative materials and transparent supply chains (Deloitte, 2018. Global Powers of Retailing).

In 2018, Jerónimo Martins strengthened the implementation of its strategic energy and emissions reduction plan, with a view to reduce GHG emissions from own operations, thus contributing to mitigate climate change. 44.1 M€ were invested in 2018 in energy efficiency of refrigeration, cooling/heating and lighting equipment, as well as in major increase in consumption of renewable electricity in operations in Portugal through self-generation (two solar photovoltaic systems installed in one store and one Distribution Center) and purchase of certified renewable electricity backed by appropriate tracking systems (starting from the second semester 2018). Measures were implemented throughout the year in over 1500 stores (more than one third of our total network) in Portugal, Poland and Colombia and are estimated to deliver emission reductions of 150000 t CO2e/year.
(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

For Jerónimo Martins, being a food retailer, testing the resilience of our business strategy and business configuration to different outcomes of a climate-constrained future entails a wide-view analysis that needs to integrate transition and physical risks both in our direct operations (e.g. impact of Portuguese, Polish and Colombian Carbon Taxes on fuel costs; impact of GWP refrigerants regulation on refrigeration equipment investment costs) and, perhaps more important, in our food supply chain (e.g. impact of long-term changing climate patterns on the availability, geographic origin and price of key agricultural commodities and fish stocks).

Conducting such an analysis is a complex and time/resources-consuming exercise that Jerónimo Martins is planning carefully, in order to ensure maximum benefits not only in what regards outputs for external reporting (namely to implement TCFD Recommendations, in line with our We Mean Business commitment) but also in what regards inputs for further revision of our business strategy, notably in terms of sourcing guiding principles, operational practices and the respective impacts in future operation costs and capital allocation.

In 2019, we formally started a process of identifying methodologies and retail sector benchmarks for conducting such an analysis, and are currently evaluating the resort to specialized external expertise to help us implement it. This will include the use of forward looking 2°C or lower scenarios, which will also allow us develop a potential future GHG science-based reduction target. The company is looking, in particular, into the use of intensity reduction pathways for the retail sector in line with emissions trajectories based on the 2DS scenario developed by the International Energy Agency, which is consistent with the IPCC’s 5th Assessment Report RCP 2.6 Scenario. We plan to start our climate-related scenario analysis exercise in 2019Q3.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b
(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

<table>
<thead>
<tr>
<th>Target reference number</th>
<th>Int 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope</strong></td>
<td>Scope 1 +2 (market-based)</td>
</tr>
<tr>
<td><strong>% emissions in Scope</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Targeted % reduction from base year</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Metric</strong></td>
<td>Metric tons CO2e per unit revenue</td>
</tr>
<tr>
<td><strong>Base year</strong></td>
<td>2017</td>
</tr>
<tr>
<td><strong>Start year</strong></td>
<td>2018</td>
</tr>
<tr>
<td><strong>Normalized base year emissions covered by target (metric tons CO2e)</strong></td>
<td>0.000074</td>
</tr>
<tr>
<td><strong>Target year</strong></td>
<td>2020</td>
</tr>
<tr>
<td><strong>Is this a science-based target?</strong></td>
<td>No, and we do not anticipate setting one in the next 2 years</td>
</tr>
<tr>
<td><strong>% of target achieved</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Target status</strong></td>
<td>New</td>
</tr>
</tbody>
</table>

**Please explain**

In 2018, we outperformed our emissions intensity reduction target for the 2018-2020 period, having achieved a 17% reduction in tCO2e/€ compared to 2017 (target is a 5% reduction). Target pertains to 100% combined scope 1 and scope 2 (market-based) emissions from the company’s activities in the three geographies where it operates (Portugal, Poland and Colombia). It is a new target, set in 2018, and will be active throughout Jerónimo Martins business plan 2018-2020. Jerónimo Martins defined an intensity emissions target because of its planned strong operational growth, with continuous investment in the Polish market and planned opening of around 200 stores/year in Colombia. Despite the company’s on-going implementation of emissions reduction measures, the increase in operational activity will likely lead to an increase in absolute scope 1 and scope 2 emissions. Anticipated change in absolute emissions at target completion (2020) was calculated considering a 5% reduction in the intensity metric (tCO2e/€ revenues), as defined by the target, and a CAGR in revenue equal to the average annual revenue increase in the last five years (2013-2018). No change in scope 3 emissions upon target completion as target scope is limited to scope 1 + scope 2 emissions.

| % change anticipated in absolute Scope 1+2 emissions | 18 |
| % change anticipated in absolute Scope 3 emissions | 0  |

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

<table>
<thead>
<tr>
<th>Target</th>
<th>Energy usage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KPI – Metric numerator</strong></td>
<td>Total electricity consumption (KWh)</td>
</tr>
<tr>
<td><strong>KPI – Metric denominator (intensity targets only)</strong></td>
<td></td>
</tr>
</tbody>
</table>
Please explain
Year-on-year rolling target to reduce electricity consumption (kWh) per unit of revenue (€) by 2% per year in 2018-2020. In 2018, we underperformed our target, having achieved a reduction of 1.3% in electricity consumption per revenue. Target pertains to all our operations in Portugal, Poland and Colombia. It was set in 2018 and will be active throughout Jerónimo Martins business plan 2018-2020.

Part of emissions target
No, but contributing decisively to our GHG S1+S2 reduction target (Int 1).

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative
Part of emissions target
No.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Initiative Stage</th>
<th>Number of initiatives</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>To be implemented*</td>
<td>8</td>
<td>38000</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>1</td>
<td>550</td>
</tr>
<tr>
<td>Implemented*</td>
<td>10</td>
<td>149575</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

<table>
<thead>
<tr>
<th>Initiative type</th>
<th>Description of initiative</th>
<th>Estimated annual CO2e savings (metric tonnes CO2e)</th>
<th>Scope</th>
<th>Voluntary/Mandatory</th>
<th>Annual monetary savings (unit currency – as specified in C0.4)</th>
<th>Investment required (unit currency – as specified in C0.4)</th>
<th>Payback period</th>
<th>Estimated lifetime of the initiative</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fugitive emissions reductions</td>
<td>Refrigerant leakage reduction</td>
<td>2310</td>
<td>Scope 1</td>
<td>Voluntary</td>
<td>468900</td>
<td>4128000</td>
<td>4 - 10 years</td>
<td>11-15 years</td>
<td>Use of natural and low GWP refrigerants (propane, CO2 and R407f ) in freezers and central cooling systems in stores and</td>
</tr>
<tr>
<td>Initiative type</td>
<td>Energy efficiency: Processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Description of initiative</strong></td>
<td>Refrigeration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Estimated annual CO2e savings (metric tonnes CO2e)</strong></td>
<td>11300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Scope</strong></td>
<td>Scope 2 (market-based)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Voluntary/Mandatory</strong></td>
<td>Voluntary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual monetary savings (unit currency – as specified in C0.4)</strong></td>
<td>2158500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investment required (unit currency – as specified in C0.4)</strong></td>
<td>24756000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payback period</strong></td>
<td>11-15 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Estimated lifetime of the initiative</strong></td>
<td>6-10 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Comment</strong></td>
<td>Installation of doors in stores’ cold display cabinets. Implemented in 524 stores in Portugal, Poland and Colombia.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative type</th>
<th>Energy efficiency: Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of initiative</strong></td>
<td>Heat recovery</td>
</tr>
<tr>
<td><strong>Estimated annual CO2e savings (metric tonnes CO2e)</strong></td>
<td>435</td>
</tr>
<tr>
<td><strong>Scope</strong></td>
<td>Scope 2 (market-based)</td>
</tr>
<tr>
<td><strong>Voluntary/Mandatory</strong></td>
<td>Voluntary</td>
</tr>
<tr>
<td><strong>Annual monetary savings (unit currency – as specified in C0.4)</strong></td>
<td>91000</td>
</tr>
<tr>
<td><strong>Investment required (unit currency – as specified in C0.4)</strong></td>
<td>145500</td>
</tr>
<tr>
<td><strong>Payback period</strong></td>
<td>1-3 years</td>
</tr>
<tr>
<td><strong>Estimated lifetime of the initiative</strong></td>
<td>6-10 years</td>
</tr>
<tr>
<td><strong>Comment</strong></td>
<td>Installation of heat recovery systems in stores’ refrigeration devices and air conditioning. Implemented in 24 stores in Portugal and Poland.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative type</th>
<th>Energy efficiency: Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of initiative</strong></td>
<td>Fuel switch</td>
</tr>
</tbody>
</table>
Estimated annual CO2e savings (metric tonnes CO2e)
460

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
444000

Investment required (unit currency – as specified in C0.4)
1161300

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Switch to natural gas in store ovens. Implemented in 17 stores in Colombia.

Initiative type
Energy efficiency: Building services

Description of initiative
Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)
570

Scope
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
250400

Investment required (unit currency – as specified in C0.4)
2292000

Payback period
4 - 10 years

Estimated lifetime of the initiative
6-10 years

Comment
Installation of engine speed controllers in stores and warehouses. Implemented in 170 stores in Portugal and Colombia.

Initiative type
Energy efficiency: Building services

Description of initiative
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
2240

Scope
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
<table>
<thead>
<tr>
<th>Initiative type</th>
<th>Energy efficiency: Building services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of initiative</td>
<td>Other, please specify (Behavioural change)</td>
</tr>
<tr>
<td>Estimated annual CO2e savings (metric tonnes CO2e)</td>
<td>1610</td>
</tr>
<tr>
<td>Scope</td>
<td>Scope 2 (market-based)</td>
</tr>
<tr>
<td>Voluntary/Mandatory</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Annual monetary savings (unit currency – as specified in C0.4)</td>
<td>421000</td>
</tr>
<tr>
<td>Investment required (unit currency – as specified in C0.4)</td>
<td>0</td>
</tr>
<tr>
<td>Payback period</td>
<td>&lt;1 year</td>
</tr>
<tr>
<td>Estimated lifetime of the initiative</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Comment</td>
<td>Installation of LED and natural lighting (skylights). Implemented in 394 stores in Portugal and Poland.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative type</th>
<th>Low-carbon energy installation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of initiative</td>
<td>Solar Hot Water</td>
</tr>
<tr>
<td>Estimated annual CO2e savings (metric tonnes CO2e)</td>
<td>90</td>
</tr>
<tr>
<td>Scope</td>
<td>Scope 2 (market-based)</td>
</tr>
<tr>
<td>Voluntary/Mandatory</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Annual monetary savings (unit currency – as specified in C0.4)</td>
<td>21000</td>
</tr>
<tr>
<td>Investment required (unit currency – as specified in C0.4)</td>
<td>145000</td>
</tr>
<tr>
<td>Payback period</td>
<td>4 - 10 years</td>
</tr>
<tr>
<td>Estimated lifetime of the initiative</td>
<td>11-15 years</td>
</tr>
<tr>
<td>Comment</td>
<td>Energy efficiency measures by Energy and Water Management Teams. All stores in Portugal.</td>
</tr>
</tbody>
</table>
Installation of solar panels for water heating in stores and warehouses. Implemented in one store in Portugal.

**Initiative type**
Low-carbon energy installation

**Description of initiative**
Solar PV

**Estimated annual CO2e savings (metric tonnes CO2e)**
560

**Scope**
Scope 2 (market-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
196300

**Investment required (unit currency – as specified in C0.4)**
1340000

**Payback period**
4 - 10 years

**Estimated lifetime of the initiative**
16-20 years

Installation of photovoltaic power generation units in company's facilities. Implementemnted in one store and one Distribution Center in Portugal.

**Initiative type**
Low-carbon energy purchase

**Description of initiative**
Hydro

**Estimated annual CO2e savings (metric tonnes CO2e)**
130000

**Scope**
Scope 2 (market-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
0

**Investment required (unit currency – as specified in C0.4)**
50000

**Payback period**
No payback

**Estimated lifetime of the initiative**
<1 year

Purchase of certified renewable electricity backed by appropriate tracking instruments for operations in Portugal, starting in the second semester 2018.
### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>Regulation on efficient energy use for big consumers and buildings energy certification.</td>
</tr>
<tr>
<td>Financial optimization calculations</td>
<td>Projects and investments that lead to an increase in processes efficiency and a reduction on energy use are defined as a priority.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>Increase awareness and adoption of good practices in a daily basis by employees reduces wasted energy.</td>
</tr>
<tr>
<td>Other</td>
<td>Suppliers' engagement can lead to relevant improvements in the supply chain. Environmental certification can increase commitment of site managers to improve energy efficiency.</td>
</tr>
</tbody>
</table>

### C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

### C5. Emissions methodology

### C5.1
(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

**Scope 1**

**Base year start**
January 1 2011

**Base year end**
December 31 2011

**Base year emissions (metric tons CO2e)**
193330

**Comment**
Base year data refers to our first Group-wide robust GHG inventory. Base year for the currently active emissions reduction target is 2017.

**Scope 2 (location-based)**

**Base year start**
January 1 2011

**Base year end**
December 31 2011

**Base year emissions (metric tons CO2e)**
767100

**Comment**
Base year data refers to our first Group-wide robust GHG inventory. Base year for the currently active emissions reduction target is 2017.

**Scope 2 (market-based)**

**Base year start**
January 1 2011

**Base year end**
December 31 2011

**Base year emissions (metric tons CO2e)**
767100

**Comment**
Base year data refers to our first Group-wide robust GHG inventory. Base year for the currently active emissions reduction target is 2017. It is not possible to calculate a scope 2 market-based figure for our 2011 inventory in all geographies where the company is present. Therefore, the location-based result has been used as a proxy.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.


C6. Emissions data

C6.1
(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

233404

**Start date**

January 1 2018

**End date**

December 31 2018

**Comment**

Includes fugitive emissions from refrigeration systems (f-gases and natural refrigerants), stationary fuel combustion in stores and distribution centers, mobile fuel combustion in the company's light vehicle fleet and enteric fermentation from cattle fattening farms. Data includes in all geographies where Jerónimo Martins operates (Portugal, Poland and Colombia). In 2018, scope 1 GHG emissions were down 3% from the previous year, mostly due to reduction in fugitive emissions of refrigerant gases (-12%), which represent over 50% of our total scope 1 emissions. In 2018, CH4 emissions from enteric fermentation in our three Angus cattle fattening units in Portugal were included in the inventory.

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

Calculation followed the GHG Protocol Scope 2 Guidance emission factors hierarchy: Location-based figure calculated using national electricity production emission factors (IEA); Market-based figure calculated using supplier specific emission factors for Portugal, residual mix for Poland (RE-DISS) and national electricity production emission factor for Colombia (Colombian Mines and Energy Ministry). Jerónimo Martins uses market-based scope 2 emission figures to report its total combined scope 1 and 2 emissions and to track its GHG performance and target achievement.
(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
845773

Scope 2, market-based (if applicable)
834324

Start date
January 1 2018

End date
December 31 2018

Comment
For scope 2 location-based calculations, we use average electricity grid emission factors published by the International Energy Agency for each geography where we operate (Portugal, Poland and Colombia). For scope 2 market-based calculations, we use supplier specific emission factors for Portugal, residual mix figures published by the Association of Issuing Bodies for Poland, and emission factors published by local authorities for Colombia. In 2018, Jerónimo Martins started to consume renewable electricity in its operations in Portugal: self-generated electricity from two solar photovoltaic installations in company’s premises; and purchase of renewable electricity backed by adequate attribute certificates (second semester). Together, these renewable sources supplied 52% of our 2018 electricity consumption in Portugal (15% of our total electricity consumption), and were accounted for with a zero emission factor in our scope 2 market-based figure.

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a
(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

**Source**

Emissions from Specialized Retail business in Portugal (46 coffee shops and confectionary stores). These operations represented less than 0.1% of Jerónimo Martins Group consolidated sales in FY 2018.

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

Specialized Retail in Portugal is a non-core business area of Jerónimo Martins Group. Activities are limited to 46 small confectionary and coffee shops and kiosks in the country. Emissions from the operation of this retail facilities are deemed immaterial. Backoffice activities for this business area use the Group’s office buildings and therefore emissions resulting from its energy consumption are already included in the disclosed scope 1 and scope 2 figures. Total scope 1 and scope 2 emissions from this business areas are estimated to account for less than 0.1% of Jerónimo Martins Group GHG emissions in 2018. Therefore, undertaking a dedicated inventory of such emissions has not been defined as a priority.

**Source**

Part of the emissions from Agribusiness in Portugal (aquaculture). This operation represented less than 0.1% of Jerónimo Martins Group consolidated sales in FY 2018.

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

Jerónimo Martins recently established an Agribusiness area focused on intra-Group supply of dairy products, beef and farmed fish. It currently operates a dairy products factory, three cattle growing unit (angus beef) and two aquaculture unit (sea bass growing), all in Portugal. Starting in 2016, emissions from the operation of the dairy factory (scope 1 and scope 2 emissions from energy consumption) are integrated into our GHG inventory. In 2017, emissions from the operation of cattle growing were also integrated in the same inventory, including CH4 emissions from enteric fermentation. Aquaculture unit’s emissions are still excluded. The operation of the latter facilities is recent and limited in dimension and the associated emissions are deemed immaterial. Backoffice activities for the Agribusiness area use the Group’s office buildings and therefore emissions resulting from its energy consumption are already included in the disclosed scope 1 and scope 2 figures. Total excluded scope 1 and scope 2 emissions from this business area are estimated to account for less than 0.1% of Jerónimo Martins Group GHG emissions in 2018.

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.
Purchased goods and services

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
14500000

**Emissions calculation methodology**
Calculation follows the guidelines of The GHG Protocol Corporate and Accounting Standard, complemented with The GHG Scope 3 Standard. A high-level financial-based estimate was obtained using Quantis online platform for scope 3 emissions screening. Input data was purchase value for group of seven top-spending categories of goods purchased for sale in our stores in Portugal. Results were extrapolated for the other two geographies (Poland and Colombia).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
First estimate of emissions from the production of goods bought for sale in our stores.

**Capital goods**

**Evaluation status**
Relevant, not yet calculated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Explanation**
By the end of 2018, Jerónimo Martins operated 4136 stores and 29 Distribution Centres in Portugal, Poland and Colombia. The Group plans to pursue its strong growth strategy in the next years, with heavy capital investment in store area and logistics expansion, thus making emissions from capital goods relevant to its overall value chain emissions. Jerónimo Martins does not currently account for emissions in this category given the large number of facilities under construction, but plans to conduct a materiality analysis and first estimate process within the next 2 years.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**
Relevant, not yet calculated

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Explanation**
Energy consumption accounts for 85% of Jerónimo Martins scope 1 + scope 2 emissions. Emissions from the first phases of energy products life cycle are likely to be relevant to the company overall value chain emissions. Jerónimo Martins does not currently account for emissions in this category given the difficulty in obtaining primary data for all geographies where it operates, but plans to conduct a materiality analysis and first estimate process within the next 2 years.
Upstream transportation and distribution

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
450000

**Emissions calculation methodology**
Calculation follows the guidelines of The GHG Protocol Corporate and Accounting Standard, complemented with The GHG Scope 3 Standard. Activity data (distance travelled, vehicle type and number of deliveries/year from supplier premises to our Distribution Centers) was obtained from a sample of suppliers of the most relevant categories of products bought for sale in our stores in Portugal. Results were extrapolated for the other two geographies (Poland and Colombia). Source of emission factor is the 2006 IPCC Guidelines. Source of GWP is IPCC Assessment Report 5.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
25

**Explanation**
Emissions from third party (suppliers) transportation of good to Jerónimo Martins Distribution Centres.

Waste generated in operations

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
41368

**Emissions calculation methodology**
Calculation follows the guidelines of The GHG Protocol Corporate and Accounting Standard, complemented with The GHG Scope 3 Standard. Activity data is obtained from the monitored amount of generated waste sent to landfill, incineration and composting facilities in each store. For stores where such data is not available, extrapolation is based on sales. Source of emission factors is Defra Guidelines for Company GHG Reporting. Source of GWP is IPCC Assessment Report 5.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
85

**Explanation**
Emissions from the landfill and incineration of unsorted waste generated in company activities (stores, Distribution Centres and offices) and from the composting of organic waste separately collected in stores and Distribution Centres.

Business travel

**Evaluation status**
Not relevant, calculated

**Metric tonnes CO2e**
2032

**Emissions calculation methodology**
Calculation follows the guidelines of The GHG Protocol Corporate and Accounting Standard, complemented with The GHG Scope 3 Standard. Activity data (distance travelled, in miles) is obtained from travel agency supplier reports. Source of emission factor is the GHG Protocol Calculation Tool. Source of GWP is IPCC Assessment Report 5.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Explanation**
Emissions from employee business travel by air. Other transportation modes are not relevant to Jerónimo Martins business travel pattern as road transport is mostly made in company fleet vehicles, accounted for in scope 1.
Employee commuting

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Explanation**
Jerónimo Martin's human resources policy is based on recruiting local staff. Although the Group currently employs a large number of people (108560 by the end of 2018 and expected to rise as the business growth programme continues), home-work travel distances are short for the majority of employees. Emissions from this category are estimated to be very small compared to other value chain emissions and with limited influence from the company.

Upstream leased assets

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Explanation**
Emissions from the operation, by Jerónimo Martins, of leased assets are accounted for in scope 1 and scope 2, as the company uses an operation control consolidation approach to emissions accounting. Thus, emissions in this category do not apply to the company.

Downstream transportation and distribution

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
148556

**Emissions calculation methodology**
Calculation follows the guidelines of The GHG Protocol Corporate and Accounting Standard, complemented with The GHG Scope 3 Standard. Activity data (fuel consumption, in liters) is obtained from the logistics operator. Specific data pertaining to Jerónimo Martins operation is available for a large % of total goods transported, as more than 80% of the fleet works exclusively for the Group. Source of emission factor is the 2006 IPCC Guidelines. Source of GWP is IPCC Assessment Report 5.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Explanation**
Emissions from third party (logistics operators) transportation of goods from Jerónimo Martins Distribution Centres to the company's stores.
Processing of sold products

**Evaluation status**  
Not relevant, explanation provided

**Metric tonnes CO2e**  
<Not Applicable>

**Emissions calculation methodology**  
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**  
<Not Applicable>

**Explanation**  
Jerónimo Martins sells most of its products to final clients. Further processing of sold products is not significant and thus emissions from this category are not relevant to the company's value chain emissions.

Use of sold products

**Evaluation status**  
Not relevant, explanation provided

**Metric tonnes CO2e**  
<Not Applicable>

**Emissions calculation methodology**  
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**  
<Not Applicable>

**Explanation**  
Jerónimo Martins focus is food retail. Sales of products that require energy for functioning (e.g. electrical household appliances) are a minor part of total company sales. Emissions from this category are thus estimated to be very small compared to other value chain emissions.

End of life treatment of sold products

**Evaluation status**  
Relevant, not yet calculated

**Metric tonnes CO2e**  
<Not Applicable>

**Emissions calculation methodology**  
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**  
<Not Applicable>

**Explanation**  
Jerónimo Martins focus is food retail. Most of the products (both perishables and non-perishables) sold in the company's stores involve some packaging. End of life treatment of packaging materials (and product leftovers, in some cases) after product use/consumption by the clients is likely to be a relevant source of the company's overall value chain emissions. Jerónimo Martins is engaging with suppliers on a packaging eco-design programme that aims to substantially reduce the amount of packaging material. It also defined a food waste reduction target (50% reduction in by 2025 from 2016 baseline) that encompasses all value chain, including food sold by the company that is wasted by customers. Jerónimo Martins does not currently account for emissions in this category given the large number of products involved, but plans to conduct a materiality analysis and first estimate process for its private brand portfolio within the next 2 years.
Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Leasing of company property space to third parties is residual. Thus, emissions in this category do not apply to the company.

Franchises

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
19881

Emissions calculation methodology
Calculation follows the guidelines of The GHG Protocol Corporate and Accounting Standard, complemented with The GHG Scope 3 Standard. Activity data (electricity consumption, in kWh) is obtained from the franchise operators. Location-based emission factors (national average for produced electricity) were used for each geography in which the company has franchised stores (Portugal and Poland). Source of GWP is IPCC Assessment Report 5.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
Emissions from purchased electricity consumption in third party operated franchised stores. Franchising has recently been introduced in the company’s growth business model and by the end of 2018, 99 stores of Jerónimo Martins’ banners were operated by franchisees, in Portugal and Poland.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Jerónimo Martins’ investments are channelled to the Group’s growth strategy in food retail. No relevant financial investments, namely in carbon intensive sectors, apply to the company.
Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Jerónimo Martins has no emissions from upstream or downstream activities other than those reported in categories C1 to C15.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Jerónimo Martins has no emissions from upstream or downstream activities other than those reported in categories C1 to C15.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000062

Metric numerator (Gross global combined Scope 1 and 2 emissions)
1067728

Metric denominator
unit total revenue

Metric denominator: Unit total
17337000000

Scope 2 figure used
Market-based

% change from previous year
17

Direction of change
Decreased
Reason for change
In 2018, Jerónimo Martins consolidated sales (revenue) grew 7% compared to the previous year. Scope 1 + scope 2 emissions, however, decreased by 12%, due to the combined effect of: i) increase in renewable electricity consumption in our operations in Portugal (purchased and self-generated renewable electricity; total of 280608 MWh estimated to reduce 130560 tCO2); ii) other emissions reduction initiatives implemented during the year (estimated reduction of 19015 tCO2e). Reduction in absolute scope 1+ scope 2 emissions, combined with sales growth, resulted in an overall 17% decrease in our emissions per revenue ratio.

Intensity figure
0.38

Metric numerator (Gross global combined Scope 1 and 2 emissions)
1067728

Metric denominator
square meter

Metric denominator: Unit total
2810724

Scope 2 figure used
Market-based

% change from previous year
16

Direction of change
Decreased

Reason for change
Metric denominator is store's sales area. The intensity figure serves as a proxy for overall emissions performance against retail operations. In 2018, Jerónimo Martins Group total store area grew 5% compared to the previous year (277 more stores). Scope 1 + scope 2 emissions, however, decreased by 12%, due to the combined effect of: i) increase in renewable electricity consumption in our operations in Portugal (purchased and self-generated renewable electricity; total of 280608 MWh estimated to reduce 130560 tCO2); ii) other emissions reduction initiatives implemented during the year (estimated reduction of 19015 tCO2e). Reduction in absolute scope 1+ scope 2 emissions, combined with sales area growth, resulted in an overall 16% decrease in our emissions per sales area ratio.

Intensity figure
0.00053

Metric numerator (Gross global combined Scope 1 and 2 emissions)
1067728

Metric denominator
Other, please specify (Purchase Measuring Unit (PMU))

Metric denominator: Unit total
2014186000

Scope 2 figure used
Market-based

% change from previous year
20

Direction of change
Decreased

Reason for change
Metric denominator is Purchase Measuring Unit (a measure of the amount of goods bought by the company and channeled through its distribution centers). The intensity figure serves as a proxy for overall emissions performance against logistics (Distribution Centres) operations. In 2018, the total amount of goods handled by Jerónimo Martins Distribution Centres grew 10% compared to the previous year. Scope 1 + scope 2 emissions, however, decreased by 12%, due to the combined effect of: i) increase in renewable electricity consumption in our operations in Portugal (purchased and self-generated renewable electricity; total of 280608 MWh estimated to reduce 130560 tCO2); ii) other emissions reduction initiatives implemented during the year (estimated reduction of 19015 tCO2e). Reduction in absolute scope 1+ scope 2 emissions, combined with PMU growth, resulted in an overall 20% decrease in our emissions per handled goods ratio.
C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>95256</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>9639</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>HFCs</td>
<td>128509</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
</tbody>
</table>

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal</td>
<td>56265</td>
</tr>
<tr>
<td>Poland</td>
<td>156345</td>
</tr>
<tr>
<td>Colombia</td>
<td>20794</td>
</tr>
</tbody>
</table>

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By business division
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

<table>
<thead>
<tr>
<th>Business division</th>
<th>Scope 1 emissions (metric ton CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food distribution</td>
<td>220632</td>
</tr>
<tr>
<td>Agribusiness</td>
<td>12771</td>
</tr>
</tbody>
</table>
### C7.3c Break down your total gross global Scope 1 emissions by business activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leakage of refrigeration gases</td>
<td>128509</td>
</tr>
<tr>
<td>Refrigeration CO2 usage</td>
<td>21733</td>
</tr>
<tr>
<td>Stationary fuel consumption</td>
<td>55971</td>
</tr>
<tr>
<td>Mobile fuel combustion in light vehicle fleet</td>
<td>17552</td>
</tr>
<tr>
<td>Enteric fermentation from cattle fattening</td>
<td>9639</td>
</tr>
</tbody>
</table>

### C7.5

### C7.5 Break down your total gross global Scope 2 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
<th>Purchased and consumed electricity, heat, steam or cooling (MWh)</th>
<th>Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal</td>
<td>147631</td>
<td>118455</td>
<td>535935</td>
<td>280608</td>
</tr>
<tr>
<td>Poland</td>
<td>679059</td>
<td>698624</td>
<td>979953</td>
<td>0</td>
</tr>
<tr>
<td>Colombia</td>
<td>19083</td>
<td>17245</td>
<td>86660</td>
<td>0</td>
</tr>
</tbody>
</table>

### C7.6

### C7.6 Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

- By business division
- By activity

### C7.6a

### C7.6a Break down your total gross global Scope 2 emissions by business division.

<table>
<thead>
<tr>
<th>Business division</th>
<th>Scope 2, location-based emissions (metric tons CO2e)</th>
<th>Scope 2, market-based emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food distribution</td>
<td>844235</td>
<td>832001</td>
</tr>
<tr>
<td>Agribusiness</td>
<td>1538</td>
<td>2323</td>
</tr>
</tbody>
</table>

### C7.6c

### C7.6c Break down your total gross global Scope 2 emissions by business activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 2, location-based emissions (metric tons CO2e)</th>
<th>Scope 2, market-based emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased electricity consumption</td>
<td>829000</td>
<td>817551</td>
</tr>
<tr>
<td>Purchased heat consumption</td>
<td>16773</td>
<td>16773</td>
</tr>
</tbody>
</table>

### C7.9
How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

| Change in renewable energy consumption | Decreased | 10.8 | In 2018, Jerónimo Martins installed solar photovoltaic units in two company facilities in Portugal, generating almost 2 thousand MWh of renewable electricity for self-consumption. It has also started, from the second semester 2018, to purchase certified renewable electricity to power its operations in Portugal. Avoided emissions from the consumption of renewable electricity are estimated to have delivered an overall reduction of 10.8% in combined scope 1 and scope 2 emissions, compared to 2017 levels. Reduction from change in renewable energy consumption = 130560 tCO2e Scope 1 + scope 2 emissions 2017 = 1210579 tCO2e % change = (130560/1210579) x 100 = 10.8% |
| Change in output | Increased | 2.2 | In 2018, Jerónimo Martins worldwide operation continued to grow (+7% consolidated sales, +5% store area). Each of the company’s geographies contributed differently to global growth, with circa 60% of growth delivered from Jerónimo Martins business in Poland, where the carbon intensity of our operation is higher, given the higher carbon content of consumed electricity (average 750 gCO2/kWh vs 220 gCO2/kWh for operations in Portugal and 200 gCO2/kWh for Colombia). Differentiated organic growth in operations is estimated to have induced an overall increase of 2.2% in combined scope 1 and scope 2 emissions compared to 2017 levels. Increase from operations growth = 27160 tCO2e Scope 1 + scope 2 emissions 2017 = 1210579 tCO2e % change = (27160/1210579) x 100 = 2.2% |

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based
C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicate whether your organization undertakes this energy-related activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>No</td>
</tr>
<tr>
<td>Generation of electricity, heat, steam, or cooling</td>
<td>Yes</td>
</tr>
</tbody>
</table>

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>LHV (lower heating value)</td>
<td>0</td>
<td>315241</td>
<td>315241</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>278645</td>
<td>1276070</td>
<td>1554715</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>45871</td>
<td>45871</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>1963</td>
<td>&lt;Not Applicable&gt;</td>
<td>1963</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>280608</td>
<td>1637182</td>
<td>1917790</td>
</tr>
</tbody>
</table>

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

<table>
<thead>
<tr>
<th>Application</th>
<th>Indicate whether your organization undertakes this fuel application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of electricity</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of heat</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>No</td>
</tr>
</tbody>
</table>
(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Fuels (excluding feedstocks)**

**Natural Gas**

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

161506

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Stationary combustion in company premises.

---

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

9565

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Comment**

Stationary combustion in company premises.

---

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

103357

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>
MWh fuel consumed for self-generation of heat
<Not Applicable>
MWh fuel consumed for self-generation of steam
<Not Applicable>
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
Stationary and mobile combustion in company premises and light vehicle fleet.

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
3053
MWh fuel consumed for self-generation of electricity
<Not Applicable>
MWh fuel consumed for self-generation of heat
<Not Applicable>
MWh fuel consumed for self-generation of steam
<Not Applicable>
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
Mobile combustion in company light vehicle fleet.

Fuels (excluding feedstocks)
Other, please specify (Fuel oil)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
37760
MWh fuel consumed for self-generation of electricity
<Not Applicable>
MWh fuel consumed for self-generation of heat
<Not Applicable>
MWh fuel consumed for self-generation of steam
<Not Applicable>
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment
Stationary combustion in company premises.
(C8.2d) List the average emission factors of the fuels reported in C8.2c.

**Diesel**

**Emission factor**
2.69

**Unit**
kg CO2 per liter

**Emission factor source**
The GHG Protocol calculation tool

**Comment**
Used for stationary and mobile combustion of diesel gasoline.

**Liquefied Petroleum Gas (LPG)**

**Emission factor**
0.227

**Unit**
metric tons CO2 per MWh

**Emission factor source**
Portuguese General Directorate for Energy

**Comment**
Used for stationary combustion of propane, butane and mixtures of the two fuels.

**Motor Gasoline**

**Emission factor**
2.289

**Unit**
kg CO2 per liter

**Emission factor source**
The GHG Protocol calculation tool

**Comment**
Used for stationary and mobile combustion of motor gasoline.

**Natural Gas**

**Emission factor**
0.208

**Unit**
metric tons CO2 per MWh

**Emission factor source**

**Comment**
Used for stationary combustion of natural gas. Average value for Portugal, Poland and Colombia.

**Other**

**Emission factor**
2.633

**Unit**
metric tons CO2 per metric ton

**Emission factor source**
KOBIZE - National Centre for Emission Management

**Comment**
Used for stationary combustion of light fuel oil.
C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

<table>
<thead>
<tr>
<th></th>
<th>Total Gross generation (MWh)</th>
<th>Generation that is consumed by the organization (MWh)</th>
<th>Gross generation from renewable sources (MWh)</th>
<th>Generation from renewable sources that is consumed by the organization (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>1963</td>
<td>1963</td>
<td>1963</td>
<td>1963</td>
</tr>
<tr>
<td>Heat</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Steam</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cooling</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Hydropower

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
278645

Emission factor (in units of metric tons CO2e per MWh)
0

Comment
Certified renewable electricity purchased for our operations in Portugal in the second semester of 2018.

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Solar PV

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
1963

Emission factor (in units of metric tons CO2e per MWh)
0

Comment
On-site electricity generation in two solar PV installation in company facilities in Portugal (Algoz Distribution Center and Tavira store).

C9. Additional metrics
(C9.1) Provide any additional climate-related metrics relevant to your business.

<table>
<thead>
<tr>
<th>Description</th>
<th>Metric value</th>
<th>Metric numerator</th>
<th>Metric denominator (intensity metric only)</th>
<th>% change from previous year</th>
<th>Direction of change</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy usage</td>
<td>0.39</td>
<td>Total energy consumption (GJ)</td>
<td>Revenues (thousand €)</td>
<td>2.5</td>
<td>Decreased</td>
<td>Metric is used to track total energy consumption across our operations per revenue generated. Emissions associated with energy use are accounted for in our scope 1 and scope 2 emissions inventory. It covers fossil fuel consumption (stationary and mobile combustion) as well as consumption of purchased electricity and heat in all geographies where we operate (Portugal, Poland and Colombia).</td>
</tr>
<tr>
<td>Waste</td>
<td>0.85</td>
<td>Total quantity of waste recovered (t)</td>
<td>Total quantity of waste generated (t)</td>
<td>0.4</td>
<td>Increased</td>
<td>Metric is used to track the amount of waste sent to landfill. The higher the waste recovery rate, the less waste is sent to landfill. Emissions associated with treatment of generated waste are accounted for in our scope 3 emissions inventory. It covers waste generated in our operations in all geographies where we are present (Portugal, Poland and Colombia).</td>
</tr>
<tr>
<td>Other, please specify (Food waste)</td>
<td>15.9</td>
<td>Food lost or wasted (kg)</td>
<td>Food sold (t)</td>
<td>10.4</td>
<td>Increased</td>
<td>Metric is used to track the amount of food lost or wasted. The less food is wasted, the lower the food waste. Emissions associated with waste treatment are accounted for in our scope 3 emissions inventory. It covers food waste generated in our operations in all geographies where we are present (Portugal, Poland and Colombia).</td>
</tr>
</tbody>
</table>
Please explain
Metric is used to track the amount of food waste and loss generated in our operations per tonne of food products sold. Metric is calculated according to the World Resources Institute’s Food Loss and Waste Protocol and measures performance against our food waste targets. Emissions associated with treatment of generated food waste are accounted for in our scope 3 emissions inventory. It covers food waste generated in our operations in all geographies where we are present (Portugal, Poland and Colombia).

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 2 (location-based or market-based)</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Third-party verification or assurance process in place</td>
</tr>
</tbody>
</table>

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
JM_AnnualReport2018_EN.pdf

Page/section reference
Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators – GRI 305-1 (p. 270) + GHG scope 1, 2 and 3 results (p. 218-219).

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
JM_AnnualReport2018_EN.pdf

Page/section reference
Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators – GRI 305-2 (p. 270) + GHG scope 1, 2 and 3 results (p. 218-219).

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
JM_AnnualReport2018_EN.pdf

Page/section reference
Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators – GRI 305-2 (p. 270) + GHG scope 1, 2 and 3 results (p. 218-219).

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3 - all relevant categories

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
JM_AnnualReport2018_EN.pdf

Page/section reference
Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators – GRI 305-3 (p. 270) + GHG scope 1, 2 and 3 results (p. 218-219).

Relevant standard
ISAE3000
C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

<table>
<thead>
<tr>
<th>Disclosure module verification relates to</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>C4. Targets and performance</td>
<td>Year on year change in emissions (Scope 1 and 2)</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C4.1b - Intensity target details C4.2 - Other climate-related targets independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>C4. Targets and performance</td>
<td>Year on year emissions intensity figure</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C4.1b – Intensity target details C4.2 - Other climate-related targets independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>C4. Targets and performance</td>
<td>Emissions reduction activities</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C4.3b - Emissions reduction initiatives details Independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>C6. Emissions data</td>
<td>Year on year change in emissions (Scope 1)</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C6.1 Gross global Scope 1 emissions Independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>C6. Emissions data</td>
<td>Year on year change in emissions (Scope 2)</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C6.3 Gross global Scope 2 emissions Independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>C6. Emissions data</td>
<td>Year on year change in emissions (Scope 3)</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C6.5 Scope 3 emissions per category Independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>Disclosure module verification relates to</td>
<td>Data verified</td>
<td>Verification standard</td>
<td>Please explain</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------</td>
<td>-----------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>C6. Emissions data</td>
<td>Year on year emissions intensity figure</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C6.10 Combined Scope 1 and 2 emissions per unit currency total revenue. Independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>C8. Energy</td>
<td>Other, please specify (Energy consumption)</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C8.2a Energy consumption totals C8.2c How much fuel in MWh organization has consumed by fuel type C8.2d Average emission factors for fuels and sources C8.2f Electricity, heat, steam or cooling accounted at a low carbon emission factor in market-based Scope 2 figure Independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
<tr>
<td>C9. Additional metrics</td>
<td>Other, please specify (Waste generated and recovered)</td>
<td>Verification standard: ISAE 3000 - International Standard on Assurance Engagements “Assurance engagements other than audits or reviews of historical financial information” (Revised). Verification level: Limited Assurance.</td>
<td>C9.1 Additional climate-related metrics relevant to business Independent third-party verification of these data points was part of the independent assurance process of our 2018 Annual Report – Chapter 5: Corporate Responsibility in Value Creation. This is an annual verification process encompassing corporate-wide data. Please refer to our attached Annual Report 2018: PwC Independent Limited Assurance Report (p. 316-319) + Table of Indicators (p. 266-275).</td>
</tr>
</tbody>
</table>

**C11. Carbon pricing**

**C11.1**

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

**C11.1a**

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

- Colombia carbon tax
- Poland carbon tax
- Portugal carbon tax

**C11.1c**
(C11.1c) Complete the following table for each of the tax systems in which you participate.

**Colombia carbon tax**

**Period start date**
January 1 2018

**Period end date**
December 31 2018

**% of emissions covered by tax**
52

**Total cost of tax paid**
45390

**Comment**
Coverage refers to % of scope 1 emissions from our operations in Colombia that are covered by the Colombia Carbon Tax (fossil fuel consumption in company facilities and company fleet). These emissions represent 5% of our global scope 1 emissions and 1% of our global combined scope 1 and scope 2 emissions.

**Poland carbon tax**

**Period start date**
January 1 2018

**Period end date**
December 31 2018

**% of emissions covered by tax**
31

**Total cost of tax paid**
3900

**Comment**
Coverage refers to % scope 1 emissions from our operations in Poland that are covered by the Poland Carbon Tax (fossil fuel consumption in company facilities and company fleet). These emissions represent 21% of our global scope 1 emissions and 5% of our global combined scope 1 and scope 2 emissions.

**Portugal carbon tax**

**Period start date**
January 1 2018

**Period end date**
December 31 2018

**% of emissions covered by tax**
25

**Total cost of tax paid**
94570

**Comment**
Coverage refers to % scope 1 emissions from our operations in Portugal that are covered by the Portugal Carbon Tax (fossil fuel consumption in company facilities and company fleet). These emissions represent 6% of our global scope 1 emissions and 1% of our global combined scope 1 and scope 2 emissions.

C11.1d
Energy costs represent 5-10% of Jerónimo Martins operational costs, with fossil fuels (natural gas, LPG, fueloil and road fuels) making up 5-10% of total energy costs. To date, increase in fossil fuel prices brought about by the carbon taxes systems in place in the geographies where we operate (Portugal, Poland and Colombia) has been reduced (average +2%). This means that compliance with the applicable carbon tax systems does not currently entail a major financial risk.

However, Jerónimo Martins closely monitors energy costs and has an on-going strategic energy rationalization plan (current implementation cycle: 2018-2020), that includes the reduction of energy needs affected by the described carbon taxes (e.g. switch to lower carbon fuels for stoves in stores in Colombia; Energy and Water Management teams action for the optimization of heating and cooling store equipment, leading to reduced fuel consumption in stores in Portugal and Poland).

By the end of 2018, energy reduction measures had been implemented in Jerónimo Martins stores in all geographies where it operates (Portugal, Poland and Colombia). In 2018, total investment in the Energy and GHG Management Plan amounted to 44.1 M€.

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

(C11.3) Does your organization use an internal price on carbon?
Yes
(C11.3a) Provide details of how your organization uses an internal price on carbon.

**Objective for implementing an internal carbon price**
- Navigate GHG regulations
- Drive energy efficiency

**GHG Scope**
- Scope 1
- Scope 3

**Application**
Price is applied to fuel use in company facilities and fleet (scope 1 emissions), as well as to fuel consumption in contracted transportation of purchased goods from company’s Distribution Centers to stores (scope 3). It applies to operations in all geographies (Portugal, Poland and Colombia).

**Actual price(s) used (Currency /metric ton)**
6

**Variance of price(s) used**
An average of the price of carbon taxes currently in place in Portugal (6,85 €/tCO2) and Colombia (4,5 €/tCO2) is used. Given that the price of the carbon tax currently in place in Poland is very low (0.08€/tCO2) it is not factored into our internal carbon price, so as not to result in an excessively low value, which would inhere its use as an internal risk management and efficiency tool.

**Type of internal carbon price**
- Shadow price

**Impact & implication**
1) Price is used for scope 1 (fuel use in company facilities and fleet) and scope 3 (contracted downstream transportation and distribution) emissions from the company’s operations in Portugal, Poland and Colombia; ii) Purpose is to anticipate the company-wide on-going impact of carbon tax legislation, both in direct operations and in outsourced activities (goods transportation) where fuel prices have a direct impact in company costs; iii) Price used is 6 € / t CO2, average value of carbon taxes currently in place in Portugal (6,85 €/tCO2) and Colombia (4,5 €/tCO2); iv) Price is updated in line with updates of carbon taxes in Portugal and Colombia; v) Price is determined by the Environment Department; vi) No investment decisions supported by the internal price of carbon have been taken so far. Current focus is the evaluation of the impact of the new carbon tax on the company's cost.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
- Yes, our suppliers
- Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

**Type of engagement**
- Innovation & collaboration (changing markets)

**Details of engagement**
Run a campaign to encourage innovation to reduce climate impacts on products and services

**% of suppliers by number**
- 0.5

**% total procurement spend (direct and indirect)**
- 0.5
% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Engagement involves two projects developed jointly with suppliers (total of almost 400 suppliers involved), promoting supply chain eco-efficiency and GHG emissions reductions, specifically reductions in emissions of scope 3 category 9 – Outsourced transportation of sold goods between our Distribution Centers and stores. Project development was determined by the fact that C9 is one of the emissions categories that we currently include in our scope 3, given its business relevance and our influence capacity on the respective operational activities. One of the projects (packaging eco-design) also delivers other environmental benefits (materials savings) and that has also influenced our decision to develop it. Suppliers are selected according to their potential for resource and GHG reduction. Engagement projects are as follows: i) Packaging eco-design project - aimed at reducing the environmental impact of our Private Brand products packaging life cycle (production, transportation and end-of-life) and optimizing transport and display of goods; ii) Backhauling operation - implementation of permanent more efficient logistic processes consisting of route optimization and load maximization and collecting empty pallets on return trips from its stores as well as the Group’s suppliers.

Impact of engagement, including measures of success

For the packaging eco-design project, results are measured through the number of redesigned Stock Keeping Units - SKUs (311 by the end of 2018, in Portugal, Poland and Colombia), reduced packaging material (3493 t/year) and avoided transport GHG emissions (475 t CO2e/year). A formal target has been set to implement at least 20 ecodesign projects for Private Brand product packaging ever year until 2020. For the backhauling operation project, results are measured through the number of pallets collected in our operations in Portugal and Poland (831 thousand in 2018), distance saved (over 10 million kilometres in 2018) and avoided CO2 emissions (9 kt CO2e in 2018).

Comment

The packaging eco-design project delivered additional environmental benefits in increasing the number of paper and cardboard packaging holding FSC certification (59 SKUs).

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

40

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

In order to assess the climate impact of deforestation commodities, Jerónimo Martins maps, on an early basis, the presence of timber, palm oil, soy and beef in its Private Brand and Perishables products and surveys suppliers of products for which these ingredients have been identified. Development of this engagement activity was decided based on the impact of deforestation on global GHG emissions (around 20%) and the importance of four key deforestation risk commodities (timber, palm, soy and cattle products) for our Private Brand and Perishables product portfolio. All suppliers of products containing one of the four above mentioned commodities are included in the survey. In 2018, a total of 17300 SKU were scoped and 740 suppliers where surveyed. We collect information on the existence of sustainable production certification and origin of the commodities and report the results both in our Annual Report and our response to CDP Forests program.

Impact of engagement, including measures of success

Results are measured through the % of certified and traceable commodities. In 2018, 58% (w/w) of timber contained in products and packaging had sustainability certification (FSC, PEFC, SFI) and 100% was traceable to country level. 70% of palm had RSPO certification and 97% was traceable to country level. 8% of soy (direct soy and embedded soy used in animal feed) was certified and 60% traceable to country level. No beef held sustainability certification but 97% was traceable to country level and almost 90% traceable to slaughterhouse or rearing facility.

Comment

Reducing deforestation emissions from the agricultural production of these commodities reduces emissions associated with the production of sold products (category C1). We currently still not account for C1 emissions in our scope 3 inventory and are thus not able to provide a % of induced reduction.
**C12.1b** Give details of your climate-related engagement strategy with your customers.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Collaboration &amp; innovation</th>
</tr>
</thead>
</table>

**Details of engagement**

Run a campaign to encourage innovation to reduce climate change impacts

**% of customers by number**

90

**% Scope 3 emissions as reported in C6.5**

1

**Please explain the rationale for selecting this group of customers and scope of engagement**

Customer engagement currently focus on initiatives targeted at the reduction of GHG emissions from the end of life treatment of sold products (scope 3 category 12), in particular product packaging and food products leftovers. This priority focus was defined taking into account the relevance of both packaging waste and food waste in the company’s value chain emissions. Most relevant projects are: i) Client waste take-back and recycling programme – an extensive network of waste collection points for recycling of client waste in our store network. The system allows for the separate collection and recycling of waste electric and electronic equipment, used cooking oil, printer cartridges, coffee capsules and bottle lids, including cork. Recycling diverts these waste streams from landfill, thus reducing the respective GHG emissions; ii) Food waste reduction awareness campaigns for clients – we regularly publish articles on tackling food waste on our customer-facing magazines, in the different geographies where we operate. This reduces the generation of food waste downstream in our value chain, thus reducing the GHG emissions associated with its disposal in landfills. Size of engagement refer to the % of our global store network currently equipped with client waste take-back and recycling points. % of total customers to whom our customer-facing magazines are distributed is 100%. Measures in place cover 100% of the company’s operations, in all geographies where it operates (Portugal, Poland and Colombia).

**Impact of engagement, including measures of success**

Client waste take-back and recycling program – By the end of 2018, a total of 11638 recycling bins were available to customers in stores in Portugal, Poland and Colombia. 90% of our global store network was equipped with the system. Diverting these waste streams from landfill avoided around 50 t CO2e, estimated to represent less than 1% of our total scope 3 category 12 emissions. Food waste reduction awareness campaigns for clients – In 2018, a total over 1.4 million bi-monthly copies of customer-facing company magazines published articles on reduction of food waste. It is not possible to estimate the impact of this particular engagement action, both in terms of food waste and landfill CO2e emissions avoided.

---

**C12.3**

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

---

**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

---

**C12.3c**

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

The Consumer Goods Forum (CGF)

**Is your position on climate change consistent with theirs?**

Consistent
Please explain the trade association’s position

The Consumer Goods Forum (CGF) is a global platform bringing together the world's largest consumer goods manufacturers and retailers. Sustainability is one of the five strategic pillars of CGF and climate change features prominently on its agenda. CGF has pledged to reduce the level of global warming associated with the consumer goods industry, leveraging strategic partnerships and the combined reach of its membership on the key topics of deforestation, refrigeration and food waste. In 2018, CGF published an updated version of its Refrigeration Booklet, featuring examples of how CGF members are overcoming technical and geographical challenges to phase out HFCs, thus implementing the organization’s 2016 Refrigeration Resolution. Also in 2018, CGF (in collaboration with TRASE, Proforest and participating companies) launched the Soy Buyers Coalition, an inclusive project which aims to bridge the gap between soy buyers and on-the-ground producers, with a view to finding new ways to tackle deforestation linked to soy production, in line with the organization’s Net Zero Deforestation by 2020 Resolution.

How have you influenced, or are you attempting to influence their position?

Jerónimo Martins is a member of The Consumer Goods Forum and is involved in the organization’s work on climate change, deforestation, refrigeration gases and waste. Mr. Pedro Soares dos Santos (CEO of Jerónimo Martins) is a member of the Consumer Goods Forum Board and the company is therefore committed to its resolutions related to climate change, namely on achieving zero net deforestation by sustainability sourcing key commodities and shifting to natural refrigerants. Jeronimo Martins is also one of the 25 CGF members with a seat in the organization’s Environmental Sustainability Steering Committee, the structure that identifies priority issues and recommends actions to CGF’s Board. In 2018, a Jerónimo Martins’ case study was included in CGF’s Climate Change booklet, and the company’s cases studies in the Refrigeration and Food Waste booklets were updated. Jerónimo Martins was the main sponsor of CGF’s Sustainable Retail Summit 2018, held in Lisbon, in October.

Trade association

EuroCommerce - The Retail, Wholesale and International Trade Representation to the EU

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association’s position

EuroCommerce’s mission includes the integration of sustainable development in the daily activities of its members and helping them adapt to meet the new environmental and social challenges. Climate change is one the key sustainability issues the association addresses. Specific topics of special importance to the distribution sector are the use of deforestation risk commodities (e.g. palm oil and soy) and use of greenhouse gases in refrigeration equipment. EuroCommerce defends fair, competitive and sustainable retail and trade in Europe. It engages actively with EU policy making bodies in order to drive consensus and contribute to environmentally effective and economically efficient regulation.

How have you influenced, or are you attempting to influence their position?

Jerónimo Martins actively participates in EuroCommerce Environment working groups. The company provides market and technical inputs, drives discussion and participates in the preparation of documents stating the association position. Recent examples of engagement on climate issues include the company participation in EuroCommerce activities regarding the revision of the EU regulation on HFC gases, the revision of the framework Directive on Energy Efficiency Labelling and the stakeholder consultation on waste markets in the EU.

Trade association

ERRT – European Retail Round Table

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association’s position

ERRT brings together CEOs of Europe’s leading international retail companies. Member companies recognize that they are in a unique position to promote more sustainable consumption patterns through their daily contact with consumers and their partnerships with their suppliers. In recognition of their strategic role, and in response to the European Commission’s Action Plan on Sustainable Consumption and Production, European retailers decided to set up the Retailers Environmental Action Programme (REAP) in March 2009. Through REAP, retailers are leading the way in fostering industry collaboration to reduce the consumption of resources by innovating, investing in sustainability initiatives and working together to understand more about the complex challenges facing the sector.

How have you influenced, or are you attempting to influence their position?

Jerónimo Martins is represented in ERRT and has publicly committed to the Retailers Environmental Action Programme (REAP). The company disclosed its goals in the Matrix of Action Points (MAP) and is also actively engaged in REAP’s Retail Forum for Sustainability, sharing experiences and views on its own developments under this programme.

Trade association

APED - Portuguese Association of Distribution Companies
Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
APED is the Portuguese Association of Distribution Companies. Its structure integrates a permanent Environment Commission whose principles include, among others: priority to eco-efficient processes, products and services; promotion of a common sectorial commitment to environmental affairs; improvement of environmental performance; and active cooperation with stakeholders. APED engages with Portuguese national authorities on new regulations that might impact distribution business, with a view to drive balanced and effective solutions. It also partners with similar associations in other European countries to engage with EU authorities on issues of common interest. In 2018, APED published its Commitment to Circularity document, featuring best practice from the retail sector contributing to climate change mitigation: energy efficiency; renewable energy use; waste prevention; packaging eco-design and food waste avoidance.

How have you influenced, or are you attempting to influence their position?
Jerónimo Martins sits on the Board of APED and actively participates in the work of its Environment Commission. The company provides market and technical inputs, drives discussion and participates in the preparation of documents stating the association position. Examples of engagement on climate issues in 2018 include the company participation in APED’s activities - namely with regard to engagement with Portuguese national authorities - regarding the National Food Waste Strategy.

Trade association
POHiD - Polish Organization of Trade and Distribution

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
POHiD is the Polish Association of Trade and Distribution. Its main objective is to engage with public authorities and other organizations representing other economic sector and final consumers. POHiD structure includes an environment working group that deals with monitoring and reviewing draft environmental legislation with the final aim of promoting rational solutions for the protection of the environment from a business perspective. The association participates in EuroCommerce and actively engages in the Polish transposition and implementation of EU legislation.

How have you influenced, or are you attempting to influence their position?
Jerónimo Martins is an active member of POHiD’s environment working group. In 2018, the company participated in several public consultation processes of Polish proposed legislation on waste with an impact on national GHG emission levels, including new regulations on packaging waste and food waste.

Trade association
FENALCO - National Federation of Merchants of Colombia

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
FENALCO is the Colombian National Federation of Merchants. Its objective is to defend and represent the interests of affiliates as a recognized social group, as well as consolidate and optimize the relationship with the different government authorities to strengthen the Guild. FENALCO supports public policy climate change initiatives and actively participates in the development and revision of related regulation. Its aim is to build consensus, ensuring the interests of the retail sector without neglecting the government's point of view, in order to guarantee that all climate related initiatives are communicated and implemented in a clear and organized way, ensuring regulatory clarity and stability.

How have you influenced, or are you attempting to influence their position?
Jerónimo Martins is an active member in the environmental committees, forums and events organized by FENALCO. The company participates in the association's activities by sharing knowledge and best practices and by engaging in the discussion of new environmental regulation.
What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Jerónimo Martins Environment Functional Division coordinates, at corporate level, all activities related to the environmental aspects of the Group’s activities, including climate change. It has formal communication channels, develops joint projects, issues guidelines and collects information from the Environment Departments of the three geographies where the company operates (Portugal, Poland and Colombia).

It also works closely with another corporate level structure, the Corporate Communications and Responsibility Functional Division that is responsible, amongst other, for the strategic management of Jerónimo Martins brand and for strengthening the integration of environmental, social and ethical issues in the value chain. The senior manager responsible for the Corporate Communications and Responsibility Functional Division reports directly to the company’s CEO and is also a member of the Managing Committee.

Company representation at international/global trade associations (CGF, EuroCommerce and ERRT) is conducted at corporate level, by members of the Environmental and Communications and Corporate Responsibility Functional Divisions. The company’s CEO is a member of CGF’s Board of Directors. Company representation at national trade associations (APED, POHiD and FENALCO), is conducted at national level, by the Environment Departments of the Group’s distribution companies in each geography where it operates (Portugal, Poland and Colombia, respectively).

This model of internal organization, responsibilities attributions and coordination ensures the consistency of our policy engagement actions – namely those conducted through our participation in trade associations - with the company’s climate change strategy and its public position on the issue.
(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
JM_AnnualReport2018_EN.pdf

Page/Section reference
Jerónimo Martins Annual Report 2018. Chapter 5 – Corporate Responsibility in Value Creation; Section 5.3 – Climate Change (p. 218-222)

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Jerónimo Martins reports on climate change within the Corporate Responsibility chapter of its Annual Report.

Publication
In voluntary communications

Status
Complete

Attach the document
CDPClimate2019_JMAnswer_C12.4_Website_ClimateChange.pdf

Page/Section reference
Jerónimo Martins Corporate website > Responsibility > Climate Change

Content elements
Strategy
Emissions figures
Emission targets
Other metrics

Comment
The company also publishes detailed information on climate change strategy, targets and performance on a dedicated section of its corporate website.

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.

C14.1
(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

<table>
<thead>
<tr>
<th>Row</th>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Member of the Group’s Executive Management Committee, the most senior executive management body of the Company. Person is also Chief Communications &amp; Corporate Responsibility Officer.</td>
<td>Other C-Suite Officer</td>
</tr>
</tbody>
</table>

Submit your response

In which language are you submitting your response?
- English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td></td>
<td>Investors</td>
</tr>
</tbody>
</table>

Please confirm below
- I have read and accept the applicable Terms