

4. Promoting Good Health through Food

4.1. Introduction

The strategic focus on promoting a healthy diet arises right from the Group's core business.

The commitment to Promoting Good Health through Food is achieved through two common lines of action in the countries where we operate: i. promoting food quality and variety in the offer of Private Brands and Perishables; and ii. promoting food safety.

4.2. Quality and Diversity

In order to achieve high Quality and Food Safety standards of the products we sell, the guidelines in place in Portugal, Poland and Colombia follow three fundamental policies:

- Quality and Food Safety Policy – guarantees a system for continuous improvement in the processes for developing and monitoring Private Brand products and Perishables;
- Nutritional Policy – aligned with the World Health Organization's recommendations, it defines six pillars in the development of Private Brands: nutritional profile, ingredients, labelling, portion sizes, continuous improvement and communication;
- Policy on Genetically Modified Organisms – based on the principle that the Private Brand products do not contain ingredients or additives of transgenic origin and that, should that not be the case, the consumers will be informed on the respective label.

In addition, the Guidelines for Developing Private Brand Products reinforce the principles listed in the Nutritional Policy, defining the following:

- restrictions as to the use of colouring, preservatives and other superfluous, synthetic additives;
- maximum accepted quantities of some ingredients in the products, such as salt, sugar or fat;
- nutritional reformulation strategies;
- packaging material appropriate for contact with foodstuffs;
- principles of nutritional labelling, including information on health, nutrition and the promotion of healthy lifestyles;
- product monitoring plans, namely sensorial tests, audits and laboratory controls.

4.2.1. Launches

In Poland, products were launched that have potential health benefits as well as others that are aimed at people with specific dietary requirements, including the following:

- Three "Aktiplus" natural yoghurt references, with the BB-12[®] bacteria;

- Seven references of natural fruit and/or vegetable juices from the Vital Fresh range, which are sources of vitamins, fibre and potassium;
- "ProSerce" spread with olives and plant sterols that help reduce blood cholesterol;
- Two references of "Polaris" water enriched with magnesium and with seven added vitamins;
- "Herbarium", cistus tea. This plant originates from the Mediterranean and is rich in polyphenols that may act as antioxidants and also strengthen the immune system;
- Five references of the "Vitalss" food supplements, with vitamins and minerals that support different body functions.

Gluten-free and Lactose-free Products

In 2014, the Group established a partnership with Polskie Stowarzyszenie Osób z Celiakią i na Diecie Bezglutenowej (Polish Association of Celiac Disease Sufferers and a Gluten-Free Diet) with a purpose to develop products for gluten intolerant consumers. In this context, monitoring the production process, thereby ensuring that there is no cross-contamination, product control and checking the final product are established.

In 2015, 13 gluten-free references were launched, among which of particular note are the "Arroza" natural rice biscuits, the "Pastani" pastas and turkey ham from the Kraina Wedlin range.

The investment in lactose-free products was also reinforced with two quark-style yoghurt references from the Delikate Bez Laktozy range.

Kcalculation

Biedronka launched the Kcalculation range, following the recommendations of the World Health Organization in its development.

In partnership with the Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition), low-calorie products were developed, with the objective of bringing the food portions in line with physical needs. In the case of the snacks, the number of calories is limited to 50 or 100, whilst the ready meals have a limit of 350 calories.

Out of a total of 23 references launched, some examples include two "Vitanella" dried apple products whose innovative production process avoids deterioration of the nutrients and the use of preservatives.

The "Vital Fresh" soups were also launched, to which have been added olive oil and that contain no colouring or preservatives, as well as the "Bonitki" biscuits which contain vitamins E and B1 (thiamin), and the minerals magnesium and iron.

In Poland, references aimed especially at children were launched, which have a nutritional composition providing access to vitamins and ingredients that are essential for growth and bone development.

Examples of this are three "Miami" cheese references, which are sources of calcium and vitamin D and are free from colouring and have only natural flavouring.

In Portugal, the Pura Vida range is aimed at people with specific dietary requirements or preferences, having gluten-free products or those without any added sugar. In 2015, 14 new references reached the market, among which the "Cookies de Amendoim" (Peanut Cookies) made of

wholemeal cereals, without added sugar, containing fibre and high-oleic sunflower oil. As is the case of olive oil, sunflower oil contains mono-saturated fatty acids, which make it healthier and beneficial for good cardiovascular function.

Other Pura Vida launches include the "AntiOx" natural juices with fruit produced in Portugal and with vitamin E, which helps to protect body cells against oxidation. Wholemeal lemon and cinnamon biscuits, rich in fibre, chicken meals with *fusilli* and vegetables and hake with wild rice were also launched onto the market.

Also in 2015 the "0% Lactose" tag in the Pura Vida range was extended throughout the year with seven references, including yoghurts, ice creams and also creamed spinach. Regarding the latter, besides containing 44% spinach, which makes it a source of fibre, it is also gluten-free.

Interactive platform for sensorial tests

In 2014, Biedronka launched an innovative project in the Polish market for testing products, involving customer interaction.

The project "Testujemy" (Academy of Flavour) aims to promote closer relations with consumers through a website that was created for that purpose, which enables comments to be shared on the products they try whilst understanding their tastes and preferences.

There were over 125 thousand users registered at the end of 2015, an increase of 56% compared to the previous year. The product samples that are being tested are sent to the consumers for them to vote on their favourite characteristics.

Later, satisfaction results are published on the website and the product with the most votes becomes part of Biedronka's offer.

In 2015, 33 products chosen by Biedronka customers reached the market. They can be distinguished by the symbol "Zwyciezca Testujemy.pl" (Academy of Flavour Winner).

The Private Brand food references launched include the "Vital Fresh" lactose-free cheese salad with herbs and the "Green Hills" pineapple and pear infusion.

This website had around 4.5 million views in 2015.

Other low-processed products or those that are beneficial for the health were also launched, such as:

- "Gelado de Iogurte Natural Pingo Doce" (Frozen Natural Yoghurt), unique in the private brands market in Portugal;
- "Iogurte Grego de Morango Pingo Doce" (Strawberry Greek Yoghurt) with 14% fruit, free from colouring, preservatives and gluten;
- "Bolacha Maria Pingo Doce" (Maria Biscuit) dessert, a gluten-free source of calcium;
- "Mix Frutos Silvestres Pingo Doce" (Mixed Fruits of the Forest) with six varieties of fruit with antioxidant properties is free from colouring and preservatives and a source of vitamin C;
- Various yoghurt references, such as the "Magro Limão Pingo Doce" (Low-Fat Lemon) fat-free liquid yoghurt without added sugar and the "Bifidus" yoghurt with mango pulp.

For further information on the products launched in 2015, see the "Responsibility" area at www.jeronimomartins.pt

4.2.2. Reformulations

The reformulations strategy focuses on products that might have a positive nutritional impact on public health, such as fast-moving consumer goods and those preferred by children.

In 2015, the following were prevented from entering the market²:

- 298 tonnes of sugar;
- 74 tonnes of salt;
- 54 tonnes of fat.

In Poland, 45 food products were reformulated, additives of synthetic origin, flavour intensifiers and preservatives having been removed and the levels of salt, sugar and fat reduced.

In total, 11 tonnes of fat, 274 tonnes of sugar and around 70 tonnes of salt were prevented from entering the Polish market.

For example, in three of the Vitarella juice references, the level of sugar was reduced by between 6% and 10%, avoiding around three tonnes of sugar from being placed on the market. The traditional cheese salad from the Tolonis range was reformulated, decreasing the level of salt by 10%, which prevented the consumption of over nine tonnes of salt.

The composition of various product references was reformulated as to the ingredients used, having removed preservatives, flavour intensifiers or superfluous additives. The preservative sodium glutamate was removed from the entire range of Pyszny Obiadek ready meals.

In Portugal, 48 products were nutritionally reformulated, having prevented over 24 tonnes of sugar, around 43 tonnes of fat (including saturated fat) and around 4 tonnes of salt from entering the market.

² The number of tonnes of sugar, fat and salt removed is obtained using the following calculation method: the quantity of these ingredients present in the formula of the references covered, multiplied by the number of units sold in the year.

Two "Petit Líquido" liquid yoghurt references aimed at children had their fat content reduced by over 55%, thereby preventing over two tonnes from being placed on the market. Vitamin D, essential for bone formation, was also added to these yoghurts.

In the case of the Morango (Strawberry) reference, the level of fat is less than 14% and the level of fruit is more than 80% compared to the benchmark. The Morango-Banana (Strawberry-Banana) reference also has less than 10% fat and over 15% fruit.

The "Puré de Batata Congelada" (Frozen Mashed Potato) Pingo Doce and Amanhecer had their levels of saturated fat reduced by around 54%. The "Batatas Congeladas Noisette" (Frozen Noisette Potatoes) also had milk removed from their composition allowing the consumption from lactose intolerants, and palm oil was replaced with sunflower oil, which enabled the fat content to be reduced by around 27%. We estimate that the reformulation of the three references has prevented 24 tonnes of fat from entering the market.

Palm Oil

In conjunction with its partners from the Consumer Goods Forum, the Group has taken on the commitment to reach "Zero Deforestation" by 2020, and so it has been reformulating its products, with a concern for removing palm oil from the composition of its food products, removing it or replacing it with other oils with a healthier nutritional profile. In 2015, eight references from the Group's Private Brand assortment were reformulated to remove palm oil from their composition.

To find out more about the Group's position and its actions regarding the origin of palm oil in Private Brand products, see sub-chapter 6. "Sourcing Responsibly".

4.2.3. Promoting Healthier Choices

The Packaging Manuals are for disclosing the characteristics and benefits of the Private Brand products, in compliance with the technical and legal requirements. One of the examples is the commitment to clearly and concisely inform consumers on the nutritional composition of the products, providing full nutritional tables with the values per 100 grams and per portion.

In addition, Pingo Doce adopts the principles of the Mediterranean Diet as a differentiating feature for developing its Private Brand products and the meals from the Meal Solutions business unit.

The "Sabe Bem" (Tastes Good) bi-monthly magazine for Pingo Doce customers, with an average print-run of 160 thousand copies, remained one of the means of communication where recipes and articles on this type of diet are provided.

The new in-store leaflets for publicising the Pingo Doce brand launches communicated the Group's Nutritional Policy, the brand's values and the existing offer. Although the Pura Vida products are mentioned in all of them, a specific "0% Lactose Pura Vida" leaflet was created to provide information on new products for those with this milk sugar intolerance. These leaflets had an average print-run of more than 350 thousand copies.

At www.pingdoce.pt, Pingo Doce provides a list of products without milk and without gluten in their composition, thereby helping people with intolerance to those

ingredients in their choice of products. The list is updated on a monthly basis by Pingo Doce's Nutrition team, in accordance with the results from the analytical control of the Private Brand products.

Within the scope of the partnership between Biedronka and Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition), the 2nd edition of the "Czytaj Etykiety" (Read the Labels) campaign was carried out. This campaign aims to make Polish consumers aware of the importance of reading and understanding the food labels, through in-store communications, on the banner's website and also in the "Kropka TV" magazine, which has an average weekly distribution of 250 thousand copies. In 50 selected stores nutritionists gave consultations to provide advice.

The campaign "5 Garści dla Zdrowia" (Fruit and Vegetables, 5-a-Day) that took place in 2015 in conjunction with that institution aimed to raise awareness on the need to eat fruit and vegetables every day. Available for consultation at www.5garscizdrowia.biedronka.pl, this platform has over 18 thousand users, who thereby have access to healthy recipes.

In the joint work with that institution, around 50 informative articles were also created on more responsible nutritional habits and these were disclosed in external means of communication and in internal publications.

Workshops were also carried out for employees on well-balanced fat consumption, the need to adopt healthy eating habits, nutrition indicated for school-aged children and reinforcing the immune system through food.

4.2.4. Partnerships and Support

Within the scope of promoting good health through food, the Group maintains dialogue with institutions specialised in food, nutrition and health.

Pingo Doce sponsored the 1st Edition of the Food and Nutrition Observatory, resulting in a survey on food consumption habits in Portuguese society.

From the results, which were disclosed in 2015, it was possible to confirm that the strategy for launching and reformulating Pingo Doce Private Brand products is still up-to-date with regard to: i. the nutritional profile regarding fat, salt and sugar; ii. the availability of products that support specific food regimens and also; iii. healthier cooking suggestions, serving dishes with vegetables.

Within the scope of the cooperation protocol entered into with the Portuguese Directorate-General for Health for sharing healthy recipes, Pingo Doce participated in the "Programa Nacional para a Promoção da Alimentação Saudável" (Portuguese Programme for Promoting Healthy Food), which can be seen on the website www.alimentacaosaudavel.dgs.pt/receitas.

In Poland and Colombia, other partnerships with various institutions continued in 2015, such as:

- Partnerstwo dla Zdrowia (Partnership for Health), with the "Milk Start" and "Snidanje Daje Moc" (Breakfast Gives You Power) projects in Poland;
- Instytut Matki i Dziecka (Institute of Mother and Child), to support formulas and tests on products for children and mothers;

- Polskie Stowarzyszenie Osób z Celiakią i na Diecie Bezglutenowej (Polish Association of Celiac Disease Sufferers and a Gluten-Free Diet), to support the development of Biedronka's Private Brands gluten-free products;
- Instituto Colombiano de Bienestar Familiar (Colombian Institute of Family Well-Being), within the scope of the governmental programme "Madres Comunitarias" (Community Mothers).

4.3. Quality and Food Safety

We continually invest in the certification and monitoring of our processes, facilities and equipment in order to ensure safe and high quality products. To do so, we rely on external auditors and our Quality and Food Safety technicians to implement the adequate procedures and to assess performance indicators.

In 2015, all the processes with an impact on the stores were reviewed, aiming at their efficiency and simplification by developing IT systems or remote connection systems enabling data to be collected and handled more quickly.

Taking into account the risk analyses performed in the various countries, control processes were also updated, endeavouring to respond to changes in the product assortment.

4.3.1. Certifications

The following certifications were also renewed/maintained:

- ISO 22000:2005 certification, regarding Biedronka's warehousing, distribution and product development process;
- ISO 9001:2008 certification for the Development of Private Brands in Portugal and Post-Launch Product/Supplier Follow-Up;
HACCP certification in accordance with the *Codex Alimentarius* of Pingo Doce's central kitchens in Gaia, Aveiro and Odivelas;
HACCP certification in accordance with the *Codex Alimentarius* of the Recheio Cash & Carry stores (including the store in Madeira);
- HACCP certification in accordance with the *Codex Alimentarius* of a franchised Recheio store in the Azores;
- HACCP certification in accordance with the *Codex Alimentarius* of the Caterplus Food Service platforms (except the Lisbon platform);
- HACCP certification based on the *Codex Alimentarius* of the Azambuja, Modivas, Guardeias and, as of 2015, the Algoz Distribution Centres.

4.3.2. Audits

To guarantee the high levels of Quality and Food Safety of the products sold by the Group, the processes, facilities and equipment are subject to control audits.

Distribution Poland

Internal audits were performed on the stores, and the Distribution Centres have been subject to internal and external audits in order to verify the adequacy of the facilities, equipment and procedures.

Stores and Distribution Centres	Biedronka			Distribution Centres		
	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014
Internal Audits	4,814	3,767	+28%	30	30	-
Follow-up Audits	83	58	+43%	-	-	-
External Audits	-	-	-	32	31	+3%
HACCP Performance*	80%	76%	+4 p.p.	95%**	93%**	+2 p.p.

* At Biedronka, HACCP implementation is evaluated based on specific requirements, which in turn are based on the *Codex Alimentarius*.

** In the Distribution Centres, the compliance rate refers to the ISO 22000 - Food Safety Management System certification, which is based on the HACCP principles of the *Codex Alimentarius*.

For the first time, following the introduction of the cutting service and the packaging of meat in 25 stores, analyses were performed on work surfaces, equipment and on handlers, aiming to control microbiological risks. There were a total of 625 analyses.

Distribution Portugal

Audits were carried out at Pingo Doce, Recheio and Distribution Centres:

Stores and Distribution Centres	Pingo Doce			Recheio			Distribution Centres		
	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014
Internal Audits	1,176	1,139	+3%	106	89	+19%	16	15	+7%
External Audits	19	45	-58%	36	37	-3%	3	2	+50%
Follow-up Audits	842	870	-3%	102	158	-35%	15	17	-12%
HACCP Performance*	86%	86%	-	81%	78%	+3 p.p.	85%	75%	+10 p.p.

* At Pingo Doce, as at Recheio, the implementation of HACCP is evaluated on specific requirements, based on the *Codex Alimentarius* and appropriate for each of the realities in which the Companies operate.

Pingo Doce, Recheio and the respective Distribution Centres also performed 102,258 analyses, including those on work surfaces, handlers of Perishables and on products handled in stores, the water and the air, in order to reduce microbiological risks. This value represents an increase of 6.6% compared to the previous year, as Pingo Doce opened more stores.

No. Analyses/Samples collected	2015	2014	Δ2015/2014
Surfaces	48.680	47,272	+3%
Handlers	22.387	20,586	+9%
Products Handled	28.559	25,761	+11%
Water/Air	2.632	2,311	+14%

Distribution Colombia

In Colombia, internal audits were carried out in the Ara stores and in the Distribution Centres.

Stores and Distribution Centres	Ara			Distribution Centres		
	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014
Internal Audits	100	52	+92%	2	-	100%
HACCP Performance	85%	86%	-1 p.p.	76%	-	-

A total of 930 samples on work surfaces, handlers of perishables, products handled in the stores and on water were also collected. That is an increase of over 133% when compared to the previous year.

4.3.3. Analyses

As far as Food Safety is concerned, apart from the audits mentioned in the previous point, the Group carries out laboratory analyses on the Perishables and Private Brand products that are sold by its banners.

Distribution Poland

Number of Analyses/Samples collected	2015	2014	Δ2015/2014
Private Brand - Food	7,724	5,158	+50%
Private Brand - Non-Food	1,295	839	+54%
Fruit and Vegetables	755	669	+13%
Meat	1,233	870	+42%
Bakery	43	15	+187%

Distribution Portugal

Number of Analyses/Samples collected	2015	2014	Δ2015/2014
Private Brand - Food	11,968*	11,281*	+6%
Private Brand - Non-Food	3,051	2,822	+8%
Fruit and Vegetables	2,228	2,319	-4%
Meat	1,326	2,334	-43%
Fish	1,281	1,720	-26%
Bakery	599	483	+24%
<i>Meal Solutions</i>	591	721	-18%

* Including routine analyses on the presence of gluten, GMOs, lactose and on the identification of species.

The increase in the number of analyses carried out on Bakery products is due, among other things, to having introduced new references onto the market and having started

the process for nutritional profiling. The revision of the annual analytical control plans led to a decrease of the number of analysis carried out in some categories.

Distribution Colombia

In Colombia, 392 laboratory analyses were performed on products sold, which represents an increase of 3% compared to 2014.

Number of Analyses/Samples collected	2015	2014	Δ2015/2014
Private Brand - Food	251	278	-10%
Private Brand - Non-Food	99	74	+34%
Fruit and Vegetables	34	5	+580%
Meat	8	21	-62%
Bakery	0	3	-100%

The growth in analysis/samples collected in Fruit and Vegetables was due to increased focus on the presence of heavy metals and pesticides. In the case of meat (chicken), the decrease was due to the fact that there was no study developed about the presence of certain bacteria, which had already been carried out in 2014.

4.3.4. Training

In Poland, training in Food Hygiene and Safety was given to 16,121 employees totalling 43,166 hours of training. These values represent an increase of 41.5% and of 14.5%, respectively, when compared to 2014.

Also in Portugal, 9,607 employees received 42,970 hours of training, a value that represents an increase of around 44% compared with 2014.

In Colombia, training was given to 585 employees, in a total of 2,340 hours.