



**Annual
report
2018**

**Non-financial
information
statement**



**GRUPO
EROSKI**



HUMANITY
AT WORK

MONDRAGON

**Annual
report
2018**

Non-financial
information
statement



GRUPO
EROSKI

1 2 3 4 5 6 7 8





We present this annual report to society and our stakeholders as part of a regular and fundamental exercise in transparency. For the third year in a row, we are publishing this report in accordance with the new Global Reporting Initiative (GRI) standards to continue to improve the communication of our impacts and improvement actions in three areas where we measure our level of sustainability: the economic, social and environmental areas.

With the 2018 financial year, we're at the midpoint of our current strategic plan based on differentiation, with health and sustainability as the main pillars. The good results of the "with you" business model has strengthened our leadership in the North, where we have concentrated the transformation of our network thus far. This has included the opening of stores under our own-brand and franchises that bolster our position. Consequently, our operating results have continued to improve significantly and confirm good business health and firm stability over recent years. Our roadmap is supported by the benefits arising from recent transformations in our value chain, from logistics processes and our relationship with suppliers to our stores and relationship with Client Partners via EROSKI Club. We must continue developing this roadmap to become a better business, capable of responding to the needs of constantly evolving consumers. Therefore, we are now focused on accelerating renovations in our remaining markets, and we're making significant progress in the Balearic Islands, as well as Catalonia, to boost our competitiveness in these regions.

We have taken an important step with our best customers by launching the Gold Programme, which offers stable discounts on all their purchases and which has yielded noteworthy results. This initiative was developed by the Client Partners Club and has allowed us more opportunities to meet them and offer a more intense, participatory and personalized relationship that we will continue to strengthen.

We continue to make progress in our digital transformation and in 2018, for the second year in a row, we were recognized as the best online supermarket, which confirms the excellent evaluation we receive from our customers. Likewise, we closed the year as leaders of the online order delivery service, with 50 pick-up locations, by car or at the store.

At EROSKI, we believe that the store, be it physical or online, is the ideal place to promote a good, healthier and more environmentally friendly diet. That's why in 2018 we published 10 new commitments to health and sustainability that set the path for us. We have launched more than 20 lines of work to meet these commitments. Implementing advanced Nutri-Score nutritional labelling on our own-brand products – which makes us pioneers in Spain – is a clear example. Moreover, we relaunched our EROSKI Natur brand, which includes produce with a differential flavour

from a guaranteed responsible source. Certification in animal welfare and chain of custody of sustainable fish, using antibiotics responsibly and eliminating post-harvest treatments are just some of the criteria the foods sold under this brand meet.

We are also committed to the consumption of local foods, promoting an agri-food sector that bases its sustainability on the fact that its productive fabric is a key element for the local economy and culture, and the environment. It is our nature as a cooperative that lead us to commit to this diversity and to creating collaborative environments to work with a large number of suppliers. In this way, our business offer is more and more specialized and focuses on making a healthier and more sustainable diet possible.

Our commitment to the environment also translates into continuous improvement of our processes and stores. Containers and packaging with an ecodesign to prevent plastic pollution, the efficient management of logistics and the building and renovation of stores according to environmental criteria and using eco-efficient equipment clearly demonstrate that this line of work also represents one of our strategic development pillars.

In line with environmental sustainability and our social commitment, we have maintained the objective of Zero Waste of food suitable for human consumption in our business network. In 2018, we donated 4,928 tons of products to those who need it most through more than 100 social organizations throughout the country, under guaranteed conditions of food security, gratuity and solidarity.

We also collaborated with the country's main charity causes and organizations and dozens of entities of various types working for different social causes. Many of these actions are channelled through the EROSKI Foundation, which manages the 10% of our annual profits that we dedicate to social and charity projects.

Another of the Foundation's main axes of work also deserves special mention: consumer information and education. We have been involved in consumer education for 40 years through our news project EROSKI CONSUMER, a consumer magazine published in Spanish which receives approximately 50 million visits online per year. In addition to this project, we must mention the EROSKI Foundation Nutrition School, with its Healthy Eating and Habits Education Programme aimed at schools and which has educated more than 1 million boys and girls since 2013. It is aimed at helping the citizens of tomorrow improve their nutrition habits and, like the aforementioned actions, is part of our commitment to health and sustainability.

Those of us who make up EROSKI are working together to strengthen our cooperative project and ensure our place in the future. This internal collective strength that has granted us almost 50 years of business is undoubtedly es-

sential to our future and ability to respond to what society expects from us and deserves. We are moving forward in the right direction.

I encourage you to read this annual report to learn more about our performance in 2018 and the actions we have taken as a result of the commitment to sustainable development we endorsed in 2002 by signing the Global Compact and which we renew every year. This is how we are working to meet the 17 UN Sustainable Development Goals that came into force on January 1, 2016. We hope you find it interesting and inspiring.

Thank you.

A handwritten signature in black ink, appearing to read 'Agustín Markaide'.

Agustín Markaide.
Chair of EROSKI Group

Highlights



 **€5.393**
billion in turnover


 **5,000**
tons of food donated, or 9,747 meals

 **30,048**
employees at the EROSKI Group

 **3,000**
gluten-free products in our stores, of which...

 **€4.698**
billion in net sales from distribution

 **+43,000**
tons of waste recycled or recovered following the principles of a circular economy

 **413,499**
enquiries responded to by our Customer Service Department, which was **awarded for the seventh year in a row**

 **541**
are EROSKI brand gluten-free product

 **1,652**
establishments

 **4,200**
business suppliers

 **13,000**
Client Partners participated with their ideas to improve our business offer and stores

 **19,509**
supplier product analyses and store, platform and production plant audits

 **58**
new openings

 **2,493**
small local producers

 **+3,300**
employees in franchises, approximately

 **869,411**
school children educated through our Healthy Eating and Habits Education Programme

 **+6**
million Client Partners

 **21,352**
local product references

 **71%**
of management roles are held by women

 **Pioneers**
in adopting **Nutri-Score** labelling, with advanced nutritional information help consumers eat healthier



1



EROSKI

A unique business model

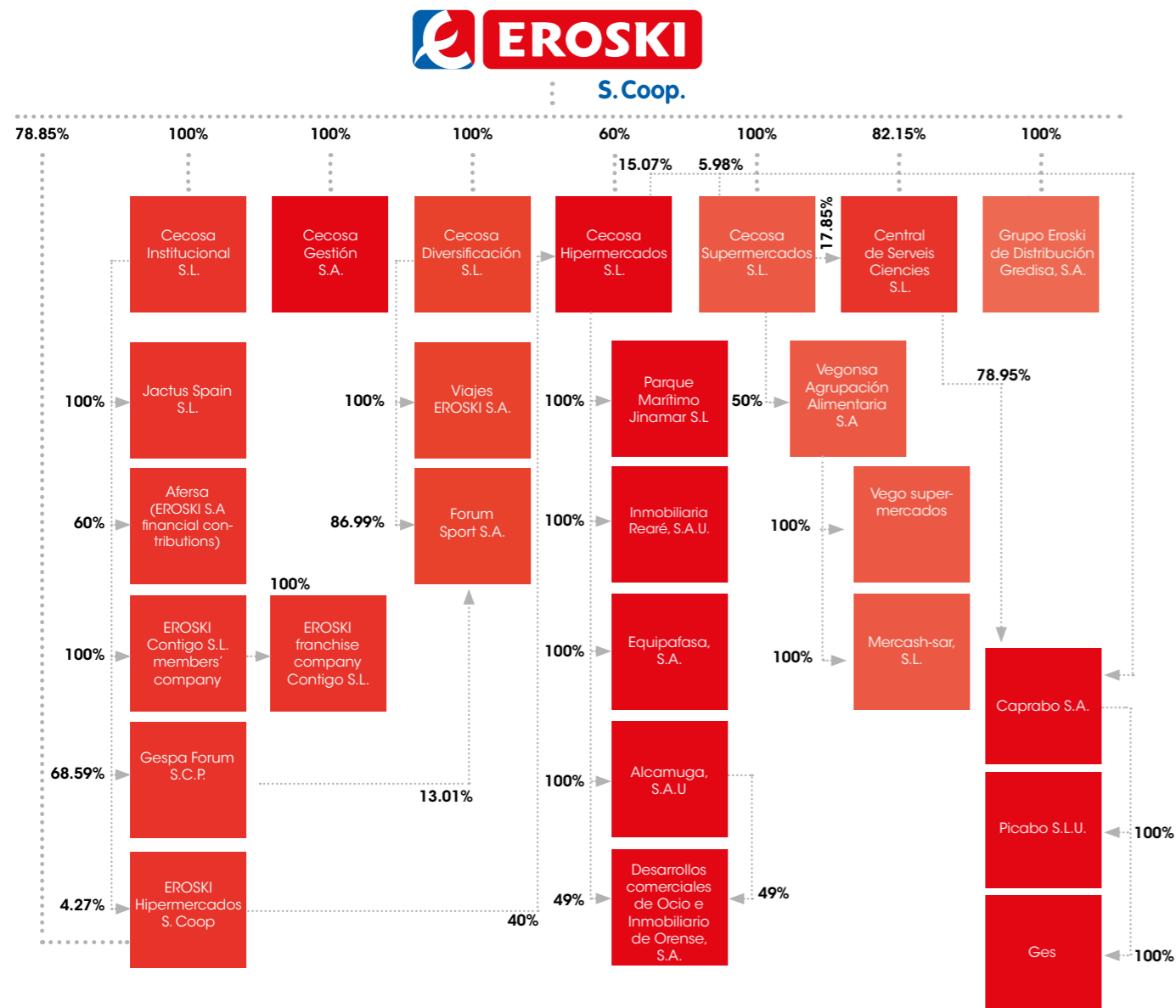
102-1; 102-2; 102-5; 102-7

EROSKI is the leading retail distribution cooperative for mass-consumption goods and services in Spain and is a benchmark in the regions of Galicia, the Basque Country, Navarre, Catalonia and the Balearic Islands. The group's parent company is the consumer cooperative EROSKI S. Coop., which meets three conditions at once: it is a distribution company, a consumer organization and a cooperative project in which consumers and employees share the spotlight and autonomy.

way, we can ensure that the entity's specific strategy and the demands of employees and consumers in general are linked and coordinated. Our business network is currently developed and managed through the cooperative and the other 26 subsidiary companies that make up the EROSKI Group and which appear in the financial statements. A list of these companies, as well as how each one stands as regards the aspects presented in this document, can be found in the section on transparency of this report.

This unique business model allows both management professionals and our main stakeholders – the clientele – to participate directly in governing the cooperative. In this

Organizational chart of the 27 EROSKI Group companies and their stake in EROSKI S. Coop.:



102-2; 102-6

Due to our search for greater quality and excellence in the products and services we offer, the EROSKI group includes various entities specialized in different business lines and specific geographical areas:



CAPRABO is the leading supermarket company in Catalonia. Founded in 1959, it is the oldest supermarket company in Spain and has a network covering strategic areas of Catalonia and Andorra. CAPRABO has formed part of the EROSKI Group since 2007.

VEGALSA-EROSKI, a 50-50 joint venture between the González Prieto family and EROSKI, has formed part of the EROSKI Group since 1998 and is a leader in commercial distribution in Galicia. It also operates now in the neighbouring regions of Asturias and Castile and León, where it has strong foothold.



EROSKI has its own travel agency, Viajes EROSKI, which, in addition to its activity in the holiday sector, also holds a noteworthy position in business trips and conference organization through its brands Travel Air and Travel Air Events.



FORUM SPORT is the EROSKI Group's sports brand. With 25 years of experience in the specialized sale of sport equipment and a presence in 10 regions, the chain has kept up a positive growth rate.



Mission, vision and values 102-16

Our mission

EROSKI emerged from the consumer cooperativism of the 60's, when seven small cooperatives joined together in a bid to achieve quality products at an affordable price and defend consumer rights. Since then, our business strategy has remained aligned with this goal as we have integrated the needs and demands of our consumers.

Our mission is to offer society goods and services that improve the quality of life, health and wellbeing of consumers under the best conditions of quality, information and price, with a commitment to promoting the practice of sustainable consumption.

Our vision

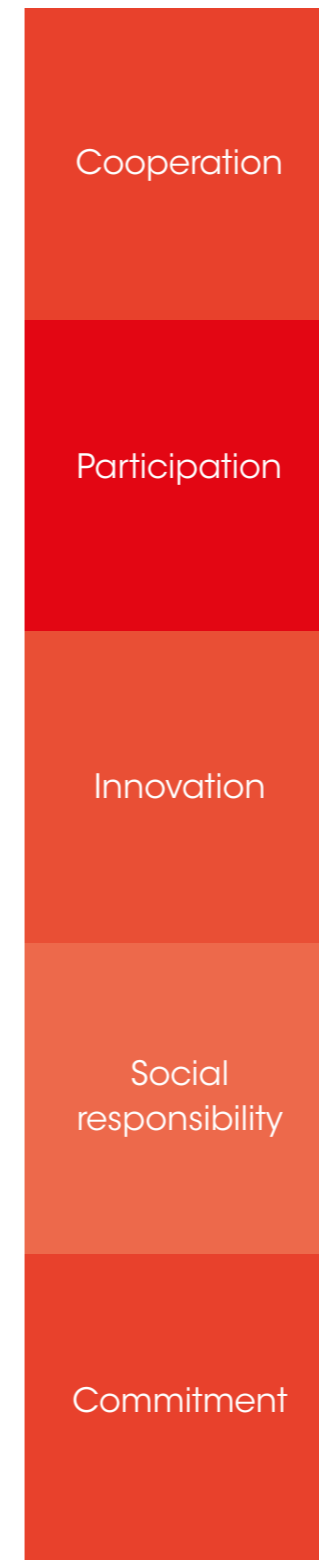
At EROSKI, we also place our employees at the heart of our activity, since we aim to generate sustainable and quality employment. Moreover, we work to earn profits that allow us to generate greater wealth and charitably

distribute it. We are strongly committed to health, wellbeing and the sustainable development of society. With our vision we aim to:

-  Offer our clientele satisfactory solutions through permanent innovation
-  Reach leadership positions in the Spanish market
-  Remain committed to protecting consumers
-  Create a business project and model that includes people
-  Earn profits that enable wealth-generating growth
-  Promote an environmentally friendly type of management and attitude
-  Promote the personal and professional development of our workforce
-  Promote the economy of the setting where we operate by working with local suppliers
-  Contribute to improving the community where we operate

Our values

At EROSKI, we have five values that define our business project and the way we relate to people and the environment where we operate:



Employees are key players at EROSKI, not just in the cooperative they are also owners of, but all the companies through their commitment to the organization.

We include consumer opinion in our strategy through their participation in the cooperative and by actively listening to our clients.

We believe that permanently renovating all areas of operation is necessary to grow as a business and adapt to the expectations that our activity generates in society and consumers.

We contribute to the welfare of the communities where we operate, collaborating in social, cultural and economic development through the charitable distribution of wealth.

We advocate for consumer health and safety on a daily basis by offering healthy, wholesome and safe products, as well as transparent, useful and complete information. At the same time, we work to reduce the negative environmental impacts resulting from our operations.



Our vision drives us to integrate the needs and demands of consumers into our business strategy to make our stores their favourite place to shop.

Governance

102-18; 102-19; 102-20; 102-22; 102-23; 102-24; 102-26; 102-27; 102-28; 102-29; 102-30; 102-31; 102-33; 205-2

EROSKI Group management model

As regards corporate governance, the companies in the Group follow the guidelines of the parent company, EROSKI S. Coop.

The only company that has a different management model for some matters – and even then, they are very similar and agreed upon by the Group – is VEGALSA, as EROSKI only has a 50% stake in it.

The corporate governance of our parent company, EROSKI S. Coop. is unique because it is a consumer cooperative. Therefore, both consumers and employees participate in the organization's management and decision making. Thus, EROSKI is structured into two communities: on the one hand, 1,170,803 Consumer Partners (which represents a 4.72% increase as compared to last year, with 52,797 new consumer partners), or individuals with a special awareness of their consumer habits and who decide to get involved in the cooperative; and, on the other hand, 9,796 Employee Partners (8,974 at EROSKI S. Coop., 413 of whom joined in 2018), that provide both capital and work as part of their commitment to the organization.

To manage both groups, we have created the corresponding articles of association and regulations, which govern the organization of each group through its own structure.

The EROSKI S. Coop Governing Council is responsible for its corporate governance, management and representa-

tion. It is made up of 12 members elected by the General Assembly to serve a period of four years, with the possibility of re-election. Half come from the group of consumers and the other half from the employee group.

The Articles of Association establish the disqualifications of the members of the Governing Council and Management. In turn, the Appointments and Remuneration Committee ensures they meet the established suitability criteria, taking care to avoid conflicts of interest and take issues of gender diversity into consideration.

The most senior director joined in 2009 and, following internal regulations, in 2018, half of the directors were renewed. Although none of the current members of the Governing Council has executive responsibilities, their duties include appointing the chairperson and general directors of the cooperative, establishing the Internal Regime Regulations and approving investments.

The Governing Council chairs the General Assembly, which is the highest body of expression of the company's intent. It is composed jointly by 250 Consumer Partner representatives and 250 Employee Partner representatives. The election of its members is ratified in the corresponding Preliminary Consumer and Employee Meetings and their term lasts four years. General Management and the Chairperson of the Social Council also attend with the right to speak, but not to vote. Their functions include approving accounts, presenting and distributing profits, establishing the general policies of the cooperative and modifying the Articles of Association, when appropriate.

An ordinary meeting is convened on an annual basis. In 2018, half of its members were also renewed.

The Governing Council delegates certain faculties to the Board of Directors – with which it meets monthly to discuss the organization's different economic, environmental and social issues of the – and others to the committees created by it to approve the regulations established regarding its composition and operating rules. Thus, the Governing Council consists of the Audit and Compliance Committee, the Appointments and Remuneration Committee, and the Executive Committee.

Moreover, the cooperative has the Appeals Committee, composed of five members elected by the General Assembly, half of which were renewed in 2018 according to our internal regulations, which processes and resolves appeals presented by partners against decisions made by the Governing Council and the provisions of the Articles of Association. We also have a Supervisory Committee that serves as a control body. It consists of three members elected by the General Assembly and is dedicated to supervising and monitoring election processes, as well as to other functions set forth in Article 71. This Committee is a guest attendee of the Audit and Compliance Committee, which is responsible for auditing and corporate governance functions.

The Governing Council is proactive about remaining up-to-date on the organization's most relevant concerns by monitoring the progress of the different businesses, the organization and the market, as well as through the participation of different company managers in Governing Council meetings. This activity is supplemented by periodic reports and the preliminary information procedures corresponding to each committee or commission on their specialized subjects, which are the object of analysis and specific proposals.

Lastly, the Governing Council has two advisory bodies: the Social Council, made up of 16 employee partners and focused on social and labour matters, and the Consumer Council, formed by representatives of Local Consumer Committees and which deals with consumer matters.

We have a training and content update programme for members of the Governing Council that aims to deepen their knowledge of economic, environmental and social issues. In January 2019, we carried out two training actions: one aimed exclusively at new executives and focused on knowledge of the business, and another aimed at all the executives and focused on economic, retributive, internal audit and corporate governance matters.

And, for the third year in a row, we also made progress in annual performance self-evaluations of the Governing Council and its Committees, as well as certain positions. This self-evaluation system consists of individual questionnaires with qualitative questions that make it possible to gather complete information and specific improvement proposals. The Appointments and Remuneration Committee analyzed the results of the self-assessment questionnaires and presented new action plans, which the Governing Council approved and have been implemented in order to improve the performance of the board and the committees in handling the issues relevant to them.



<https://corporativo.eroski.es/en/memoria-2018/carta-consejo-rector/>

Governing council

Leire Mugerza Gárate
Consumer Partner
(independent), Chairperson

Edorta Juaristi Altuna
Employee Partner, Vice chairman

Sonia Ortubai Balanzategui
Consumer Partner (independent),
Secretary

Members

Oskar Goitia Zubizarreta
Consumer Partner
(independent)

Nerea Esturo Altube
Employee Partner

Cristina Gainza Salinas
Employee Partner

Lander Beloki Mendizabal
Consumer Partner
(independent)

Gonzalo Loro Periañez
Consumer Partner
(independent)

Ana Isabel Zariquiegui Asiain
Employee Partner

Iñigo Arias Ajarrista
Employee Partner

M^a Asunción Bastida Sagarzazu
Employee Partner

Eduardo Herce Susperregui
Consumer Partner
(independent)



Board of Directors

Javier Segarra
Appeals Director

Eva Ugarte
Marketing Director

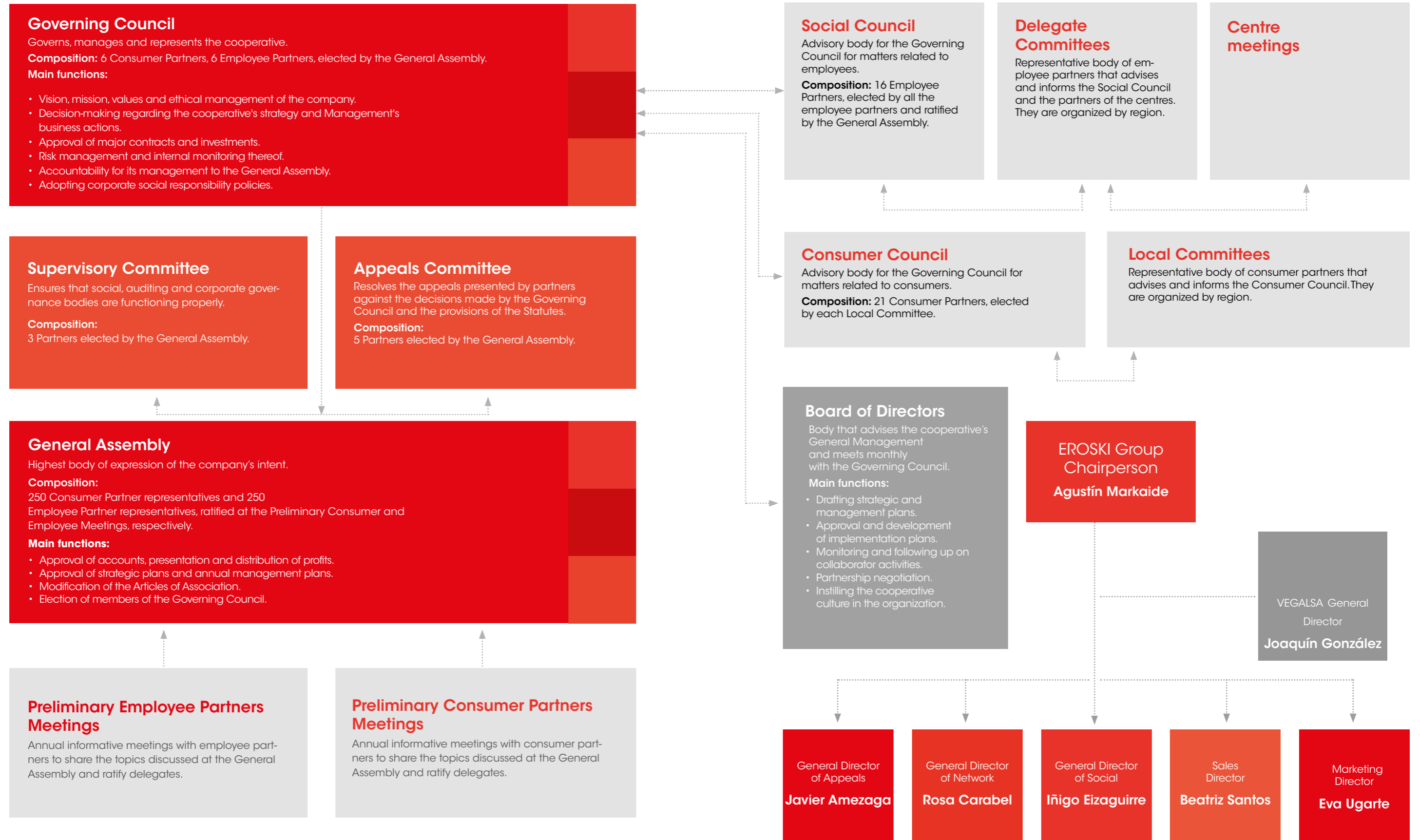
Agustín Markaide
Chairperson

Rosa Carabel
Network Director

Iñigo Eizaguirre
Social Director

Beatriz Santos
Sales Director

EROSKI S. Coop. governance structure



Executive responsibility for economic, environmental and social issues

Economic-financial management

The achievement of economic goals, managed through ECOFIN, is supervised by the EROSKI S. Coop. Audit and Compliance Committee, as delegated by the Governing Council and which is entrusted with continuously examining and monitoring company information and accounting. Through said Committee, the Internal Audit is responsible for providing a systematic approach to the independent evaluation and improvement of the effectiveness and efficiency of risk management processes and internal control systems. The results are assessed by the Governing Council and are subject to an annual external audit. The annual accounts, together with the audit report, are approved by the General Assembly.

Business relationships and the promotion of the local environment are the responsibility of Commercial Management, while institutional relationships depend on the General Secretary's Office.

Social Management

The General Social Director is responsible for employee management. Through various departments, he is responsible for the following areas, among others: Prevention of occupational risks, labour relations and administrations, employment and talent development, human resource organization and development and social management. The Department of Health and Sustainability, which reports to the Marketing Department, is in charge of the Charity and Social Action Area, together with the social responsibility departments of the different Group companies. This task is supplemented by the work of the EROSKI Foundation in this field.

Environmental management

Our commitment to the environment is managed cross-sectionally through all the functional areas of the value chain. From Development and Logistics, which report to the Appeals Director, to the Sales Director and the Network Director, to the Department of Health and Sustainability, which reports to the Marketing Director. This is how we ensure that all the environmental aspects of the organization are managed by the area that generates them. The different forums (Health Committee, Marketing Committee, etc.) dedicated to making strategic and business decisions coordinate this work.

This is supplemented by the Department of Health and Sustainability, the EROSKI Foundation with its campaigns, and the social responsibility departments of the different Group companies working to promote environmental awareness among the clientele.

Responsible and ethical management

To ensure that EROSKI's activities and relationships are conducted honestly and ethically, we have a Code of Conduct that we share with our employees, partners and suppliers and which is available to all stakeholders. As regards sanctions, we have the EROSKI S. Coop. Internal Regime Regulations, which applies to the entire Group.

Generally speaking, to ensure the reputation and credibility of our organization, we avoid activities that are not aligned with our interests, comply with the rules we have established, collaborate with the competent authorities, make good use of the organization's assets and refuse undue payments, treatment and gifts.

EROSKI has confidential channels and means to consult or report any matter related to the Code of Conduct and its procedures. There is an email address, telephone number and a postal delivery form for such purposes. The head of the Compliance Office, through the Internal Supervisory Body, is the person appointed by the Audit and Compliance Committee of the Governing Council to receive, channel, track, report and document these notifications and consultations. The Audit Committee supervises the procedures established for receiving consultations and notifications and validates the response provided.

Fight against corruption and money laundering

Anticorruption and anti-money laundering activities are included in the implementation of the "Compliance" policy by the EROSKI Group. Since 2017, we have had a Criminal Risk Prevention Plan that establishes the design of the prevention policy and defines the internal supervisory measures that must be implemented. To this end, a Criminal Risks Prevention Manual has been drawn up and includes

- A list of the risk situations the Group may eventually face.
- The establishment of action protocols against operations that entail a potential criminal risk.
- The necessary recommendations to design an effective crime prevention policy, which also defines the delegation and supervision model of the Group for reporting incidents, implementing measures or improving those already established, and reporting criminal behaviour to the Board of Directors.

In order to fulfil compliance obligations, an Internal Supervisory Body has been implemented. This body received assistance from the Compliance Office, which is responsible for managing and implementing the Criminal Risk Prevention Plan.

Our code of ethics

Our Code of Ethics is the main pillar of daily management, which in practice corresponds to the following lines of action:

- Include**
ethical management in the main management objectives.
- Take on and contribute**
to the continuous improvement of the levels of social responsibility included in the legislation.
- Verify**
that the organization is behaving ethically through indicators to define areas of activity in need of improvement.
- Set objectives**
to improve ethical management and prepare and adopt plans to achieve it.
- Train and inform**
all the people involved in the application of the management system adequately and promote the adoption of good social responsibility practices.
- Inform**
providers and subcontractors adequately of the Code of Ethics and create mechanisms to transfer knowledge about social responsibility.
- Attend**
to external stakeholders (consumers, neighbourhood communities, Administration, clients, providers, etc.) that look into our social behaviour.
- Communicate**
our Code of Ethics, its rules and the fulfilment of its objectives to society openly and effectively.

Prevention and management of conflicts of interest

We have established different mechanisms to prevent and manage conflicts of interest that may arise through the following internal regulations: the EROSKI S. Coop. Articles of Association, the Audit and Compliance Committee Regulations, the corporate Code of Conduct, the Internal Hiring Procedure and the Executive Articles.

According to our regulations, the General Assembly must authorize any action that links the cooperative to any member of the Governing Council, Supervisory Commission or Management, or any of their relatives up to the second degree of blood or family kinship. Likewise, among the competences corresponding to the Audit and Compliance Committee is that of informing the Governing Council of situations of conflict of interest that may be incurred by directors and executives, according to reports from the Appointments and Remuneration Committee.

Impact and risk management

The Audit and Compliance Committee and the EROSKI S. Coop Internal Compliance Body are mainly responsible for identifying, evaluating and managing the impacts, risks and opportunities of an economic, environmental and social nature, the latter of which is the body ultimately responsible for ensuring compliance with internal regulations related to managing risks that the organization may face.

In addition, we have developed a "Criminal Risk Prevention Plan", which is reviewed annually, and which identifies the crimes most likely to be committed within the activities carried out at the EROSKI Group. This plan includes the entire EROSKI Group, except VEGALSA, which has its own, and FORUM SPORT and Viajes EROSKI, which will be included in 2019. It indicates the departments or areas that could be most affected by potential crimes, actions that would imply infringement of the regulations and prevention measures that must be implemented by the risk groups, as well as the surveillance processes that will be developed for inspection or certification.

Regarding crimes against natural resources and the environment, certain risk actions are envisaged that could involve different departments of EROSKI, as well as prevention measures to prevent them and the specific controls implemented, which basically consist of reporting systems between the different bodies of the Group. We also have an environmental liability policy that has an annual aggregate limit for all coverage of €10 million and a limit per claim for all coverage of €5 million.

Within this context of prevention, the Governing Council performs an in-depth analysis of general corporate risks each year. In the Annual Corporate Governance Report (section E), available on the EROSKI website, information is provided on risks (scope of the risk management system, bodies responsible for the risk management system, risks that came to pass during the year, etc.).

VEGALSA management model

As regards corporate governance, the Group companies follow the guidelines of the parent company, EROSKI S. Coop.

However, since EROSKI only has a 50% stake in VEGALSA, it does have its own governance model for some matters, even though it is very similar and agreed upon by the Group.

The Chairperson of the Board of Directors of VEGALSA Agrupación Alimentaria is Javier Amezaga, the General Director of Appeals of EROSKI. The Board of Directors is the highest decision-making body of VEGALSA, which convenes monthly for regular meetings. It authorizes decisions regarding openings, closings and transfers of commercial establishments, investments exceeding certain amounts (regulations), changes in the management team, etc., and annually sets the guidelines to draw up the Management Plan (qualitative objectives) and the annual financial budgets.

The Board of Directors performs a self-evaluation once a year. Among the measures adopted as a result of this evaluation, it is worth noting the higher frequency of follow-up on matters deemed necessary and of monitoring issues that were previously not evaluated as thoroughly or for which there was no specific treatment.

According to its memorandum of association, the Board of Directors delegates decisions to the General Directorate so the company can function properly, except those decisions that can not be delegated. Likewise, the Board of Directors has granted powers of attorney to certain directors to perform given functions.

The General Director of VEGALSA is Joaquín González, who meets on a fortnightly basis at the Management Committee with the other managers to handle matters that are important to the company, whether they are foreseen or occur suddenly during operations, to make decisions and follow up on them.

The Internal Council is the body that decides which projects and matters the CEO presents to the Board of Directors, and the Investment Committee analyzes the suitability of investments according to the business objectives and the Viability or Efficiency Plans.

VEGONSA Agrupación Alimentaria, S.A. Board of Directors

- Javier Amezaga (Chairperson)
- Rosa M^a Carabel (Board member)
- Jorge González (Board member)
- José Alonso (Board member)

Responsible and ethical management at VEGALSA

At VEGALSA, the **Compliance Committee**, is responsible for monitoring compliance with the Code of Ethics, policies and procedures. It is composed of three members: the director of the Human Resources Department, the director of the Corporate Area and an external lawyer. It also receives functional assistance from the Compliance Section of the Legal Department.

We also have an e-mail address, telephone number and specific paper forms to collect any reports from personnel that have proof or suspect that a crime has been committed or that the provisions of the Code of Ethics or Compliance Policies have been breached.

At VEGALSA, we have six Compliance Policies: anticorruption; hospitality and gifts; conflict of interest; purchases and hiring; donations and sponsorships; and privacy and confidentiality. We are also currently preparing a safety policy.

Prevention and management of conflicts of interest

At VEGALSA, we have a Conflicts of Interest Prevention Policy, approved by the Board of Directors and aimed at directors, executives and employees. It includes a series of necessary measures to prevent, detect and sanction fraudulent acts and the use of VEGALSA functions and resources for the benefit of the aforementioned groups, or their relatives or close friends. Conflicts of interest are managed by the Compliance Committee and, when so delegated, by the Compliance Section of the VEGALSA Legal Department established to offer assistance and advice to the Committee. Likewise, every year the directors sign a document acknowledging the absence of conflicts of interest.

Impact and risk management

Under the framework of the internal supervision of the company, at VEGALSA we have implemented two risk management systems: the Corporate Risk Management System and the Criminal Risks/Infractions Prevention and Control Programme (Compliance Plan). These systems function independently, but in parallel and coordination. They have their own management and supervision structure, with both bodies created for this purpose, although maximum responsibility and the final decision lies with the Board of Directors. These bodies are the Risk Analysis Committee, which is responsible for corporate risks, and the Compliance Committee, which manages the criminal risks.

With the frequency established in each case, the Board of Directors assesses and brings up issues to be included in both the Corporate Risk Management System and the Compliance Plan, and offers judgement on how to minimize certain impacts and the frequency with which they must be reported. The Board of Directors has validated the creation and management of both systems. It has also approved due diligence regulations and processes. The Crime Prevention and Supervision Manual includes a decision-making protocol that must be taken into account by all the bodies with decision-making power and a role in creating the company's intent.

The Risk Analysis Committee reports twice a year to the Board of Directors and once a year to the Compliance Committee, disclosing the risks and reporting on the issues of interest. The Compliance Section of the Legal Department provides a report twice yearly, prior to the Compliance Committee.

VEGALSA Code of Ethics

The Code of Ethics reflects the ethical principles and values that we apply in all areas of our activity and is supplemented by the Compliance Policies and Procedures created for that purpose.



Legality:
Strict compliance with legislation and internal regulations.



Commitment:
To the health and safety of people.



Maximum respect, equality and dignity
When dealing with all employees, collaborators, partners, competitors and other third parties related to the Company.



Objective criteria:
For hiring and promoting employees.



Transparency:
Objectivity and professionalism when carrying out activities and interactions with stakeholders.



Good use of VEGALSA assets.



Privacy, data protection and confidential information.



Commitment to the environment.

Association membership 102-13

As a cooperative and consumer association

Basque Country

- Grupo cooperativo MONDRAGON
- Consejo Económico y Social Vasco (CESV)
- Federación de Cooperativas de Trabajo Asociado, Enseñanza, Consumo y Crédito de Euskadi (ERKIDE)
- Elkar-lan S.Coop. – Sociedad para la promoción de cooperativas
- Confederación de Cooperativas de Euskadi (KONFEKOOP)
- Instituto Vasco de Consumo (Kontsumobide)
- Consejo Superior de Cooperativas de Euskadi (CSCE-EKGK)
- Work Lan (Asociación sin ánimo de lucro para el fomento de empresas de la economía social)

Spain

- Confederación Española de Cooperativas de Consumidores y Usuarios (HISPACOOP)
- Confederación Empresarial Española de Economía Social (CEPES)
- Consejo Económico y Social de España (CES)
- Consejo de Consumidores y Usuarios
- Consejo Consultivo de la Agencia Española de Consumo, Seguridad Alimentaria y Nutrición (AECOSAN)

Europe

- European Community of Consumer Cooperatives (Euro Coop)

Business field

- Asociación Española de Grandes Empresas de Distribución (ANGED)
- Asociación de Cadenas Españolas de Supermercados (ACES)
- Asociación Española de Codificación Comercial (AECOC)
- Asociación Empresarial de l'Hospitalet y Baix Llobregat (AEBALL)
- Sociedad Económica Barcelonesa de Amigos del País (SEBAP)
- Foment del Treball Nacional
- Asociación empresarial de comerciantes de Menorca (ASCOMÉ)
- Agrupación Balear del Comercio (ABACO)
- Asociación de Comercios de Alimentación de las Islas Baleares (ACAIB)
- Confederación Balear de Comercio (CBC)
- Federación Patronal De Empresarios De Comercio De Baleares (AFEDECO)
- Confederación de Asociaciones de Empresarios de Baleares (CAEB)
- Confederación Empresarios Galicia (CEG)
- Confederación Empresarios Coruña (CEC)
- Asociación de Empresarios AGRELA
- Asociación de Empresarios del Polígono de Sabón - Arteixo
- Confederación de Empresarios de Orense (CEO)
- Confederación de Empresarios de Ferrolterra, Eume y Ortegaleja
- Federación Asturiana de Empresarios (FADE)
- Asociación Empresarios Hostelería A Coruña
- Asociación Polígono de o Ceao (Lugo)
- Club financiero de Vigo (Círculo de Empresarios de Galicia)
- Club financiero de A Coruña (Club Financiero Atlántico)
- Cámara de Comercio de Álava
- Cámara de Comercio de Bilbao
- Confederación de Empresarios de Navarra (CEN)
- Cambra de Comerç Barcelona
- Cámara de Comercio de Mallorca
- Círculo de Economía de Barcelona
- Red Española del Pacto Mundial
- Retail Forum for Sustainability
- Asociación de Empresas Vascas por la Sostenibilidad (IZAITE)
- Basque Ecodesign Center
- Fundación AZTI
- Fundación Basque Culinary Center
- 5 al día
- ECOEMBES
- ESADE (Universidad Ramon Llull)
- IESE (Universidad de Navarra)
- Escodi (Universidad de Barcelona)
- Fundación Pasqual Maragall
- Fundación Abadía de Montserrat
- Fundación Impulsa Balears
- Sport Cultura Barcelona



Economic performance

102-7; 201-1; 201-4; 203-1; 203-2; 413-2

243 million
clients rung up

5.393 billion
in turnover

4.698 billion
in net sales from distribution

EROSKI Group Income Statement

Extract in thousands of euros as of 31 January 2019	2018	2017	2016
Ordinary income	4,958,957	5,035,577	5,393,938
Net sales distribution	4,698,075	4,792,066	5,164,579
Other income	260,882	243,511	229,359
Operating profit (before impairment, disposal of fixed and non-current assets)	163,616	137,367	136,909
Impairment, disposal of fixed and non-current assets	-42,883	-20,848	5,837
Profit before financial expenses and taxes	120,733	116,519	142,746
Financial results	-114,513	-64,631	-90,696
Profits/loss holdings from investments applying the share method	-1,711	3,677	508
Income tax	-2,923	-32,106	-59,333
Net profit of discontinued operations	0	9,754	-16,025
Result of the financial year	1,586	33,213	-22,800

We generate wealth in our environment

At EROSKI, not only do we distribute the profits generated through our business activity among the cooperative's Employee Partners and the rest of the Group's companies, but we also generate wealth directly for the different actors in our value chain. When it comes to generating positive economic impacts, at EROSKI, we are very aware of consumers, one of our main stakeholders as a consumer cooperative. Proof of this is that, during the past year, we gave more than €302 million back to our customers through personalized offers, campaigns and promotions. At the same time, we are aware that our commitment to the environment must extend beyond the direct economic impacts that our activity generates and, therefore, we contributed almost €10 million in 2018 to social purposes through the different Group businesses and the EROSKI FOUNDATION. Consumer education and information, charity and the promotion of culture and local settings are the fundamental pillars we base our social commitment on.

Likewise, during 2018, the more than 19,000 suppliers of products and services we work with received around €4.013 billion as a result of our commercial relationship.

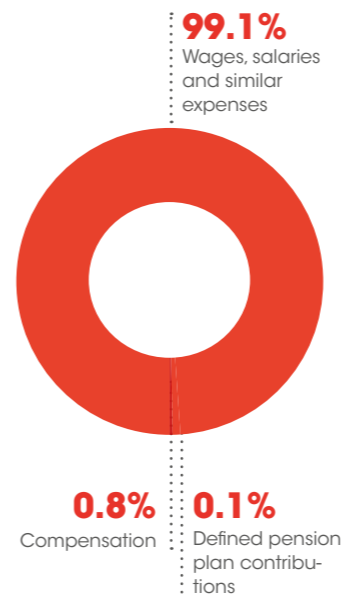
In this regard, it is worth noting that approximately 50% of our national business suppliers are small local producers, since our purchasing and supply policy seeks to promote a sustainable agri-food sector.

Another noteworthy element is the direct economic impact of our activity as a distributor due to the employment we generate. The 30,048 EROSKI employees received a total of more than €490 million in compensation for their performance, and the relevant state agencies were paid €190 million for the social contributions and taxes attributable to our workforce, in addition to income tax and other taxes.

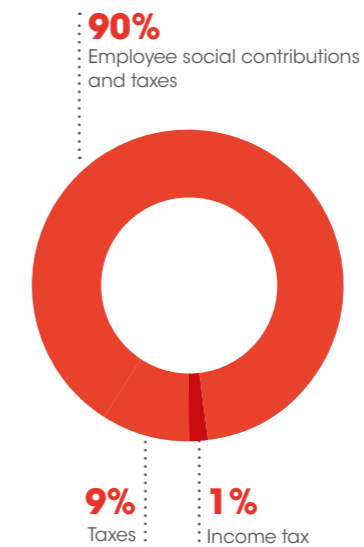
Likewise, protecting the environment and minimizing any negative impact we might generate in it due to our activity are always relevant elements to be taken into account. That's why we allocate more than €17 million a year to investments aimed at reducing our environmental footprint and to preserving and protecting the planet's natural resources.

Direct economic contributions to noteworthy stakeholders and areas

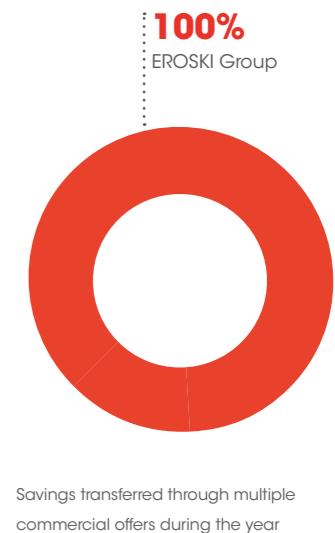
Employees
€490 million



State
€191 million



Clients
€302 million



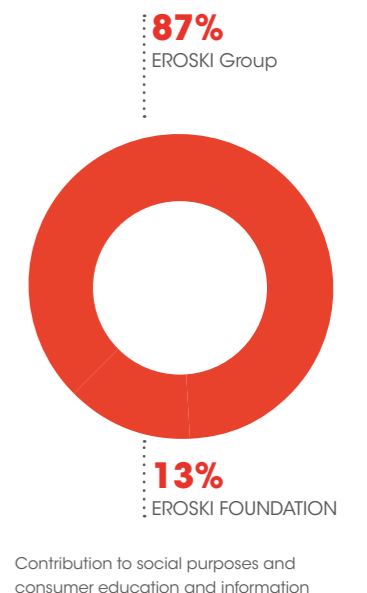
Suppliers
€4.013 billion



The environment
€17 million



Society
€10 million



Contribution to minimizing environmental impacts and protecting and improving the environment.

Commitment to the health and safety of people

Since our foundation 50 years ago, at EROSKI we have maintained our commitment to quality food, constantly increasing our demands to offer a more sustainable product that meets the needs of our consumers.

That's why sustainable development criteria is comprehensively included throughout our organization, aligning our management and strategic plans with the minimization and mitigation of negative impacts and the promotion of positive ones. Thus, with a proactive attitude, we work cross-sectionally on the aspects of our activity that may affect the natural environment and the stakeholders we interact with.

Given our strong social nature and responsibility with the product, at EROSKI, we believe that the store, be it physical or online, is the ideal place to promote a good, healthier and more environmentally friendly diet. In 2017, we worked to express our commitments to society and the environment, and in 2018 published EROSKI'S 10 Commitments

to Health and Sustainability. These commitments, established with the collaboration of more than 7,800 people, mark the way for us in the coming years, serving as a road map to advance in the areas that really matter to both consumers and society.

Commitment 1 Engage in food safety

We are committed to food safety, controlling the traceability of products and maintaining the cold chain of produce. We also have a preventive quality plan by which we perform more than 11,000 product analyses and audit more than 300 suppliers every year.

Commitment 2 Promote a balanced diet

We believe in eating foods that make for a balanced diet, with promotions and prices that facilitate purchasing them at our stores, providing professional advice from everyone who forms part of EROSKI and improving the quality of our brands' products by reducing ingredients that are unhealthy when consumed in excess.

Commitment 3 Prevent childhood obesity

We work to prevent childhood obesity by promoting and facilitating a balanced diet for children, giving priority to the quality of our products and encouraging the consumption of healthy products. Moreover, we will educate 2 million children and their families about healthy living habits by 2025.

Commitment 4 Meet specific nutritional needs

We work so that people with specific needs can find everything for their diet at our stores, expanding the diversity of our products and offering alternatives, such as our ordering service and online store.

Commitment 5 Encourage responsible consumption

We facilitate sustainable food, reducing the environmental impact of our processes, stores and products. We also promote organic products and more sustainable production processes, as well as the reduction of artificial additives.

Commitment 6 Offer more local products

We contribute to the development of the social and economic environment of our stores, offering more than 20,000 local products through collaborations with 2,400 small producers. In addition, we promote the community's local culture through gastronomic events, tours of production facilities and by collaborating on the celebration of the most traditional holidays.

Commitment 7 Help eating well at a reasonable price

We improve the prices of the products needed for a balanced and responsible diet and we develop personalized savings proposals for our partners, guaranteeing better access to a balanced and sustainable diet.

Commitment 8 Act clearly and transparently

We act with clarity and transparency, always counting on the participation of partners, employees and clients, as well as other stakeholders. Additionally, we seek out maximum clarity and transparency in the information offered on our packaging.

Commitment 9 Take good care of ourselves as workers

We promote training in health, wellbeing and responsible consumption with the aim of improving our employees' quality of life, offering training, advice, activities, programmes and tools for our staff and their families.

Commitment 10 Promote a healthier lifestyle

We promote information on health and sustainability through channels such as the EROSKI CONSUMER magazine and the website www.consumer.es. We also have a personalized counselling programme for EROSKI Club members and we promote the education of children and their families through our Healthy Eating and Habits Education Programme.



EROSKI works towards the Sustainable Development Goals 102-12

In a context in which our business activity has an impact not just on a local but also a global scale, we believe it is important to align our commitments with the 17 Sustainable Development Goals (SDGs) approved in 2015 by the United Nations.

This 2030 Agenda was born with the fundamental purpose of getting public and private organizations to join forces in working on the world's greatest challenges today: eradicating poverty, protecting the planet and ensuring the prosperity of all. Our commitments are perfectly aligned with our priority SDGs: health and wellbeing (no. 3) and responsible production and consumption (no. 12).

We believe the only way to achieve the global objective of sustainable development is to work together with other economic, social and environmental agents. That's why we are founding members of the Global Compact, an international initiative proposed by the United Nations in 2002 to promote the implementation of 10 universally accepted principles that foster corporate social responsibility in the areas of human rights, business, employment standards, the environment and fight against corruption in

business activities and strategy. Each year we reaffirm our commitment to these four points, which are inherent to the decisions we make in strategic planning and annual management plans. Moreover, the Global Compact is a catalyst for the efforts of companies and organizations in achieving the SDG.

At EROSKI, we're working to help achieve the 17 global goals set for 2030 through our actions, with a positive impact on the planet. In the sections below, we show how our lines of work respond to our commitments and this shared, universal agenda.



EROSKI FOUNDATION

To act in favour of sustainability, we dedicate at least 10% of our profits to the Compulsory Contribution Fund for Cooperative Education and Promotion and other public interest purposes. These economic resources are channelled partially through the EROSKI FOUNDATION, an entity founded in 1997 that operates on four main pillars: To coordinate these axes, the Foundation has a multidisciplinary technical team that promotes actions in favour of

consumers, carries out dissemination campaigns, publishes magazines and guides, offers scholarships and grants and collaborates with social organizations. The Foundation's Board of Trustees guarantees that the Action Plan established each year is carried out under the principles of impartiality, independence, transparency, efficiency and responsibility.

Among other strategic lines and programmes, the Foundation manages and promotes the Nutrition School programme and the publication EROSKI CONSUMER.

EROSKI FOUNDATION pillars of activity



Best management of corporate social responsibility

EROSKI, awarded for the Best Management of Corporate Social Responsibility in the XI Edition of the Wine and Distribution Market Business Awards.

VEGALSA-EROSKI, awarded the Cantabrian Award for Excellent Corporate Social Responsibility.

Relationship between the content of this report and our commitments and Sustainable Development Goals

Section	Health and sustainability commitments	Sustainable Development Goals
1 EROSKI	8: Act with clarity and transparency	  
2 "With you" business model and network	2: Promote a balanced diet 6: Offer more local products 7: Provide good food at a good price 8: Act with clarity and transparency 10: Promote a healthier lifestyle	   
3 Healthy eating	1: Commitment to food safety 2: Promote a balanced diet 3: Prevent childhood obesity 4: Cater to specific dietary needs 5: Promote responsible consumption 8: Act with clarity and transparency 10: Promote a healthier lifestyle	   
4 Employees	8: Act with clarity and transparency 9: Take care of our employees 10: Promote a healthier lifestyle	     
5 Value chain	6: Offer more local products 7: Provide good food at a good price 8: Act with clarity and transparency	    
6 Environment	5: Promote responsible consumption 8: Act with clarity and transparency 10: Promote a healthier lifestyle	         
7 Social action	5: Promote responsible consumption 6: Offer more local products 8: Act with clarity and transparency	     
8 Transparency	8: Act with clarity and transparency	



2

**“With you” business model
and network**

Committed to our customers

Our business and brands 102-2; 102-4; 102-6; 102-7

EROSKI's desire to move forward in developing a multiformat business model has allowed the organization to create a business network of 1,353 establishments linked to food, in addition to 291 diversified business establishments including travel agencies, gas stations, sport stores, opticians, insurance agencies and eight online stores.

Of these, 1,131 stores are owned by the EROSKI Group and located in Spain, providing service to all types of clients, and are managed by 30,048 employees. We also have 521 franchised stores, which are also present in two other countries: Andorra and the United Kingdom (Gibraltar). We would also highlight our growth on the Internet through different online stores over the past two decades. The section on transparency includes a list of our businesses with EROSKI Group companies.



Viajes EROSKI has a business network of 162 agencies, including Viatges Caprabo in Catalonia, as well as the online offices www.viajeseroski.es and www.viatgescaprabo.com. In addition to its activity in the holiday sector, it stands out due to its exclusive customer service for companies in major cities – including Madrid and Barcelona – and its division specialized in the organization of conventions and congresses, Travel Air Events. Travel Air forms parts of the Guild of European Business Travel Agents (GEBTA) and ITP (International Travel Partnership).



FORUM SPORT employs 897 people. At the close of the year, it had a total of 66 sport equipment stores. Its business network includes 13 stores specializing in sneakers and clothing for young people under the Dooers brand.



EROSKI closed 2018 with 50 **gas stations**, strategically located next to its hypermarkets and supermarkets. EROSKI gas stations maintain the cooperative's policy of offering its customers the best prices, easy payment options and discounts, so they can fill their tank under the best possible conditions.



EROSKI has a chain of 13 **optician stores** with the best professionals, products, services and guarantees. Its opticians offer a wide range of quality and designer products: prescription glasses, sun glasses, contact lenses, liquids and accessories, etc. The best products, the top brands on the market and the latest exclusive trends, with multiple advantages.

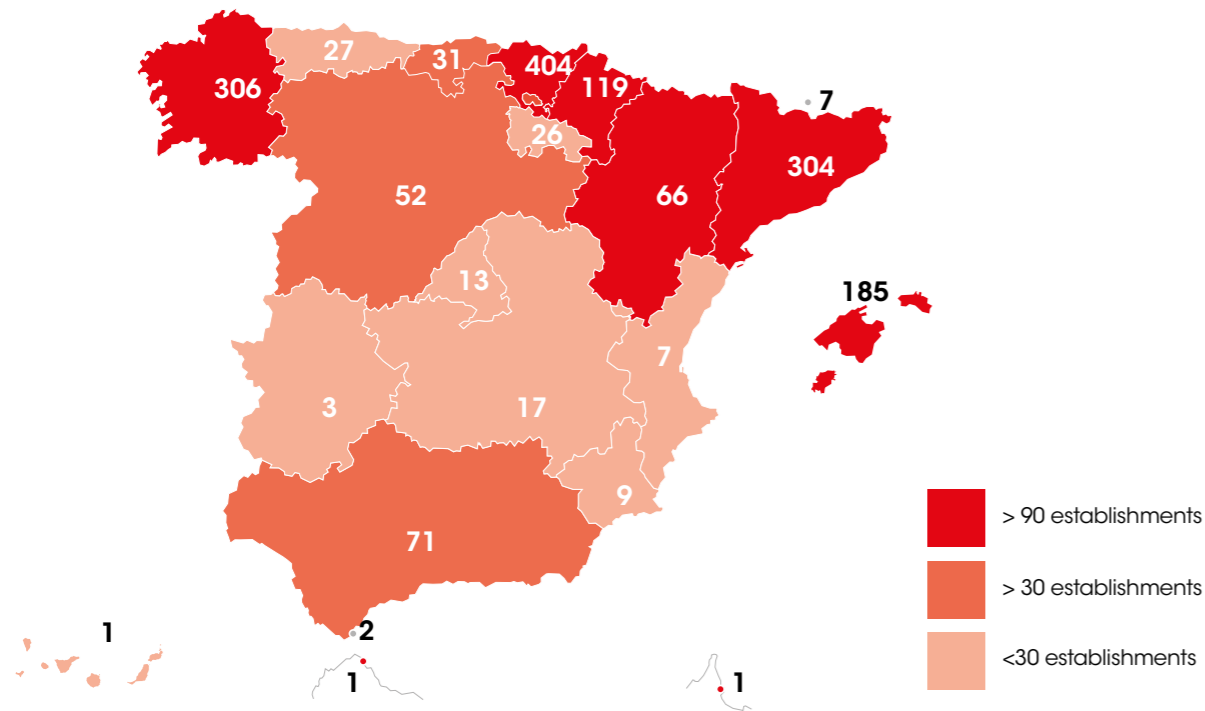
Own-brand	Total EROSKI GROUP stores	Franchises
1,131	1,652	521
	Hypermarkets	
54	56	2
	Supermarkets	
783	1,278	495
	Cash&Carry	
19	19	-
	Gas stations	
49	50	1
	Opticians	
13	13	-
	Travel agencies	
140	162	22
	FORUM SPORT stores	
65	66	1
	Online stores	
8	8	-

See table 2 of the appendix for comparison indicators from previous years.

Own-brand	Total EROSKI GROUP Supermarkets	Franchises
783	1,278	495
	EROSKI city	
279	515	236
	CAPRABO	
256	318	62
	EROSKI centre	
162	164	-
	Aliprox	
-	122	122
	Familia	
78	78	-
	Onda	
-	64	64
	Rapid	
-	9	9
	Merca	
8	8	-

See table 3 of the appendix for comparison indicators from previous years.

Distribution of establishments by region and business type*



	Own-brand establishments							Franchised establishments					Total	
	Hypermarkets	Supermarkets	Cash & Carry	Gas stations	Opticians	Travel agencies	Recreation - Sport	Food businesses	Diversified businesses	Food businesses	Diversified businesses	Total franchises		
Andalusia	9	0		5	1	1		16		54		1	55	71
Andorra								0		7			7	7
Aragon		36		2		5	2	45		21			21	66
Asturias	1	10	1	2		5	7	26		1			1	27
Cantabria	1	8		1		5	4	19		9		3	12	31
Castile and León	1	21		1		9	12	44		6		1	8	52
Castile-La Mancha	5			4	2	2		13		4			4	17
Catalonia	1	239		1		3	1	245		59			59	304
Ceuta								0		1			1	1
Valencian Community	3			1		1	2	7		1		1	2	9
Extremadura		0				1		1		2			2	3
Galicia	5	149	18	3		5	2	182		122		2	124	306
Gibraltar								0		2			2	2
Balearic Islands		108		3				111		74			74	185
Canary Islands	1							1					0	1
La Rioja	1	10		1		7	3	22		4			4	26
Madrid						4		4		9			9	13
Melilla								0		1			1	1
Murcia	3			2			1	6				1	1	7
Navarre	2	55		4	1	14	6	82		27		10	37	119
Basque Country	21	147		19	9	78	25	299		93		12	105	404
Total	54	783	19	49	13	146	65	1,129	2	495	1	16	515	1,644

*This table does not include online stores. Recreation-Sport includes FORUM SPORT and Doers. Travel Agencies includes holiday business and business division (Travel Air). See table 4 of the appendix for comparison indicators from previous years.

Updates 102-10

In 2018 we continued to move forward in our transformation of supermarkets and hypermarkets to the "with you" business model. We also added five new own-brand supermarkets and 37 franchised establishments to our network. On the other hand, the EROSKI Móvil mobile phone business was transferred to Vodafone and the collaboration between the EROSKI Group and the DIA group was finalized to negotiate our own brands and manufacturer brands, without affecting EROSKI's commercial offer.

Moreover, Viajes EROSKI signed a collaboration agreement to include the Viajes EROSKI offer in the Gazte-Txartela programme. As a result of this agreement, Viajes EROSKI will offer advantages to users of Gazte-Txartela, among others, designing exclusive travel plans with significant economic benefits for them.

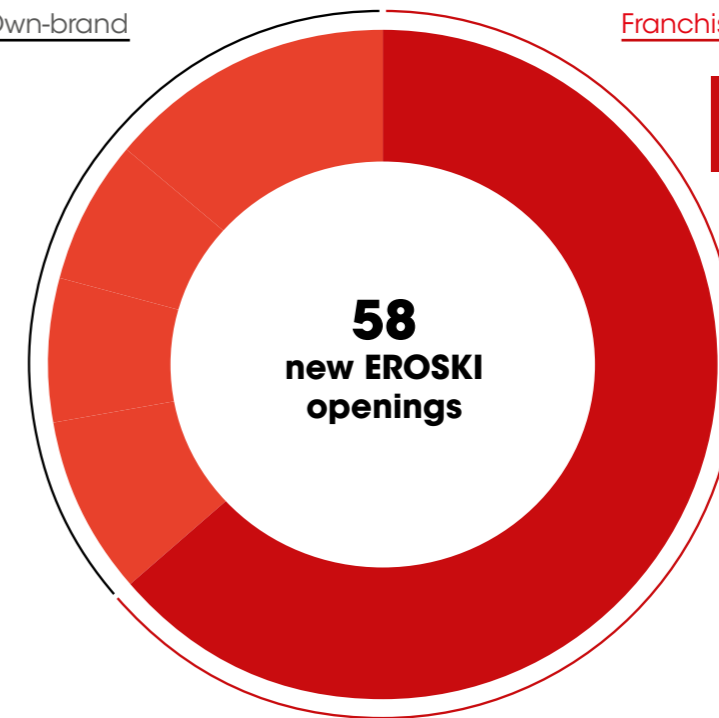
Travel Air, the EROSKI Viajes business division, won the EUSKALIT Advanced Management Club Jury Prize for growth management.

Own-brand

Franchises

- 8 FORUM SPORT**
- 4 Travel Agencies**
- 4 Gas stations**
- 5 Supermarkets**

37 Supermarkets



We're expanding our franchise network

EROSKI continues to promote an expansion plan for franchised stores with the opening of 37 new franchised establishments in 2018 and the transformation of an additional 15 stores. The 52 inaugurations, which involved an investment of €7.6 million, generated 308 jobs.

At CAPRABO, the franchise business grew by 20% in 2018 with 62 franchised supermarkets in total.

Together with the transformations undertaken in the own-brand store network, these openings represent a strong promotion of the expansion of the "with you" business model that defines the new generation of

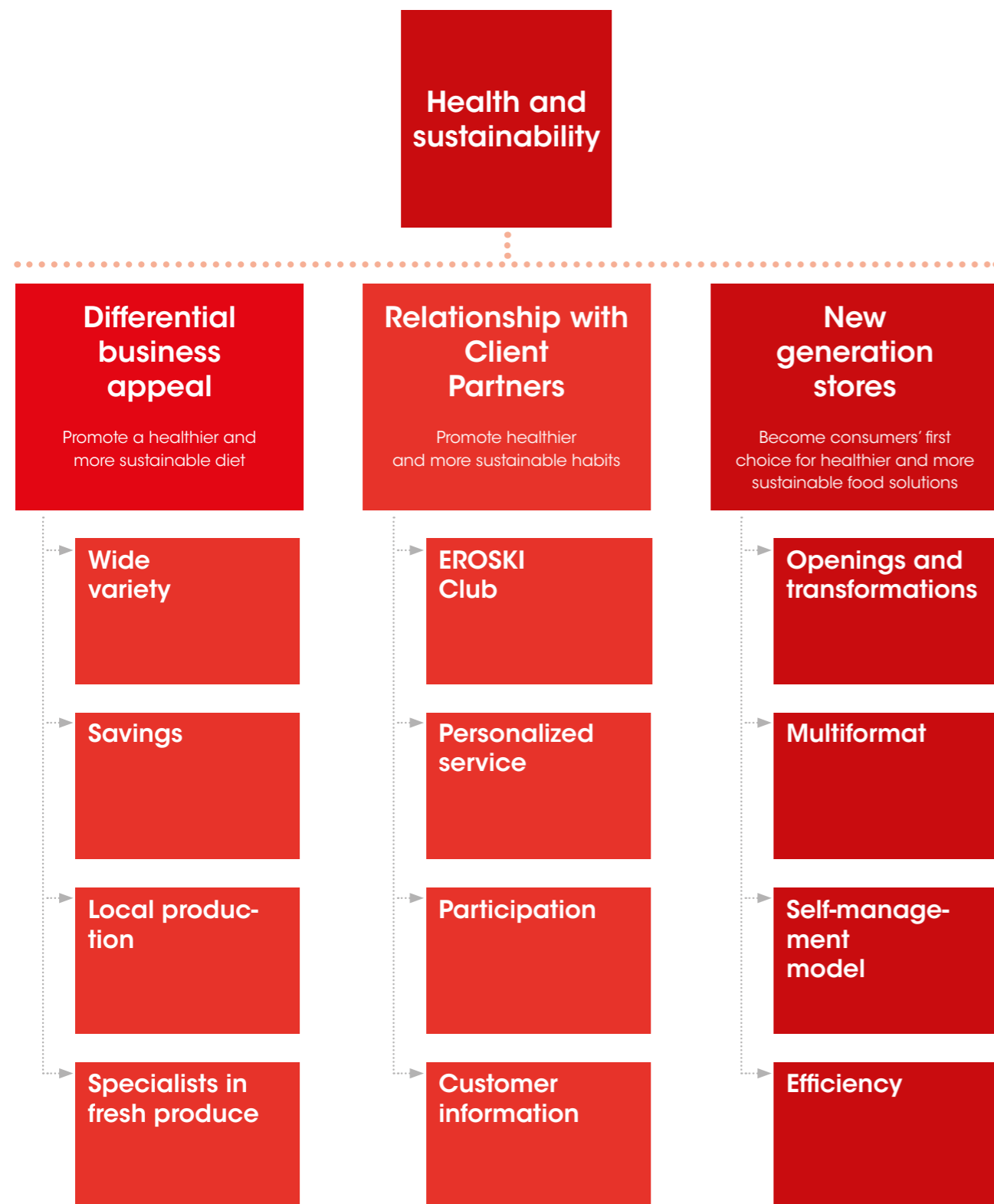
EROSKI stores and serves as a guide for all franchise openings of the brand.

The franchised stores range from 200 m² to 5,000 m² and include new models, such as the convenience store RAPID, which is spreading throughout Catalonia and the Balearic Islands.

Our "with you" business model

Our new "with you" business model aims to offer extra quality and service to our customers, with health and sustainability at the heart of our strategy, as reflected in our commitments. The "with you" business model stands out thanks to the specialization in produce, a wide range of products that offer greater freedom of choice and a solid commitment to local products.

This model allows us to evolve and move forward in our relationship with Client Partners, offer a more attractive commercial proposal and more efficient and state-of-the-art stores. The "with you" store is not just a physical transformation, but, above all, a great cultural change in our organization that involves placing consumers at the centre of it all.



A new generation of stores

At EROSKI, we've set the challenge of comprehensively transforming our cooperative group's business network over the next years, integrating the "with you" commercial model into all our supermarkets and hypermarkets. Proof of such progress are the 45 supermarkets we remodelled in 2018. Our stores are increasingly more competitive and attractive. We're extending our model of self-management to each opening and transformation. We offer a complete, multi-channel customer experience through different formats. All this to become our consumers' first choice for healthier and more sustainable food solutions.

We promote savings

One of our commitments is to giving our customers access to a balanced and sustainable diet at a good price. In fact, offering products at the best price with the best quality and service has been our mission since the beginning. Thus, with our focus on competitiveness and savings, in 2018 EROSKI held more than 253 huge savings

campaigns, such as "The VAT is on us" or "25% off your purchase" and we lowered the price on more than 1,000 products in supermarkets and hypermarkets in our business network. The many personalized offers, campaigns and promotions during the year translate to more than €302 million in savings transferred to families.

In 2018, we adapted more than 45 supermarkets to the "with you" model

EROSKI Club: Committed to our Client Partners

The launch of EROSKI Club has significantly strengthened our relationship with the customer and revitalized the figure of the cooperative's consumer partner, placing them at the centre of our decisions. More than 6 million EROSKI, CAPRABO, and FORUM SPORT card holders are the centre of our business strategy, since they generate more than 70% of sales on average.

Consumers receive more and more personalized savings proposals, adapted to each Client Partner profile and the evolution of their consumption habits. EROSKI Club ensures the savings offered are relevant, without in any way diminishing the quality of fresh food or our commitment to local products and a wide variety for greater freedom of choice.

In 2018, EROSKI launched a pioneering programme for fixed universal savings of 4% on all purchases made by the holders of the new **EROSKI Club Gold card** in its network of establishments, including fuel purchases at its gas

stations. Client Partners enjoy these savings as a balance available on their EROSKI Club card for future purchases. The launch was a success: more than 142,000 Client Partners and 53 companies, including 3,555 employees, are already "Gold Company Partners".

It has also been one year since the launch of our new EROSKI Club credit card in collaboration with MasterCard and Santander Consumer Finance, with more than 243,000 clients. As a multi-card, it is possible to combine the advantages of the EROSKI Club programme and a credit card, in addition to offering a refund of 1% of total purchases paid outside of EROSKI, by transferring the amount to the associated EROSKI Club card. In fact, in June 2018, we launched the new "More Promotions" platform on our website and the EROSKI app, with more than 60 restaurant, fashion, footwear and leisure brands that offer interesting discounts to our clients. In doing so, the cooperative has transferred total savings of almost €2.5 million to **EROSKI Club MasterCard holders**.

Our omnichannel model is making progress

EROSKI is making progress in its omnichannel proposal, which seeks to serve clients where and when they wish through different store formats and different digital channels, making tools that break down traditional barriers between online and offline channels available to customers. An example of this is the update of the EROSKI App so that users can continue to enjoy its features more conveniently. For example, since June 2018, our EROSKI Club Mastercard holders can now pay for all their purchases with their mobile thanks to EROSKI Club Pay, a new comfortable, safe and simple feature that improves the experience for the more digital customer. Another update in 2018 was the launch at Christmas of the first augmented reality experience as part of our EROSKI Club app, which was used more than 17,000 times. We offer our partners new, 3D interactive experiences that enhance our relationship with them and encourage their digitalization. We also have an online supermarket that offers a faster and more efficient user experience. It also offers pick-up

models such as "Click&drive" and "Click&collect", which allow consumers to place orders at any time through our online supermarket and pick them up on the same day while driving or walking home. As a result of our dedication, we have been recognized for the second year in a row as the **Best Online Supermarket of the Year**, according to the Business Awards.

We've also made progress in 2018 with the innovative concept of the omnichannel store for FORUM SPORT. This new concept is now a reality with the opening in Vitoria of a new FORUM SPORT store model, which offers an omnichannel shopping experience in which coherent communication is established with customers and all the channels they choose to use are available to interact with the product, allowing them to go beyond simply acquiring products.

Personalized, quality service

For EROSKI, our relationship with clients is a priority of the "with you" business model. This relationship has become a hallmark of the model's unique identity. At EROSKI, we're committed to a more consumer-centred business model that prioritizes the shopping experience and sets us apart thanks to our specialization in produce,

with improved service in counter-assisted sales in such sections. In this sense, professional training and ongoing education are our pillars to strengthening our unique role as specialists in produce: more than 57,000 hours of produce training were given at schools in 2018.

Actively listening to our clients 102-21

Personalized customer service is one of the strengths of EROSKI'S transformational "with you" business model that the cooperative is spreading throughout its business network, which allows for daily improvement and adapting more efficiently to customers' real needs. Moreover, continuously listening forms part of commitment no. 8 to health and sustainability.

In 2018, our Customer Service Department attended to 413,499 people, with a 100% claim resolution rate, 95.3% of which were resolved on the first contact. We fulfilled our commitment to immediately respond to all doubts, suggestions and claims and, if they required any sort of handling, to do so within 24 hours at most.

The consultancy firm Sotto Tempo Advertising organizes awards with consumer participation that were granted to EROSKI as the Large Distribution Company with the Best Customer Service for loyalty club members for the seventh year in a row.

The EROSKI Customer Service Department attends consumers in Spanish, Basque, Catalan and Galician, and is available by phone, email and on the website www.eroski.es as well as the other websites for Group businesses and companies, in addition to social networks.

In 2018, we had more than 2.5 million exchanges with users and more than 93 million impressions



Twitter
54,407
followers



Facebook
215,562
followers



Instagram
14,364
followers



LinkedIn
18,661
followers

In order to take into account the concerns of different groups and maintain our commitment to transparency, we also try to maintain additional channels with all of them. Thus, in 2018 we addressed dozens of active listening initiatives with the participation of more than 13,000 people, in which we gathered their opinions, suggestions and recommendations to improve our business offer and our stores.

Moreover, at EROSKI we have 21 Consumer Committees that structure the participation of their Client Partners, who debate, take a stance and define guidelines to improve next-generation stores.

Data protection at EROSKI

We consider our clients' personal data one of the most critical assets that we must protect. We therefore have a data protection management system based on continuous improvement that has its own methodology. We

monitor compliance from risk analysis and management in a coordinated manner throughout the organization. Proof of this is that we have had no data leaks or customer complaints.





3

Healthy eating
Committed to consumers

Our contribution to a healthy diet

The health and wellbeing of consumers is our raison d'etre and, therefore, we carry out numerous lines of work to provide our customers with a healthier life.

These fall under the framework of our commitments to health and sustainability and are aligned with the Sustainable Development Goals linked to health and wellbeing (no. 3), quality education (no. 4) and responsible production and consumption (no. 12).

Currently, one of the most important challenges we must tackle is preventing certain health problems linked to eating habits, such as obesity. Therefore, a balanced diet and healthy lifestyle habits play a fundamental role in individual and collective wellbeing. To ensure that our health and nutrition proposals respond to the needs and priorities indicated by the scientific community, we have the EROSKI FOUNDATION Scientific Committee, which guides us in establishing mid- and long-term strategies for our commitment to healthy eating. This advisory body,

formed by professionals specialized in different disciplines related to health, nutrition, food and the culinary and gastronomic arts, provides scientific, expert and independent evidence for our proposal from an enriching external perspective. We complement this advice with the suggestions and concerns that consumers transmit to us through continuous listening and the cooperative's participation channels.

At EROSKI, we are committed to a commercial offer based on products that guarantee a safe and balanced diet. In 2018, we reduced fats, sugars and salt in about 300 products, thus improving their nutritional profile to make them healthier. We also believe that our contribution to the health and wellbeing of the population is to offer products that are suitable for people with specific dietary needs such as individuals with coeliac disease, whom we collaborate with closely.



SDG	Line of work	EROSKI Commitments	Key data 2018
	Food safety	1 Food safety	<p>17,902 analytical controls of products and services</p> <p>294 supplier audits</p> <p>1,816 point of sale and platform audits</p>
 	Balanced and sustainable diet	<p>2 Balanced diet</p> <p>3 Prevention of childhood obesity</p> <p>5 Responsible consumption</p> <p>8 Clear and transparent communication on health and sustainability</p>	<p>We reduced salt, fats and sugars in EROSKI brand products: 296 products in 2018</p> <p>Since 2013, we have removed 946,177 kg of fats, 483,709 kg of sugar and 68,276 kg of salt</p> <p>We have added the Nutri-Score label: advanced nutritional information that helps consumers eat better</p>
 	Specific dietary needs	<p>4 Specific dietary needs</p> <p>8 Clarity and transparency in communication on health and sustainability</p>	<p>More than 540 gluten-free own-brand products</p> <p>Collaboration agreement with the Basque Coeliac Association to offer a 20% discount on certain gluten-free products</p>
 	Healthy eating and habits from childhood	<p>3 Prevention of childhood obesity</p> <p>10 Training and education on health and sustainability</p>	<p>460,401 schoolchildren participated in the initiatives promoted by the EROSKI Nutrition School</p>
 	Information on health and sustainability	10 Training and education on health and sustainability	<p>Approximately 50 millions visits to www.consumer.es</p> <p>193,000 monthly readers of EROSKI CONSUMER</p>

Food safety

Rigorously applying quality and safety standards to products and services is one of our basic pillars of action.

The EROSKI Quality Management Model is structured as a set of guidelines, processes, procedures and tools that, in relation to each other throughout the entire value chain, ensures the products we market

comply with all the food safety guarantees. We are convinced that our model offers an optimal way to achieve a high level of competitiveness, while at the same time guaranteeing the defence of consumer rights and interests.

Point of sale and platform audits

We guarantee quality and hygiene at all our points of sale and logistics platforms through an exhaustive protocol of quality audits. In 2018, 1,313 audits were conducted and included the following controls:

As part of our continuous improvement process, we work to perfect the service offered to our clients by establishing appropriate corrective measures to resolve incidents identified during the audits.

	Maintenance of the cold chain and quality in the supply chain.		Microbiological quality of products.		Food alert management system and product recall.
	Hygiene and cleaning at facilities.		Traceability systems for all products.		Quality control systems and tools.

Supplier audits

All the processes and systems used by supplier companies are adapted to the product and process requirements established by the brand. Likewise, we promote compliance with quality and safety standards at the European level, such as the International Food Standard certificate. In the case of produce, our standard is even more rigorous, given the special importance of its production, conservation and transport conditions.

As regards audits, we create action plans so that suppliers can implant corrective measures to eliminate any deviations

detected. Once implemented, the audit is repeated to ensure the measures have been implemented correctly and to certify the supplier if they pass. In 2018, we audited 294 production plants of our own-brand suppliers. A total of 83% of all our audited suppliers successfully passed the evaluation. The remaining 17% applied the necessary corrective measures or lost their EROSKI supplier certification. Additionally, we audited 48 production plants of manufacturer brand suppliers, with 77% satisfactory results.

Analytical controls of products and services 102-11; 416-1; 416-2

We double-check the quality of our products and services thanks to exhaustive daily analytical controls, in addition to those carried out by suppliers and manufacturers. In 2018, 17,902 analytics were conducted throughout the entire EROSKI Group, 96% of which yielded satisfactory results. There are three different types of analytics:

In the case of non-compliance, corrective actions are required by the supplier and monitored once the deviation has been effectively eliminated. If it entails a food safety risk, we apply the precautionary principle and withdraw it from sale immediately.

Chemical: To guarantee the absence or presence of appropriate amounts of substances relevant to health and safety.

Microbiological: To guarantee both the absence of pathogens, as well as the hygiene and freshness of products and cleanliness of facilities.

Genetic: To identify animal and plant species and detect genetically modified organisms.



Analyses performed in 2018, sorted by programme

Analytic programmes	Analyses performed	Analytic programmes	Analyses performed
Oils	293	Non-food	1,085
Trans-fatty acids	28	GMO	40
Acrylamide	362	Pathogens	376
Aflatoxins	43	Pesticides	307
Water	50	Nutritional plus	26
Allergens	73	Meat preparations	1,985
Basic	120	Ecological products	4
Campylobacter	95	Fish chemistry	6
Fuel	154	Complaints	37
Produce comparison	19	Natur meat waste	80
Surface control	3,234	Emerging risks	3
Drugstore and cosmetics	202	Sannia	114
EROSKI benefits	367	Cooking section	184
Useful life studies	918	SeleQtia	71
Gluten	208	Sulfites in thawed products	9
Ice	189	Sushi stores	108
Egg Lactose Milk	12	Heavy metals	52
Eggs	21	Mineral oils	23
Ham moisture	76	Cut fruit	53
Species identification	64	Generic brand produce	58
Launch	16	Natur fruit physical chemistry	53
Milk	36	Control of listeria on surfaces	1,597
High risk facilities	1,500	Surface control in stores	439
Handling	2,841	Juice	215
Plant microbiology	21	Total	17,902
Honey	18	Total unsatisfactory analytics	806
Bivalve molluscs	17	% unsatisfactory analytics	5%

Balanced and sustainable diet

Healthier, more balanced products 102-11

In our unwavering commitment to health, we go beyond guaranteeing the food safety of the products we market. We work on a daily basis to offer more balanced and healthier options, in line with commitment no. 2 to promote a balanced diet and no. 3 to prevent childhood

obesity. We are committed to ensuring the products of our brands easily fit into a balanced diet and favour healthy eating habits. To do this, we constantly review and improve their technical specifications according to the recommendations established by health experts.

Reformulated products available in 2018



Nutritionally improved products

At EROSKI, we get involved in the composition of all our products in order to continuously improve their nutritional profile. This search for more balanced products has led us to reduce the presence of nutrients associated with the most common pathologies in our society, such as cardiovascular diseases and obesity. Thus, since 2013, we've removed 946,177 kg of fats, 483,709 kg of sugar and 68,276 kg of salt from our products.

Additionally, more than a decade ago we decided to improve the fat profile of all our food and produce, eliminating partially hydrogenated vegetable fats (a source of trans fats) and in 2018 we took yet another step along this same line and committed to eliminating palm and coconut oil by 2020.

Our historic and renewed commitment to improving the nutritional value of our products fits perfectly with the 2020 Collaboration Plan for Improving the Composition of Food and Drinks and Other Measures which we signed and is included in the Nutrition, Physical Activity and Prevention of Obesity (NAOS) Strategy of the Spanish Agency for Food and Nutrition (AESAN). It is aimed at reducing the median of added sugars, saturated fats and salt by around 10% by 2020.

But we are not just looking to reduce ingredients that do not favour a balanced diet, but to promote the presence of those that sometimes have lower levels than recommended. We therefore include in our offer products enriched in calcium, omega 3 and fibre.

In addition to implementing them, we strive to communicate these improvements to consumers by including relevant information on our product labels.

In doing so, we move forward in our commitment to promoting a balanced diet, offering solutions and making affordable products that have a positive impact on consumers' quality of life.

More natural diet

In response to concerns expressed by consumers, under commitment no. 5 (to promote more natural and sustainable food) we have included multiple lines of work to make it easier to enjoy a more natural diet and life. Thus, we continue to innovate in developing products without certain additives, antioxidants, preservatives and artificial sweeteners. We also apply this commitment to health innovation to other non-food products, such as hygiene and personal care. Currently, our brand products are "free of" BHA-BHT antioxidants, parabens, triclosan, transgenics and artificial colours. Moreover, we closely follow scientific debates on certain substances and include any relevant contributions in the design of our products and packaging. In 2018, for example, we worked to en-

sure that by the start of 2019 there would be no bisphenol A any of our purchase receipts.

We also collaborate with our produce suppliers to eliminate post-harvest fungicides from fruit and vegetable crops and to encourage the use of more natural, alternative methods to conserve produce. EROSKI Natur stone and citrus fruit are an example of our work in this area.

Moreover, at EROSKI, we're working on a plan to eliminate and reduce antibiotics from EROSKI Natur products, as we are aware that resistance to antibiotics is on the rise in Europe due to excessive use in the process of raising animals. This could lead to general health problems if

it continues to increase, as it may eventually result in microorganisms that are resistant to medication. Using antibiotics rationally is essential to the fight against such resistance. That's why our brand EROSKI Natur selects chickens raised without antibiotics and that have animal welfare certification.



Information on the nutritional content and balance of products 416-2; 417-1

At EROSKI, we know that the information we offer to consumers is valued as an essential element in the defence and protection of their interests, since it's the only way they can make decisions accordingly.

That's why, in addition to carrying out various initiatives to improve the nutritional quality of our products, as part of commitment no. 8 to promoting a healthy lifestyle, we also offer comprehensive, complete and truthful information about product content and the importance of maintaining a healthy diet.

On the one hand, we comply with applicable legislation on labelling for each product type and, on the other, with the demands of our own brand. We therefore include additional information, such as health-related properties

(no sugar, low fat, no salt, etc.), pictograms that make it easier to identify allergens, and nutritional information systems, such as the Nutri-Score traffic light. We also perform periodic technical sheet compliance checks. Thanks to these tasks, in 2018 we detected 16 non-conformities across the 1,385 checks performed, all of which were corrected after contacting the supplier and requesting that the product composition be corrected. If missing information results in a health risk, the product is immediately withdrawn from sale. These reviews and our exercise in listening to consumers allow us to optimize the way we include information on labels so that it is easier to understand.

Apart from labelling, we also work to improve the information in brochures, store posters and our web page. Thus, we have adapted our advertising of children's products to the **Code of self-regulation of food and drink advertising aimed at minors, obesity prevention and health** (PAOS Code), which is also included in the NAOS strategy of the Spanish Food Security and Nutrition Agency.

NUTRI-SCORE labelling: New nutritional information system

First, we were pioneers in adopting the nutritional traffic light. In 2018, we also became trailblazers in including Nutri-Score labelling on our own-brand products.

In 2018, after listening to more than 10,000 Client Partners, we created this nutritional information model, which is unique on the market and allows consumers to easily see the overall nutritional value of each product and compare it with other similar products to make better choices, without losing the detailed information per nutrient provided today by the nutritional traffic light. A total of 86% of survey respondents supported the proposal to add the Nutri-Score to the nutritional traffic light. The first products to include the Nutri-Score were launched in January 2019, and, throughout the year, this label will be included on all our own-brand products.

In doing so, EROSKI has become the first to include this advanced nutritional labelling, recently validated by the Ministry of Health, and which is expected to be implemented on a general basis within a year.



Main characteristics of the Nutri-Score

Nutri-Score labelling is a graph or traffic light that classifies packaged foods with five letters and colours according to their nutritional composition, from green (healthiest) to red (lower nutritional quality). The healthiest ones have an A and a dark green colour, and the least, an E and a dark orange colour.

Each product will have the colour and associated letter that correspond to its content in sugars, saturated fats, salt, calories, fibre and proteins per 100 grams.

Consumers can thus compare similar foods when shopping or compare the nutritional quality of different brands of the same product. We chose this system after various studies have shown its effectiveness as compared to other methods.

Nutritional traffic light

The Nutri-Score complements the nutritional traffic light that has been available on our own-brand products since 2007.

The nutritional traffic light makes it easy to monitor the amount of calories, fats, sugars or salt in one's diet for any health reasons (diabetes, hypertension, overweight, etc.). You can see how much a single portion of the food has of that particular nutrient, and easily interpret if that amount is low, moderate or high.

Because of its usefulness in making healthier purchases, this colour system is always located on the front of packaging and provides information about the amount of calories and the four most relevant health-related nutrients (fat, saturated fat, sugar and salt) for a portion size. Moreover, under each nutrient is the percentage of daily intake that it represents (reference intake or RI). We use a daily diet of 2,000 kcal as a reference.

For children's foods, we use a 1,800 kcal diet. The colour system shows whether a portion of that food provides a low (green), medium (yellow) or significant (orange) amount of each nutrient. This makes it easier to combine food and not exceed the recommended intake of each nutrient, in pursuit of a more balanced diet.



Nutrition report based on purchases

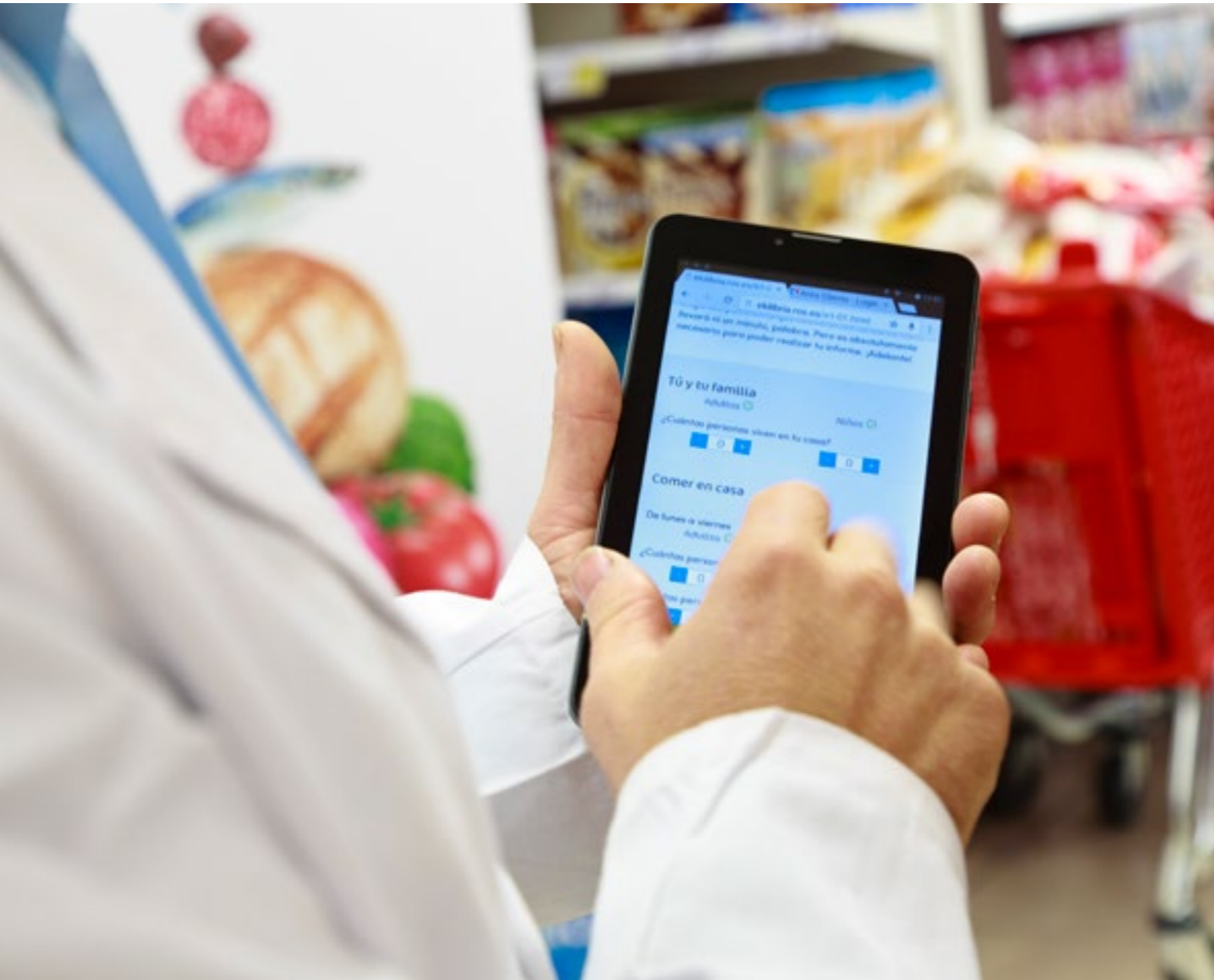
EROSKI Club has a pioneer health programme that offers free personalized information and incentives for a healthier and more balanced diet and purchases to all our Client Partners. In 2018, 25,000 people used our nutrition information service based on their purchases registered on the EROSKI Club card.

This report offers a detailed and personalized analysis of how household purchases correspond to the Mediterranean diet recommendations. The goal is to guide customers on food, quantities and frequency of consumption that both they and other members of the family need to maintain a balanced diet. It now also provides information on the calories and nutrients in their shopping basket with recommendations and comparisons to help make improvements.

This personalized nutrition information service by EROSKI has been **awarded in the XI NAOS Strategy Awards**, for the category of Best Business Initiative, which makes us the company with the most NAOS awards for our commitment to healthy eating.

EROSKI and Chef CAPRABO cooking workshops

Every year, we offer hundreds of workshops in our stores, where we give cooking lessons to children and adults. These recreational and educational initiatives are an ideal channel to promote a healthier lifestyle and foster local products among our Client Partners.



Specific dietary needs 413-1

Through commitment no. 4, EROSKI tackles its desire to assist consumers with specific dietary needs, so our product offer is safe and sufficient for regular purchases, without being overpriced.

We are specially sensitive to the specific dietary needs arising from diseases such as coeliac disease, allergies or food intolerances. Therefore, we maintain fluid communication with the different entities and groups that represent them, such as the Spanish Federation of Coeliac Associations (FACE) and the Spanish Diabetes Federation (FEDE). We can thus get to know their demands and concerns on a first-hand basis and expand our range of foods in response to their requests. We also collaborate with these entities to raise awareness and visibility of such diseases through various awareness campaigns.

Additionally, at EROSKI we made the decision to improve and clarify product labelling as regards allergens more than a decade ago. Thus, in addition to complying with Royal Decree 2220/2004 on allergen declarations, we offer additional information by including the warning texts required in separate messages on the labels in an easily visible way to indicate the potential presence of traces of allergens. In 2018, we had 541 own-brand gluten-free, 63 lactose-free, 27 milk-free and 7 egg-free products.



EROSKI brand products for groups with special needs

541 products



gluten-free

63 products



lactose-free

27 products



milk-free

7 products



egg-free



Collaboration agreement with the Basque Coeliac Association

In May 2018, the EROSKI Foundation signed a collaboration agreement with the Basque Coeliac Association (EZE) to work together to improve food shopping conditions for people with coeliac disease who have specific dietary needs.

Under this agreement, EROSKI offers a 20% discount to EZE members on every purchase of certain gluten-free products, both of own-brand products and specific manufacturers of gluten-free products. This allows families with at least one coeliac member to save more than €300 per year. More than 1,460 people benefited from this agreement in 2018.

At EROSKI, we are also committed to continuing to improve our offer of gluten-free products, which currently includes more than 3,000 products, 2,500 from top brands, and 541 guaranteed gluten-free EROSKI products. Of these, 10 are new foods specifically for coeliacs that substitute wheat with other ingredients such as corn, rice or gluten-free oatmeal. We highlight the message "gluten free" in red on the label of each product so that it is easy to identify.

Thanks to our agreement with EZE, these new product additions will be tested by their members.

By 2019, we plan to extend the agreement to other coeliac associations in other regions, so that more and more territories can take advantage of this collaboration.

Healthy eating and habits from childhood

413-1

At EROSKI, we believe that educating and informing citizens is essential to them maintaining a balanced and healthy diet. In this regard, through commitment no. 3 we promote a diet that prevents childhood obesity by providing access to healthier products and educating children to have a better diet.

Eating School

This EROSKI Foundation initiative began in 2013 with the goal of promoting a balanced diet and healthy habits among citizens. It is a meeting point for health and education professionals, parents, schoolchildren and all other citizens committed to improving their diet and lifestyle.

The Eating School offers up-to-date and quality information taken from scientific research and knowledge. The challenge we have defined is to "move together towards a healthier and, therefore, happier society". With the Eating School we install spaces for educational games at events

with children's participation so they can learn about good eating habits in a fun way.

www.escueladealimentacion.es

To develop the Education Programme on Healthy Food and Habits and other initiatives of the Eating School, such as the Health Passport, we have also collaborated with regional governments and different organizations related to health and responsible consumption.



"Energy to grow" Education Programme on Healthy Food and Habits (PEAHS)

The Eating School was created after the success of "Energy to grow", our Education Programme on Healthy Food and Habits an initiative launched in 2012 by the EROSKI Foundation to curb the growing childhood obesity rate in Spain.

energiaparacrecer.escueladealimentacion.es

The primary objective of the programme is to make students aware of the importance of following a balanced diet and leading a healthy lifestyle.

A total of 460,401 schoolchildren from 3,192 primary education centres all over Spain participated in the last edition. Since its beginnings, 28.5% of centres in Spain have participated in the programme. We aspire to train more than 2 million schoolchildren and their families by 2025.

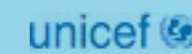
The programme consists of 10 class sessions and three practical workshops:

Class sessions:

In 2018 we updated a portion of the educational materials we created in the four official languages (Spanish, Basque, Galician and Catalan) on a balanced diet and healthy habits so that schools can teach it during school hours. With these materials, students are educated about a balanced diet, healthy lifestyle habits, local products, diets from other parts of the world and the sustain-

ability of the planet. In addition to new activities and memory units, we have included videos made in collaboration with two new agri-food producers, Fribasa and Conservas Arroyabe, with the aim of strengthening the criteria for developing a healthy diet that includes local products.

The content was prepared by a scientific committee formed by professionals in medicine, nutrition and dietetics, psychopedagogy and pedagogy. **UNICEF, WWF, the Spanish Heart Foundation and the Basque Culinary Centre** also participated in this project.



Practical workshops:

During three practical workshops, students experience what they have learned in a real and everyday environment.

Visit to a store:

Schoolchildren review nutrition labeling on real products and determine where they fit on the food pyramid. Together with the person running the workshop, they learn to fill their shopping basket with healthy choices and build a food pyramid.

Visit to a local or regional agri-food producer or manufacturer:

In a fun and educational way, students learn the importance of local food production as a main source of value in terms of environmental, cultural and social sustainability. In 2018, Fribasa and Arroyabe Conservas joined the list of local producers who have collaborated in the programme from the start: Barrenetxe, Gomiztegi, Lacturale, UDAPA and Nusi.

Cooking class:

This consists of preparing and cooking all the meals for one whole day with the guidance of a professional from the Basque Culinary Centre, a world reference in gastronomy and cuisine.



CAPRABO Education programme

In Catalonia, our Healthy Eating Education Programme "Good choices, healthy choices" by CAPRABO celebrated its 10th anniversary in 2018. It is aimed at teaching children to eat healthy and encouraging them to adopt balanced nutrition habits, accompanied by a nutrition professional. To do so, awareness tasks are carried out in the classroom and practical tasks are done at supermarkets, where students are taught how to fill a shopping basket with healthy options. A contest is also held in which, together with their families, students create a meal plan for a whole day and commit to practising good family habits.

Moreover, the programme encourages healthy eating

habits during the early years of life with a course aimed at schoolchildren between 2 and 3 years old, which is the result of collaboration between CAPRABO and the cooperative Encís.

New developments in 2018 include new material for students, aimed at raising awareness of sustainable development, responsible consumption and zero hunger, among other topics. The programme has also been adapted to a digital format to cover more centres and facilitate access to information.

VEGALSA-EROSKI Education programme

In Galicia, our healthy eating education programme led by VEGALSA-EROSKI is carried out through the "Visit your supermarket" and "Math at your supermarket" programmes, as well as the "Eat right, live healthy" programme, under the framework of the national project "Obesity prevention. Lighten your load," led by the Spanish

Society for the Study of Obesity (SEEDO). This initiative, in which VEGALSA-EROSKI collaborates and which has been considered an "event with exceptional public interest" by the Spanish Government, is aimed at stopping and reversing the obesity epidemic in our country.



"Visit your supermarket"

The objective is to foster healthy habits, responsible behaviour, the promotion and defence of consumer right and interests.



"Math at your supermarket"

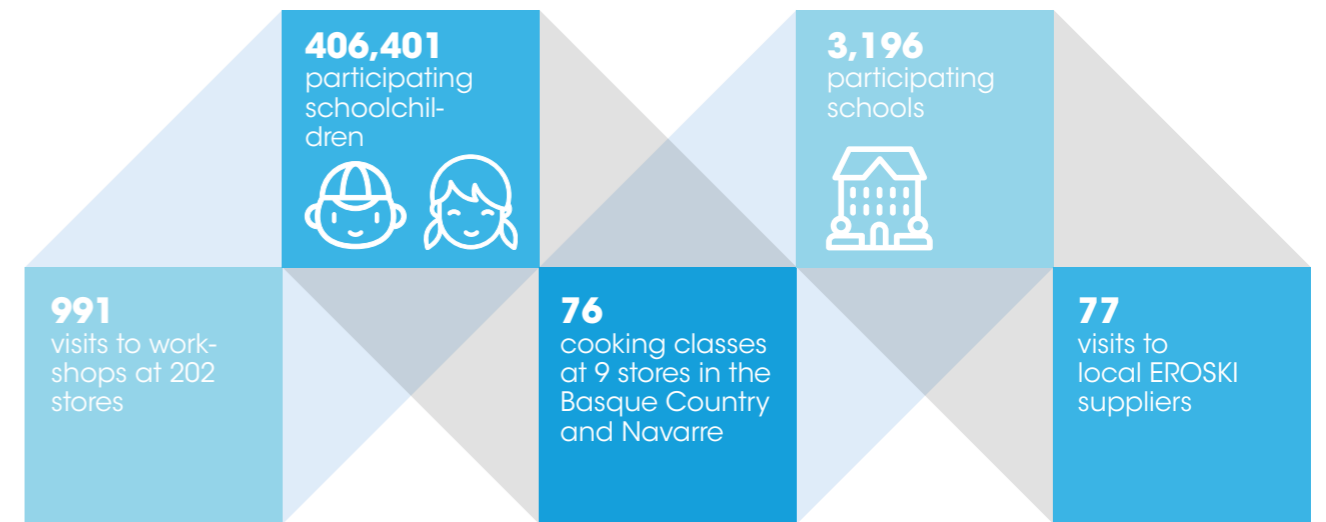
During the visit to the store, students perform calculations, estimations, observations, data collection, etc. in teams. They choose a healthy breakfast, then work as a cashier and later analyze with their monitor whether the purchase meets the established requirements and is healthy.



"Eat right, live healthy"

With this project, a commitment to food and healthy lifestyles is fostered through assorted initiatives and training collaborations: Sannifestas in Galician schools, the workshops "Dálle valor ao peixe", bread and cheese workers and healthy eating workshops, both for children as well as seniors and suppliers. The "Obesity Prevention. Lighten your Load" awareness campaign, Led by the Spanish Society for the Study of Obesity, also stands out.

Main indicators of EROSKI Group education programmes for the 2017/2018 school year



VII Meeting of the Nutrition School

Since 2009, the EROSKI Foundation has promoted meetings between health professionals and citizens with health concerns and needs. The objective is always to offer a space for reflection on relevant issues related to the population's health.

In 2018, we held the VII Meeting of the Nutrition School, under the title "Appetite is in the brain; how to develop healthy eating habits in our children", which experts in the field of nutrition, science and psychology attended to analyze the importance of nutrition at early ages together with EROSKI Club members.

The EROSKI Foundation Education Programme Rewarded

The work done by "Energy to grow" has been recognized on numerous occasions. In 2018, the EROSKI Foundation Education Programme received the **award for the best Business Initiative granted by the Spanish Nutrition Academy**. It was also a finalist in the IX Joint Responsibility Awards in the category of responsible communication for the best comprehensive communication strategy.

Information on health and sustainability 413-1

With commitment no. 10, we seek to educate consumers to facilitate a healthy and sustainable life, offering truthful, independent, practical and simple information products and actively collaborating to improve the health and sustainability of their purchases.

EROSKI CONSUMER is an EROSKI Group information project that we have been carrying out for more than 40 years with this same objective.

Through this communication channel, we aim to educate and inform consumers about issues related to nutrition, food safety and health, as well as the environment, charity, pets, babies, the economy, etc. It involves a large group of collaborators such as technical staff, journalism, design and programming professionals, and also receives collaboration from several entities such as the Federation of Spanish Diabetics, the Spanish Heart Foundation, the Azti-Tecnalia Technology Centre and the Spanish Association of Primary Care Paediatricians. The EROSKI CONSUMER information project is available in four languages: Spanish, Catalan, Basque and Galician.

2018 was a year of renovation for EROSKI CONSUMER, as we moved forward in the way we offer content, introducing graphic innovation and design, but without renouncing our identity: rigour and impartiality of useful and practical content for consumers.

In its print edition, distributed throughout Spain free of charge, the publication has an annual circulation of 725,539 copies. It is also available online at www.consumer.es and receives nearly 50 million visits per year. The website has a section with useful information on the Camino de Santiago, another section with more than 4,600 recipes and 16 specialized guides on topics related to health, nutrition, lifestyle, culture and the environment. In line with this commitment to new technologies, we also offer three mobile apps for recipes, the Camino de Santiago and news, which include the latest EROSKI CONSUMER articles. We are also present on Twitter, Facebook, Google+ and YouTube.

In 2018, EROSKI CONSUMER published seven shopping guides aimed at helping consumers understand different categories of products so that, with greater knowledge, they can make better choices: potatoes, cocoa powder and cream, lasagne, gazpacho and salmorejo, cookies, pulses and nougat. In addition, two articles were published in the "In-depth research" section on allergies and dairy products with unknown added value.



Print edition:

164,000
monthly readers
in 2018

Mobile apps:

Recipes App:
594,107
downloads

Camino de Santiago App:
173,035
downloads

News App:
8,762
downloads

Adding up to **more than 775,000 downloads**

Digital edition: www.consumer.es

Approximately
50 million
visits in 2018

More than
4,600
recipes

14 million
visits to the nutrition
web channel

11 channels
with specialized
content

16 specialized
guides

Nutrition
guide visits:

- 11 million** fruit
- 10 million** fish and seafood
- 6.5 million** vegetables

Social Networks

- 36,000** followers on Twitter
- 1,300** followers on Google+
- 46,000** followers on Facebook
- 21,000** followers on Youtube

Adding up to **more than 100,000 followers**



4

Employees

Committed to responsible and inclusive employment

Inclusive commitment model 413-1

The management of people in our organization is characterized by the fact that we are employees as well as owners: 9,796 EROSKI staff members are Employee Partners (32.6% of the total staff), which makes up participants in the company's co-operative management.

And this translates into an element that distinguishes the EROSKI Group from other distribution companies: a proactive attitude and strong commitment to the project, which is reflected in our performance at all levels of the organization.

As part of our continuous improvement process, in 2018 we underwent a company health diagnosis to identify areas for improvement, for which we will establish specific actions in 2019.

The employment we generate follows our management model and commitment to the workforce, clientele and society itself, and that is why we strive to create stable and quality employment. In this regard, it should be noted that 75.9% of the employment generated by EROSKI in 2018 was on the basis of permanent contracts. As regards quality employment, at EROSKI, we work in the following fields to make this concept a reality.



Gender equality,

with the support of our own Equality Observatory.

Wage solidarity,

thus tightening the gap between the salary range of the best paid and those with the lowest remuneration.

Work-life balance,

through timetables and schedules that balance work and family life as best as possible.

Professional development,

encouraging comprehensive professional progress through training and internal education.

Health and safety,

by promoting a healthy and safe environment through compliance with safe work rules and procedures and the continuous training of our workforce.

Internal participation and communication,

so that Employee Partners can make contributions to the organization's management and to establish fluid, bidirectional communication.

A socially responsible company 414-1

Among others, our mission includes two important aspects:

- The creation of a business project and model that includes people and promotes their personal and professional development.
- A commitment to protecting consumers and the environment, helping to improve the communities in which we act, as an expression of our social responsibility.

- Complying with legislation and current labour and cooperative regulations, as well as EROSKI'S specific commitments.
- Implementing an effective ethical management system.
- Continuously improving the organization's ethical behaviour.
- Supporting and respecting international human rights.

For EROSKI, social responsibility is a value shared by the entire organization and falls under the direct responsibility of the Chairperson. By integrating ethical management into our main management objectives, we can fulfil our commitments to:

Our Articles of Association, Internal Cooperative Regime Regulation and Ethical Management Manual set forth our commitments in employment matters, both for our own employees and for subcontractors and suppliers. The following principles are included among them:

- 1 We reject** and do not practice child labour.
- 2 We reject and do not practice** forced or compulsory labour.
- 3 We provide** a safe and healthy work environment.
- 4 We respect** freedom of association and the right to collective bargaining.
- 5 We reject** and do not practice discrimination of any type.
- 6 We reject** and do not use bodily, mental or physical punishment or coercion or verbal abuse on our employees.
- 7 We ensure** compliance with legislation on working hours and holidays.
- 8 We reimburse** employees pursuant to legal regulations for each sector, ensuring that in addition to meeting their basic needs, they have the option of discretionary spending.
- 9 We implement** a management system that ensures compliance and internal communication of the regulation principles.

All of our suppliers are subject to these requirements and our business relationship with them is dependent on their compliance with human and labour rights. We conduct a special follow-up of suppliers at the greatest risk, which are those belonging to the textile and non-food product sectors located in Asia.

In addition, we reaffirm our commitment to labour and human rights with our Spanish Network of the Global Compact membership. EROSKI was one of the founding members in 2002 and has participated since then in this initiative to implement basic principles of behaviour and action in the areas of human rights, labour rights, the environment and the fight against corruption in the company's daily strategy and operations.

Our 10 essential employment values



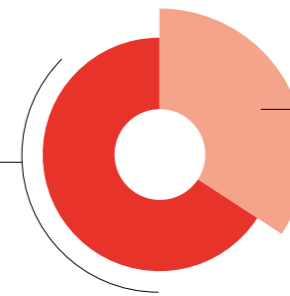
- | | |
|---|---|
| <p>1 We promote participation.</p> | <p>6 Dynamism to adapt to changes and promote innovation.</p> |
| <p>2 We promote personal and professional development through the improvement of knowledge, skills and abilities.</p> | <p>7 Customer-focused to adapt and anticipate their needs.</p> |
| <p>3 Sense of belonging: We're proud to be part of EROSKI and we seek out areas for improvement.</p> | <p>8 We continuously improve working conditions to guarantee an adequate quality of life.</p> |
| <p>4 We promote bidirectional information and communication within the organization.</p> | <p>9 External solidarity to give back to society.</p> |
| <p>5 Thanks to our internal solidarity, we prioritize the collective over the individual and the long-term over the short-term.</p> | <p>10 Employees aspire to the highest level of professionalization</p> |

Main indicators 102-8; 102-41; 401-1

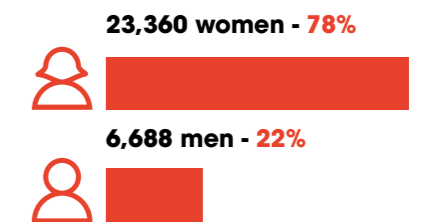
Total number of employees

30,048
EROSKI Group
employees

+ an estimated **3,301**
employees
in our network of
franchised stores

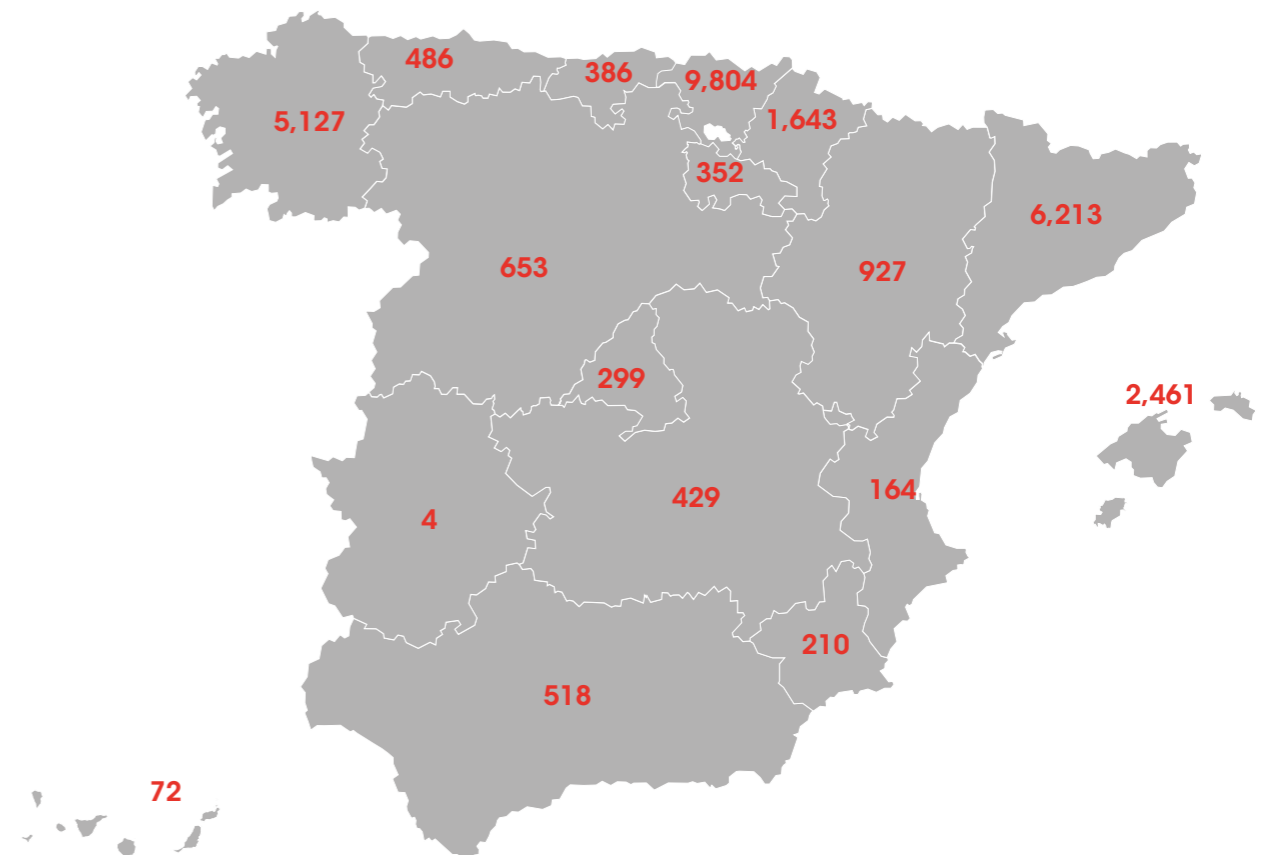


32.6%
9,796
employee
partners



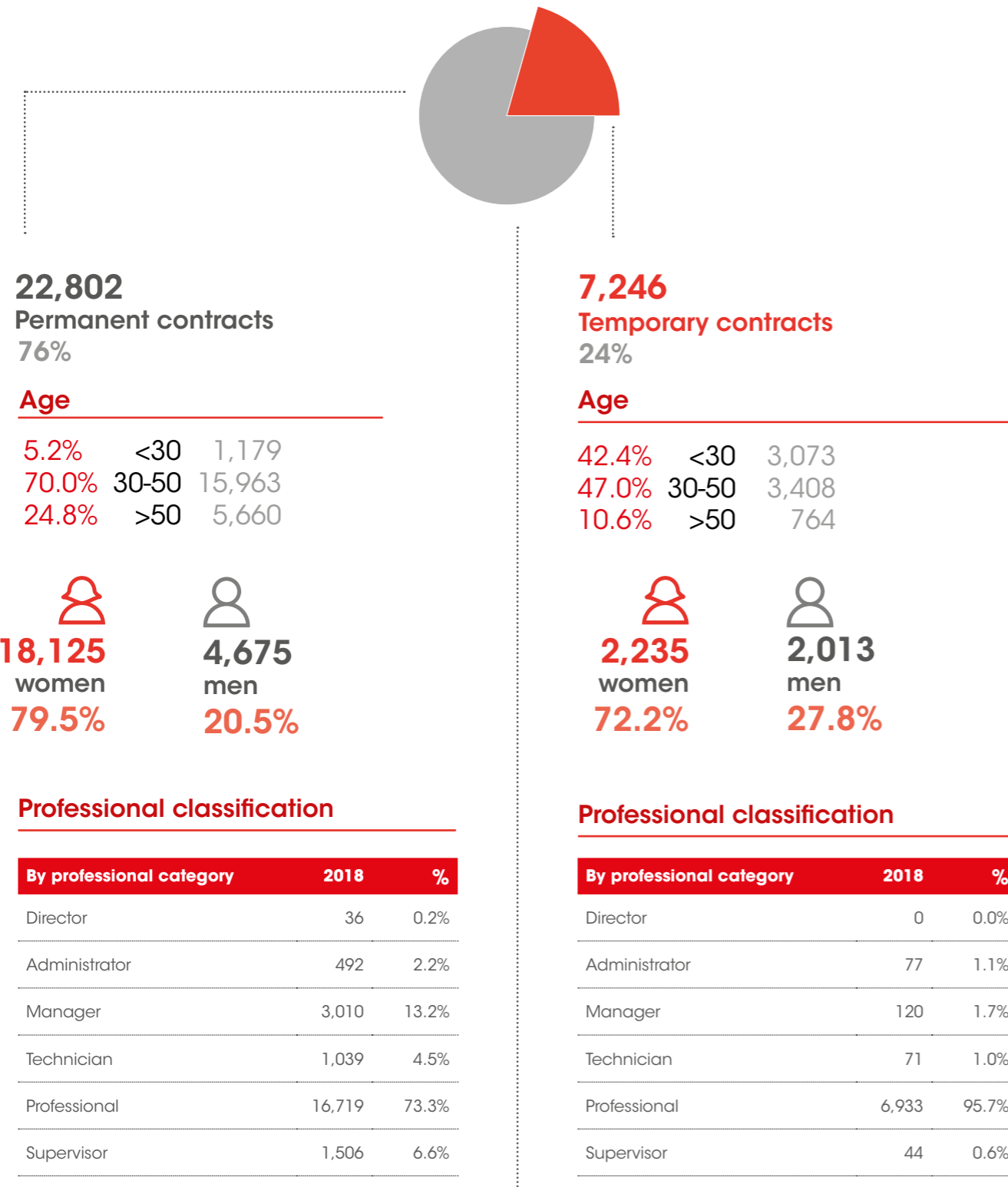
See Table 5 of the appendix with indicators for comparison with previous years.

Total number of employees in each region

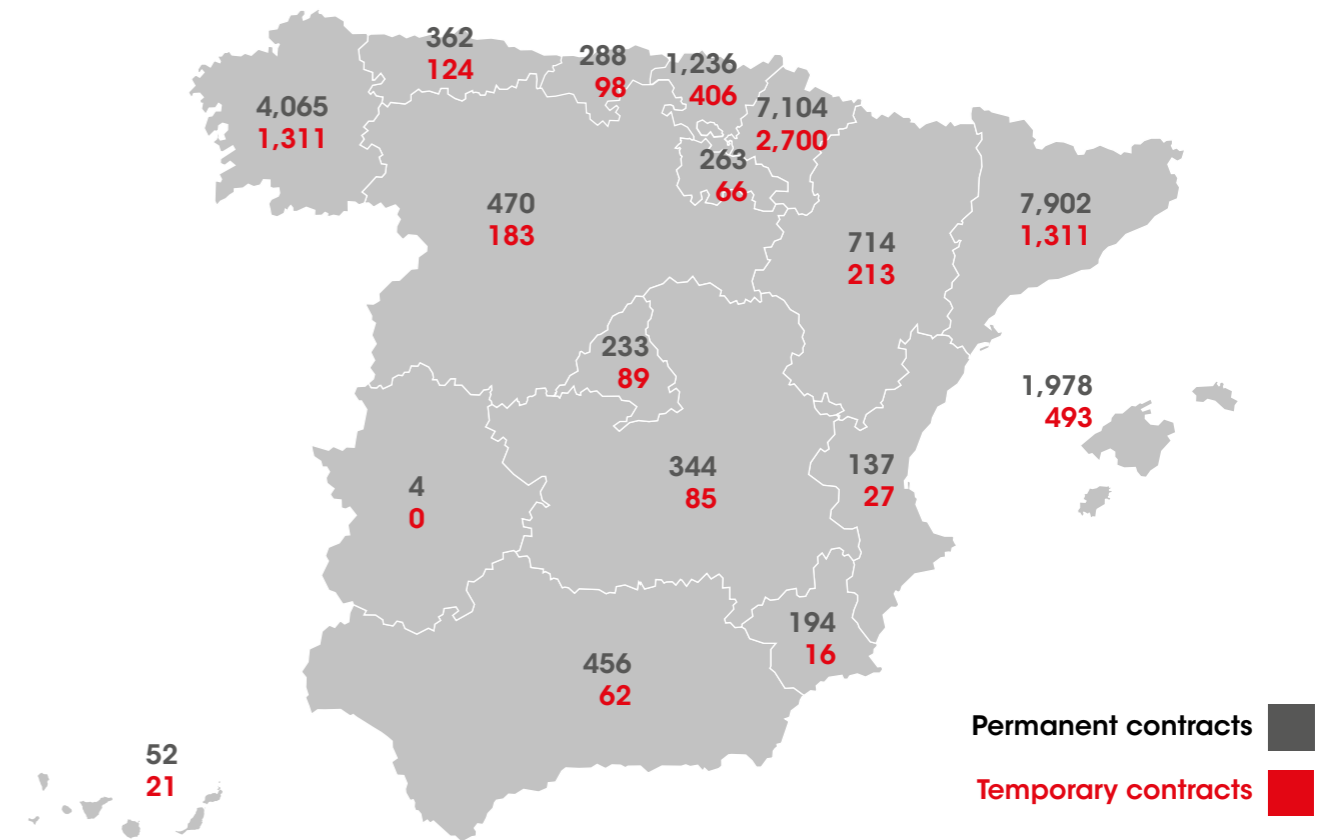


See Table 6 of the appendix with indicators for comparison with previous years.

Number of employees per contract type, classified by gender, age range and professional category



Number of employees per contract type in each region



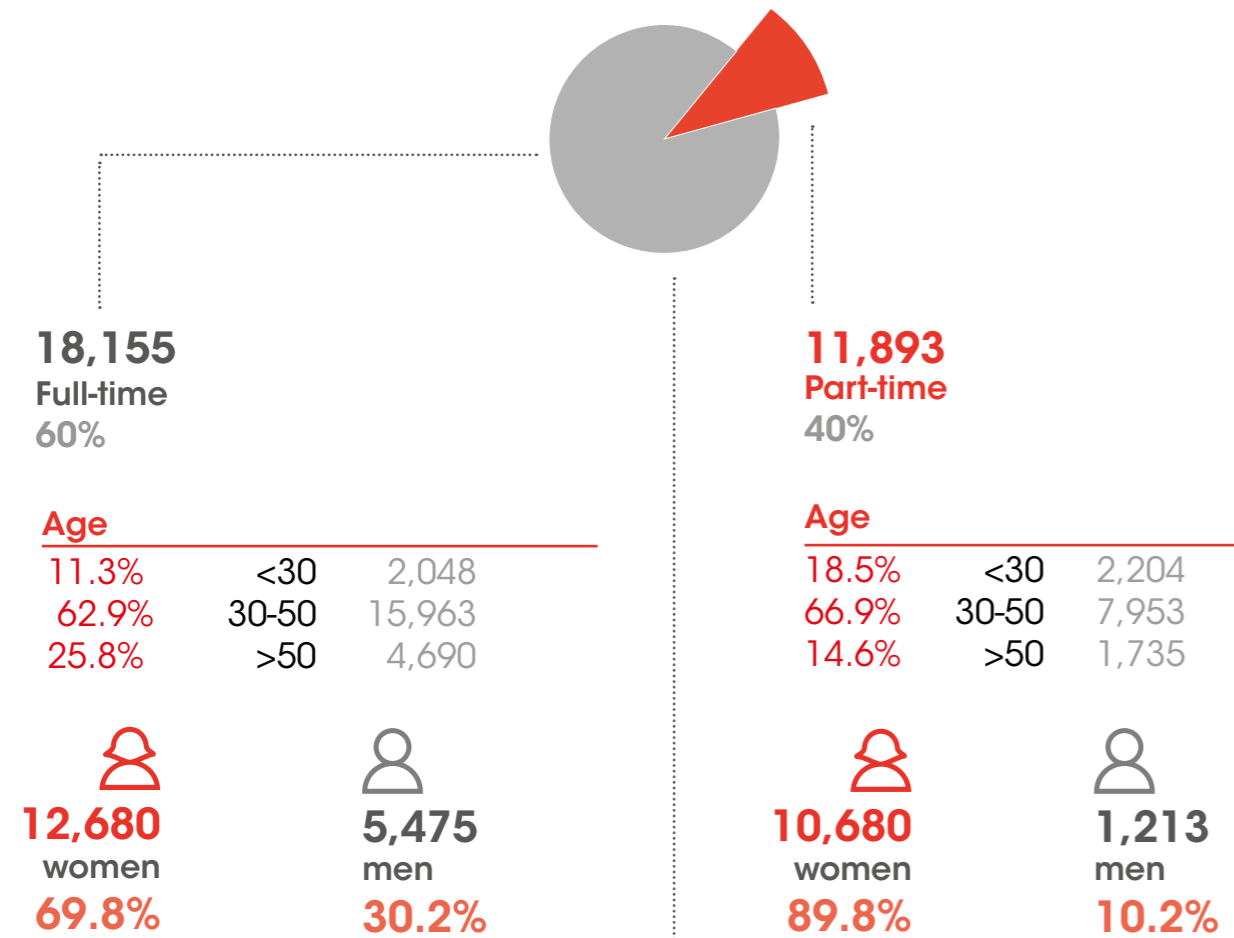
Due to temporary replacements, the temporary workforce is:

32%
in the summer,
9,567 people

27%
at Christmas,
8,190 people

See Tables 8 and 9 of the appendix with indicators for comparison with previous years of total values and combined variables (gender, age and category professional category).

Number of employees by type of workday, categorized into gender, age range and professional category

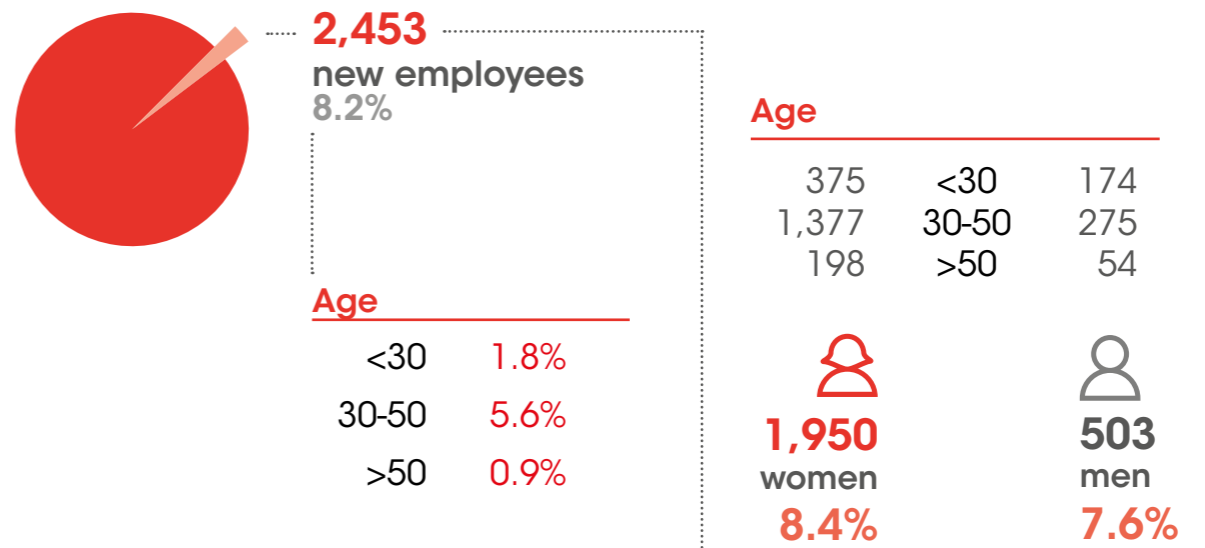


Professional classification

By professional category	2018	%
Director	36	0.2%
Administrator	492	2.2%
Manager	3,010	13.2%
Technician	1,039	4.5%
Professional	16,719	73.3%
Supervisor	1,506	6.6%

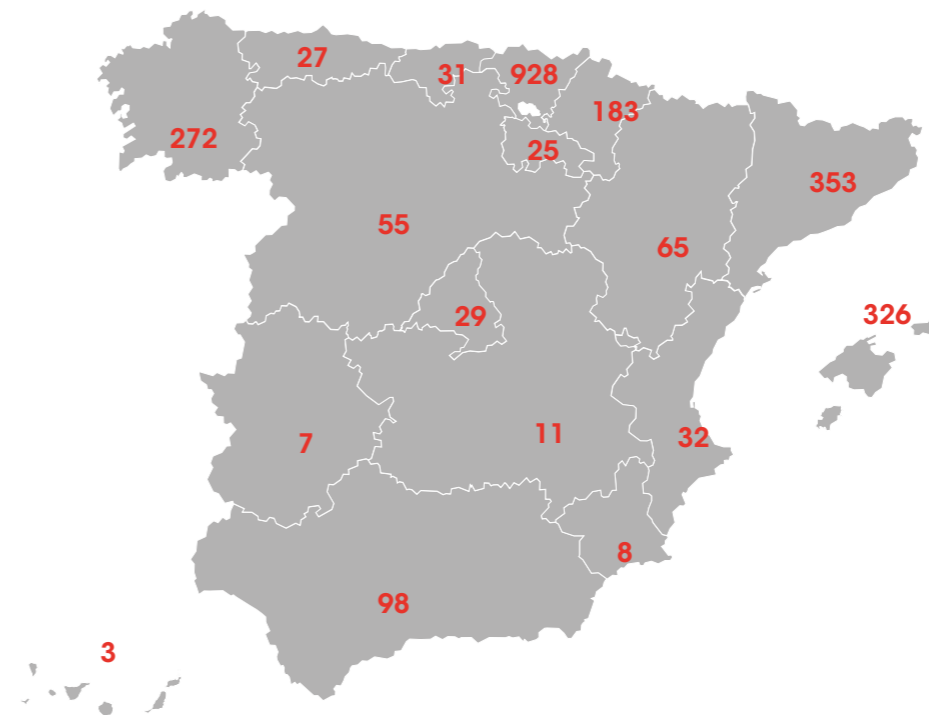
See table 10 of the appendix with indicators for comparison with previous years of total values.

Number and rates of new hires by gender and age range

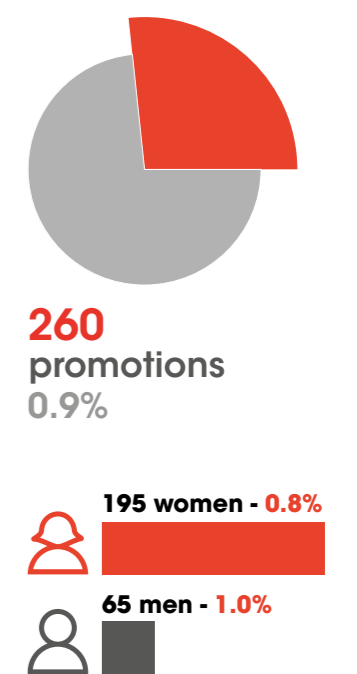


See table 11 of the appendix with indicators for comparison with previous years.

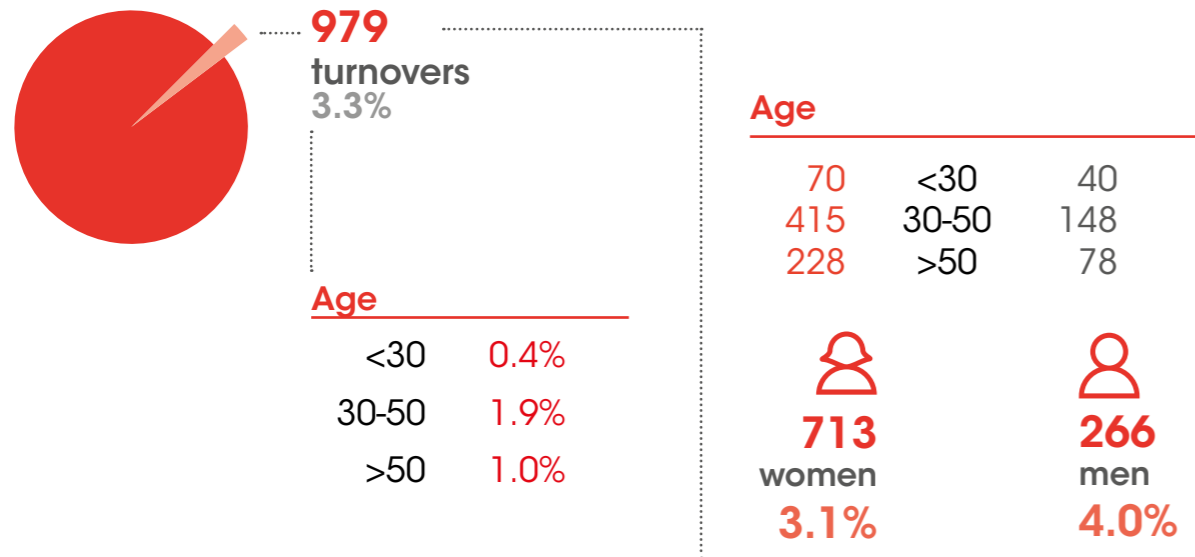
Number of contracts in each region



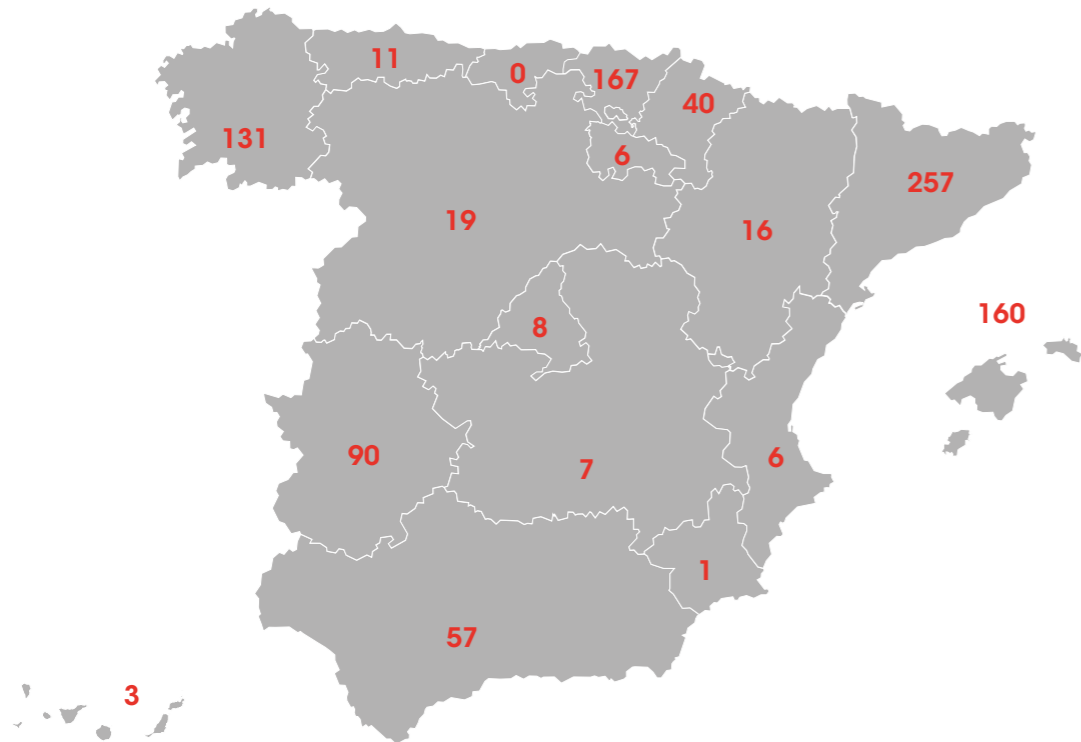
Employees promoted



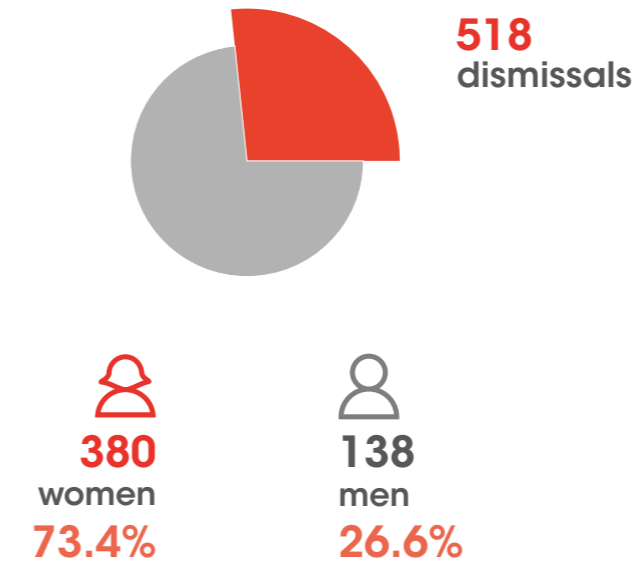
Number and rate of turnovers (exiting employees) by gender and age range



Number of turnovers in each region



Number of dismissals by gender, age range, and professional category



Age		
6.76%	<30	35
70.85%	30-50	367
22.39%	>50	116

Professional classification

By professional category	2018	%
Director	1	0.2%
Administrator	10	1.9%
Manager	52	10.0%
Technician	5	1.3%
Professional	418	80.7%
Supervisor	32	1.0%

Collective bargaining



100% of employees who are not members of the cooperative are covered by a **collective agreement** (69% of entire workforce)

Staff who are not members of the cooperative
20,506

The 6 pillars of responsible employee management

Wage solidarity

102-34; 102-35; 102-36; 102-37; 102-38; 102-39; 202-1; 405-2

In line with its cooperative values, EROSKI S. Coop. applies the principle of wage solidarity throughout the entire organization, which internally translates into a narrow pay gap between posts with less responsibility and senior management. More concretely, the salary range in 2018 was 8.29. Thus, the ratio between the total amount received by the person with the highest compensation and the median compensation of all other staff in the cooperative is 7.64. This ratio is considerably different from IBEX 35 companies, where, according to 2017 data, the highest ranking executives received an average of 86 times higher remuneration than the average pay of the rest of the workforce.

The Evaluation Committee, appointed by the Board of Directors and the Social Council, is in charge of estab-

lishing remuneration in the cooperative, once the tasks, capacities and competences required for each job have been assessed. For its part, the Appointments and Remuneration Committee proposes the remuneration policy of senior management to the Governing Council.

Remuneration at EROSKI is public, equal between men and women and depends on the position and not on other factors such as seniority or individual negotiation. In addition, to attract and retain the necessary human resources, the principle of external competitiveness is applied, thus adapting remuneration to the most generalized levels across companies in the sector. Thus, in the case of the supermarket agreement, the minimum basic salary is 30% higher than the minimum interprofessional salary in Spain.

On the other hand, in the external sphere, wage solidarity implies that **the remuneration of the Board of Directors is between 68% and 73% lower than the market value.** Thus, during 2018, total remuneration of the Chairman and the members of the Board of Directors was, in total, €835,523. This differs greatly from the reality of IBEX 35 companies, in which average remuneration per director is almost seven times that which a member of the EROSKI Board of Directors receives on average. Likewise, the members of the Governing Council, our highest governing body, do not receive any fixed or variable remuneration for this work (except the costs of traveling to meetings of said body).

	EROSKI S. Coop.	Other companies
Salary range in the cooperative	8.29	11.96
Ratio of total annual compensation of the highest paid person by the organization to the median total annual compensation of the rest of employees	7.64	9.91
Percentage increase between 2017 and 2018 of total annual compensation	From 1.45% to 2.97%	1% basic salary increase in all companies except FORUM SPORT, which ranged from 0.18% to 1%.
Ratio of average remuneration of members of the Board of Directors and Executives to the rest of employees	3.70	4.52
Ratio of the basic salary to the minimum interprofessional salary	+53%	+30%

Average remuneration of the Board of Directors by gender



Average remuneration by gender and professional category

EROSKI S. Coop.

	Director	Administrator	Supervisor	Professional	Manager	Technician
	71,502	44,396	31,033	16,730	22,597	30,331
	74,706	46,960	31,346	18,617	23,041	30,954
Pay gap	4%	5%	1%	10%	2%	2%

Average remuneration by gender and age range

	Age		Pay gap
16,905	<30	16,428	-3%
19,065	30-50	25,234	24%
19,209	>50	27,046	29%

The reference remuneration by professional category in the cooperative is equal between men and women. The pay gap is due to the unequal distribution in number of people according to gender in the different levels of responsibility within the same professional category and

to the historical evolution of the remuneration indices. The gap is expected to gradually decrease with the natural renewal of the employees within the cooperative and the stronger presence of women in positions of greater responsibility within the same professional category.

Other company groups

	Director	Administrator	Supervisor	Professional	Manager	Technician
	52,363	51,867	28,625	15,894	21,334	29,760
	86,664	55,526	32,174	16,720	23,373	33,114
Pay gap	40%	7%	11%	5%	9%	10%

	Age		Pay gap
14,879	<30	15,826	6%
17,068	30-50	20,880	18%
17,387	>50	25,923	33%

All remuneration data are calculated with 100% of working hours.

Equality 405-1

At EROSKI, we consider equal opportunities between women and men a basic and strategic principle in the organization's management. Ending inequality involves a process of change directly related to our cooperative and egalitarian culture. In this regard, EROSKI is governed by the principle of non-discrimination, as set forth in its founding articles of association, not just as regards gender, but also race, sexual orientation, religious beliefs, political opinions, nationality, social class, disability or any other characteristic that could cause it.

To this end, we have had a Commission for Equality since 2005 responsible for preparing and periodically updating the EROSKI Diagnosis and Plan for Gender Equality, and the Equality Observatory, a tool to ensure compliance with this principle throughout the organization. Representatives

of the cooperative's Employee Partners make up this body, which has six areas of work: use of language, elimination of physical and health barriers, elimination of social barriers, personal and professional development and work-life balance.

In addition, we have a whistleblower channel and, since 2015, a confidential advisory service to avoid potential cases of workplace harassment and to channel any incident that may arise.

In 2018, we periodically monitored the 2017-2020 Strategic Plan for Equality and updated the internal and external selection process, adding an express commitment to equal opportunities.

Other noteworthy actions taken during 2018 include:

Celebrating Women's Day

- Free breakfast to raise awareness and celebrate on March 8.
- Posters throughout the network of stores.
- Internal and external advertising of the event through the Nexo magazine and weekly newsletters.

Education to promote equality

We launched the Forklift School, an action aimed at promoting the employability of women in traditionally more masculinized roles at EROSKI. 12 women received training.

Partnerships

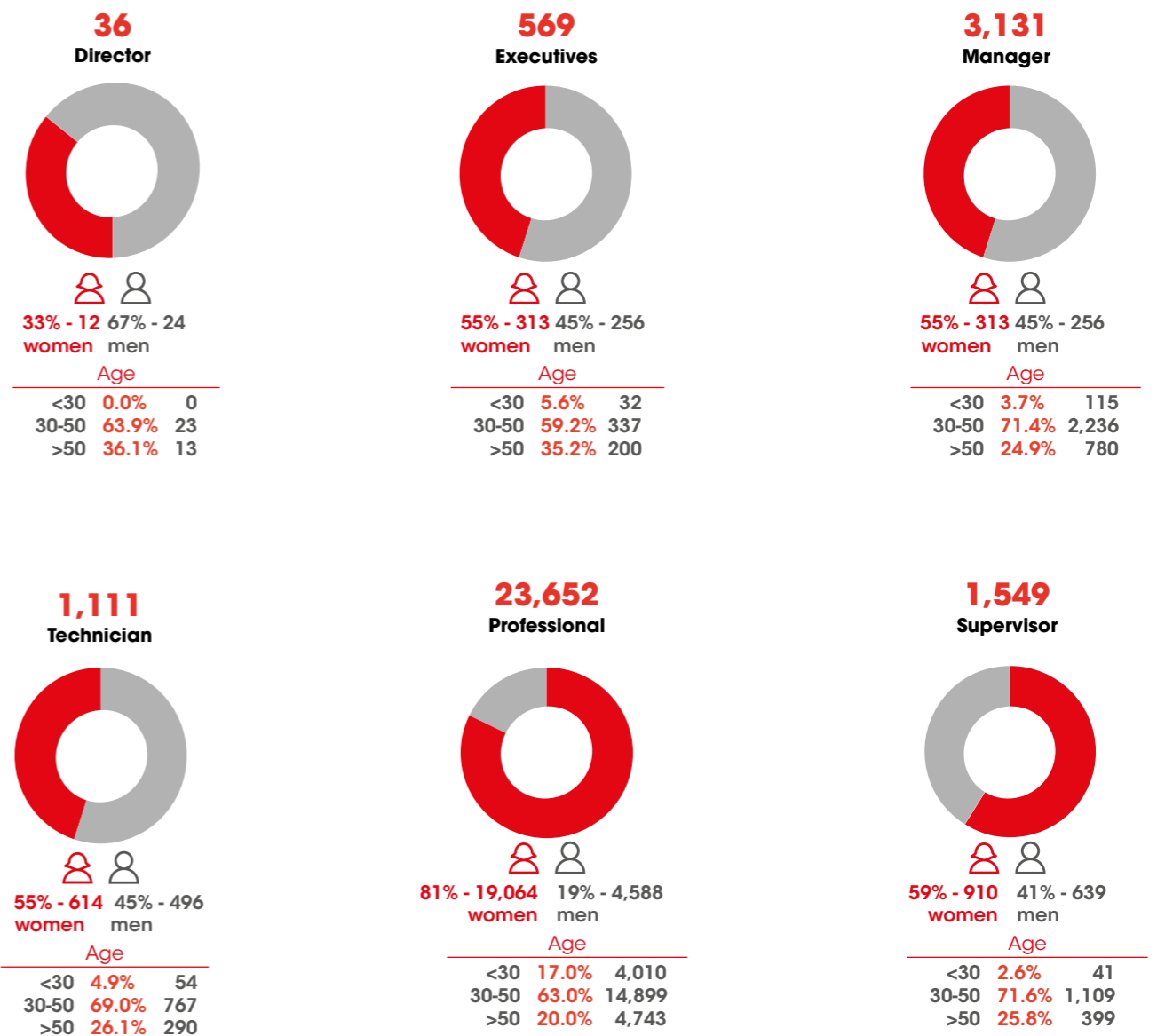
- Celebration of a "Women and social change" day, addressed from an internal, external and intergenerational perspective. The conference, which 300 people attended, brought together women who exercise their feminine leadership and work for a healthier, fairer, more equal and equitable world. They reflected on the responsibility of adults in transmitting equality to younger generations of women in all areas of life.
- Participation in the Inclusive Markets, Social Networks, Equality Employer round table, organized by the Spanish Red Cross on October 25, 2018 in Logroño.
- Participation and sponsorship of the health table organized by the Women Entrepreneurs and Executives of Biscay. The table addressed the revolution of new technologies applied to health, with a focus on women.
- Participation in the "A Coruña in black against sexist violence" awareness campaign of the Concello de A Coruña.

Equality indicators

As an example of our commitment to equality, women make up 78% of our workforce and occupied 71% of positions of responsibility in 2018, which is much higher than the industry average. Moreover, EROSKI S. Coop has had a Board of Directors with equal presence of women and men since the beginning of 2017.

Likewise, women also make up the majority of members in corporate governance bodies. In 2018, equality was also reached in the highest governing body of EROSKI S. Coop, the Governing Council.

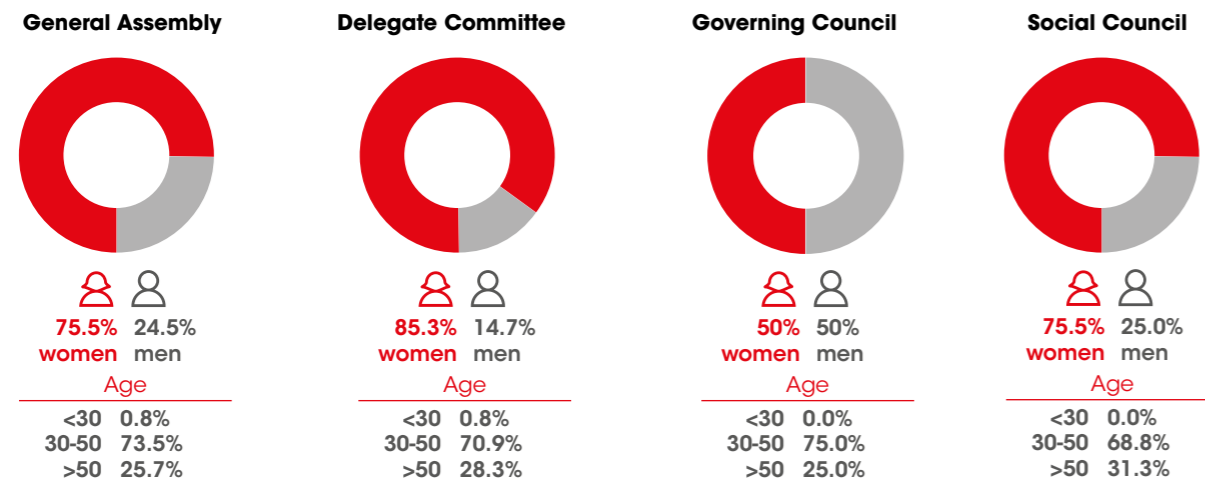
Distribution of employees across professional categories by gender and age range



See Table 13 of the appendix with indicators for data on the number of employees by gender, age range, and professional category combined.



Distribution of the governing bodies by gender and age range



See Table 35 of the appendix for data on the number of people in the governing bodies by gender and age range.

Work-life balance

One area our Equality Plan is focused on is work-life balance. In this regard, the actions we've taken in 2018 have been aimed at:

- Extending recovery leave for hospitalization or surgery of relatives, without the need for said surgery to involve overnight stays.
- Extending leave due to death of second and third degree relatives.
- Adding paid leave to care for premature children or newborns who must remain hospitalized after childbirth that is better than the provisions of the Workers' Statute.



Work-life balance indicators 401-3

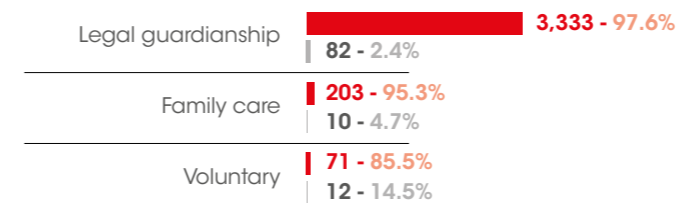
As regards work-life balance, EROSKI offers more leave than established by legislation and promotes environments and work schedules that allow for work-life balance. For example, in 2018, 13.2% of employees worked a reduced schedule or took a leave of absence due to legal guardianship or family care matters.

Moreover, EROSKI also deals with the particularities of its employees' other personal projects, offering the possibility of reducing their work schedule without manifest cause and maintaining the right to recover their full work schedule once the reduction period has ended, or granting voluntary temporary leave with job reservation for collaborative projects with NGOs or other personal development plans. Last year, 926 people benefited from reduced working hours or voluntary leave.

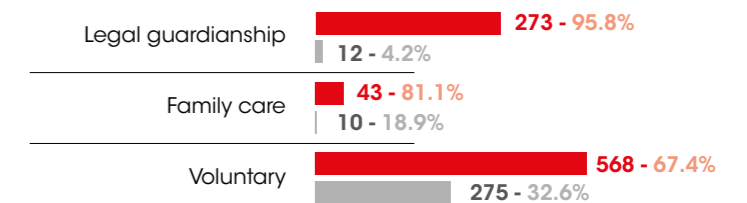
Distribution of parental leave by gender

	Women	Men	Total
Total no. of people who took parental leave in 2018	484	131	615
Total no. of people who returned to work in 2018 after completing parental leave	267	98	365
Rate of return to work (% of people who returned after completing leave in 2018)	77.6%	83.1%	79.0%
No. of people who continue at EROSKI 12 months after returning from parental leave in 2017	394	121	515
Retention rate (% of people who continue at EROSKI 12 months later)	79.6%	74.2%	78.3%

Distribution by gender of employees with reduced working hours by cause



Distribution of employees with leave of absence by gender and according to cause



Women Men

Women Men

Occupational health and safety

Occupational risk prevention 403-1; 403-4

At EROSKI, we are committed to protecting and improving the health of our workforce, carrying out proactive work in the area of health and safety. We act in the fields of prevention, training and promotion of health; we continuously improve our occupational risk prevention systems and integrate them into the overall management of the company.

We have two of our own Occupational Risk Prevention Services with a joint nature, one for CAPRABO and the other for the remaining Group companies. They deal with the following specialities: safety at the workplace, industrial hygiene and ergonomics and applied psychosociology.

Health surveillance is carried out by external prevention services, although up until October 2018, EROSKI S. Coop. was responsible for this speciality within its Joint Prevention Service.

Additionally, employees participate in identifying risks and improvements in working conditions by making proposals to the Health and Safety Committees (which operate in different areas, from the workplace itself to the entire organization) and other bodies of company representation, in which all EROSKI employees are represented by their delegates and where all the topics related to occupational health and safety are covered.



Occupational risk prevention measures:

Throughout 2018, we took actions to prevent occupational risks in the workforce, among which the following stand out:

Review and update of the prevention plans of the different Group companies, as well as general risk assessments.

Internal prevention audits and scheduled inspections. The latter are conducted by the centre's inspection teams, which also carry out a follow-up of the proposed corrective actions to reduce and improve any abnormalities detected.

Emergency drills, with and without evacuation, at the work centres.

Training. Basic courses on prevention and specific training on occupational risks and emergency situations were provided.

Health surveillance 403-2

At EROSKI, we have health surveillance through a third-party prevention service responsible for the following types of medical examinations: hospitalization, periodic examinations depending on the risk of the position, following long absences, mandatory for specific positions, during pregnancies and medical assessments of sensitive staff.

As for professional contingency, we also review and coordinate all the cases considered occupational illnesses with the insurance companies.

Rate of occupational accidents

33.9 minor accidents with leave for every million hours worked

4x10⁻⁸ serious workplace accidents with leave for every million hours worked



Causes:

42.7% Overexertion

11.2% Falls from the same level or different level

10.9% Cuts

35.2% Other causes

5.0 workplace accidents in itinere with leave for every million hours worked



fatalities due to occupational accidents or diseases



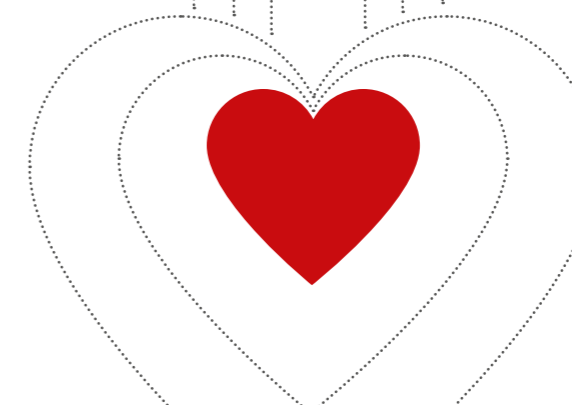
Material agent:

41.2% Food, glass, plastic or packaging

9.0% Metal products and tools

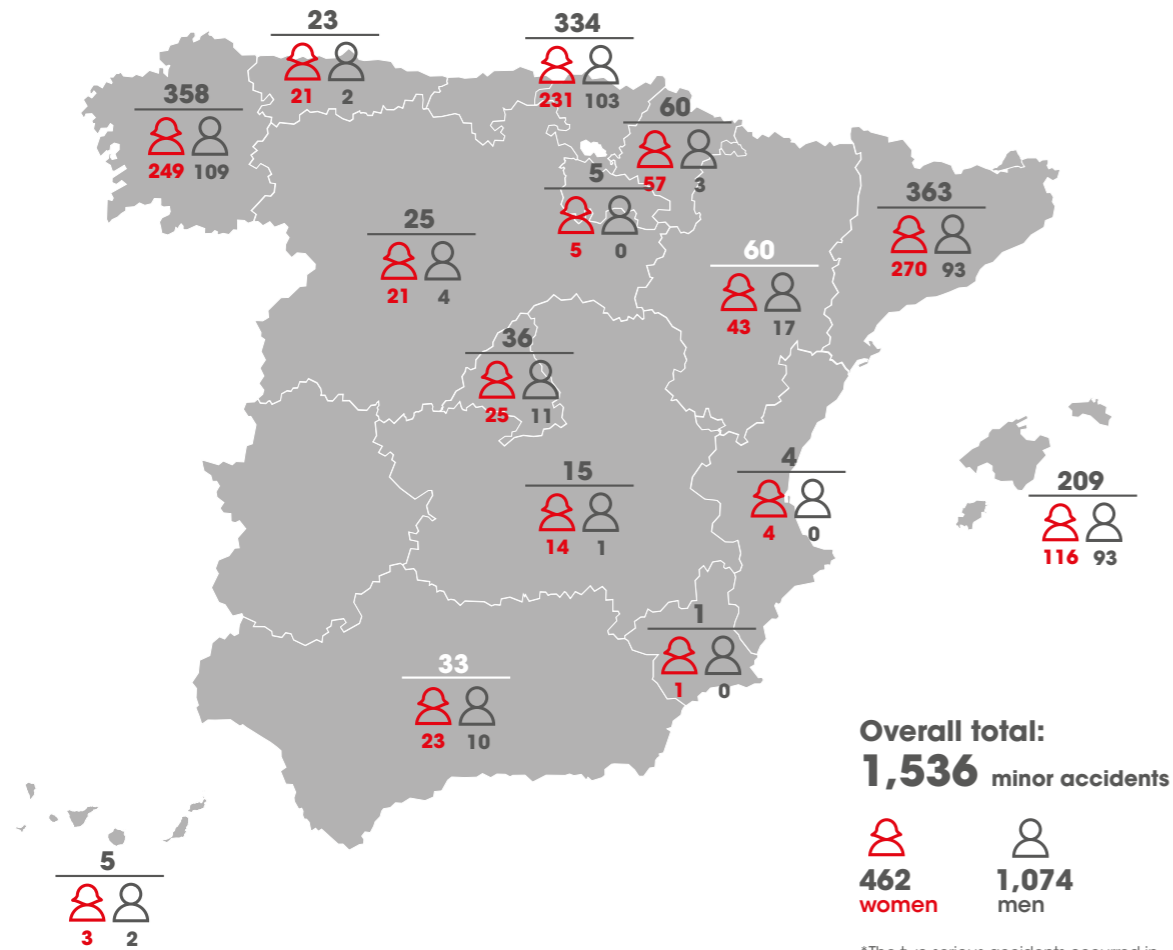
7.4% Forklifts or similar

42.4% Other



See Table 14 of the appendix with indicators for comparison with previous years.

Number of minor accidents in each region



*The two serious accidents occurred in Galicia, one involving a woman and one involving a man.

Accidents of indirect EROSKI employees at platforms

37 minor accidents of external staff

Causes of occupational accidents

Knocks or blows against vehicles

24.3%

Overexertion

24.3%

Objects falling during handling

10.8%

Other causes

40.5%

Material agent

Forklifts or similar

29.7%

Food, glass, plastic or packaging

13.5%

Pallet

8.1%

Other material agents

48.6%

Rate of workplace absenteeism



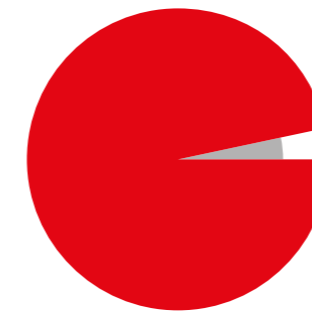
6.2% workplace absenteeism
hours of absence due to illness, occupational illness and occupational accident / theoretical hours of work
2,983,380 hours of absenteeism

6.8% women
2,497,43 h

4.2% men
485,697,87 h

See Table 15 of the appendix with indicators for comparison with previous years.

Rate of occupational illness



93% women

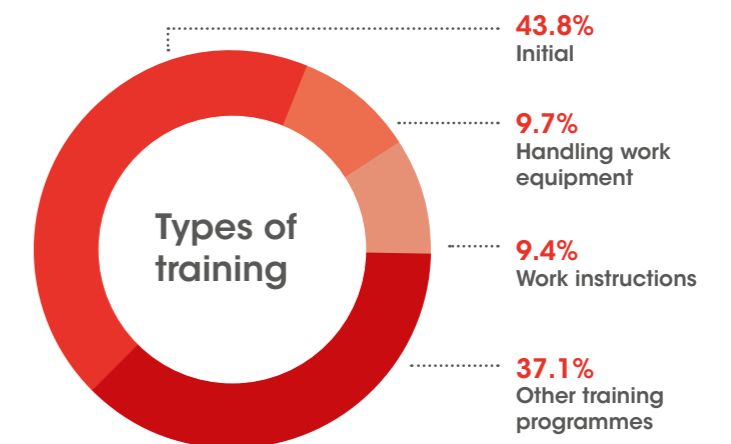
7% men

1.3 occupational illness with leave for every million hours worked

Rate of training in occupational risk prevention

28,376 hours of ORP training

0.94 hours of average ORP training per employee



Professional development 404-1; 404-2

Fostering the personal and professional development of the EROSKI team is one of the three pillars of the 2020 Strategic Plan, which establishes the training of people as one of the keys to competitive improvement. By training our staff, we seek to create high performance work teams, encourage professional growth and foster a cooperative culture of self-management.

Therefore, in 2018 we invested almost €2 million in **207,000 hours** of training our employees. Training programmes were once again focused on leadership and the professionalization of produce staff. In addition to training, we've maintained our commitment to a talent programme to develop potential within the organization.

Noteworthy training programmes in 2018 included:

Fresh product school

In 2018, we continued with the butchery, fish shop, bakery, deli and greengrocer training programmes. To do so, we used the management tools and training centres developed in previous years, as well as 50 monitors. More than 457 people participated in 57,224 hours of training.

Orain Campus

Education and development space within the EROSKI Talent and Management Development Model to promote innovation, leadership, the cooperative spirit and professionalism, which are all necessary elements to tackle the challenges our organization faces. The campus has four schools (Business and Marketing, Network, Genius and Ingenuity, and Social and Occupational).

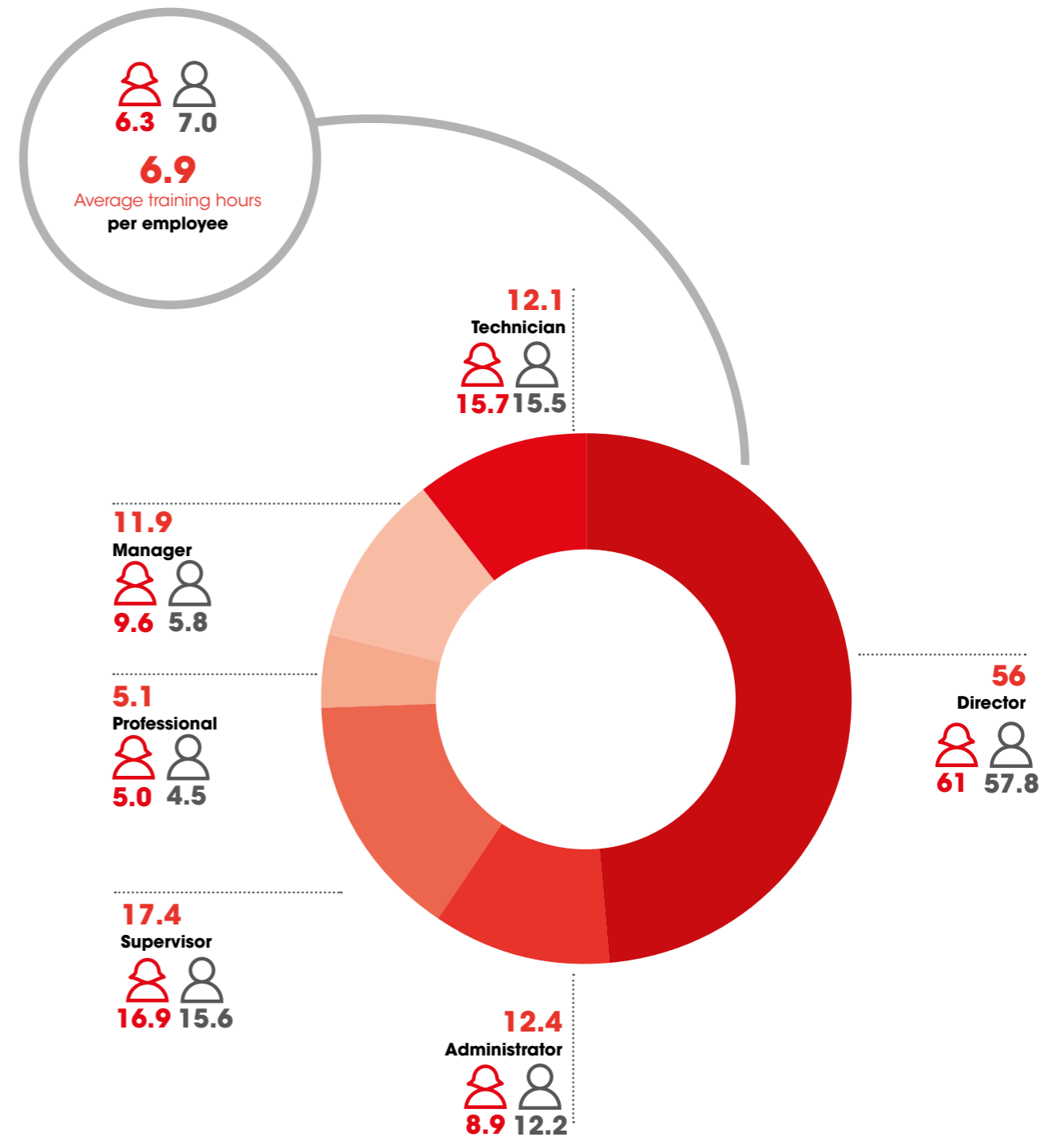
Customer service programme

This programme is focused on optimizing the training of our advanced in-store customer service staff. In 2018, we gave 3,835 hours of training in this area.

SUMMA

Since 2015 this project has been aimed at developing the managerial and organizational management skills of Employee Partners, in collaboration with Mondragon Unibertsitatea. Special attention is given to the professional promotion of women in responsibility and management positions. In 2018, 11 people received 1,211 hours of training.

Average hours of training of EROSKI employees by gender and professional category



See table 17 of the appendix with indicators for comparison with previous years.

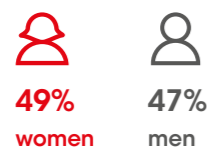
Professional promotion 404-3

In addition to training, another element that defines employee management at EROSKI is promotion, understood to be a natural process in the professional life of all employees based on professional training and quality of performance. In this regard, in 2018, 0.9% of our workforce was promoted, which corresponds to 260 people, 75% of which were women.

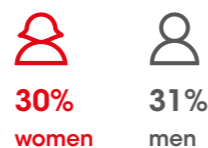
Number and percentage of employees with periodic performance and professional development evaluation



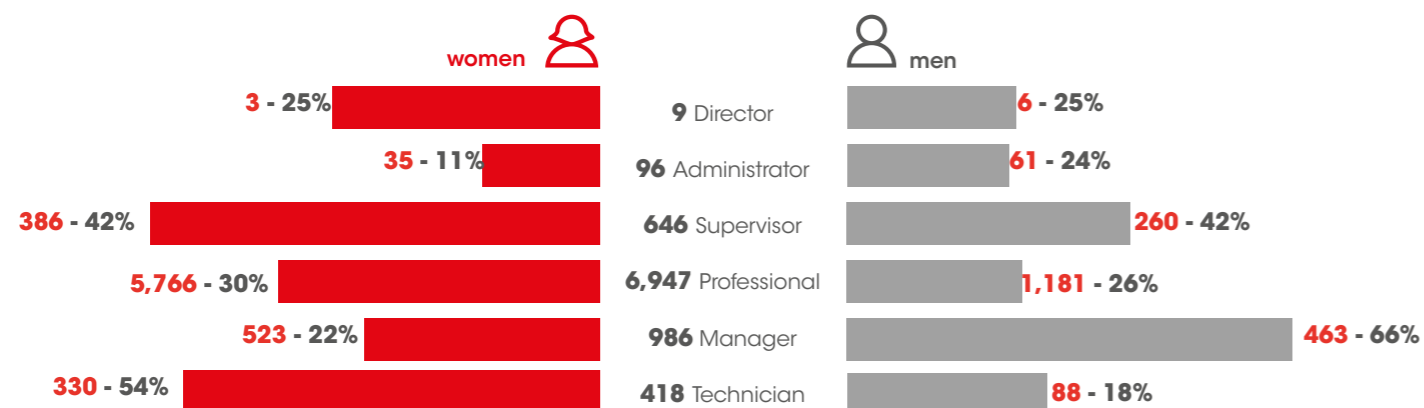
49%
of people
subject to
evaluation



30%
of all
employees



Number of people evaluated and percentage of total number of employees by professional category and gender:



See table 18 of the appendix with indicators for the number of employees subject to evaluation and table 19 for comparison with previous years.

Franchisees

All openings of franchised supermarkets currently comply with the new "with you" business model promoted by the cooperative.

Thus, Employee Partners who want their own business can benefit from our programme "Franchise with you", through which we offer specialized training, services and personalized benefits, as well as advanced tools for managing their stores, as well as the backing of a brand as trusted as EROSKI.

To strengthen our support for franchisees, we have agreements with Cajasur and Kutxabank to offer special financing conditions. Likewise, we are still part of the Spanish Confederation of Young Entrepreneurs Associations (CEAJE), offering them support to promote entrepreneurship.

We also demand that franchisees comply with their employees' labour and human rights, just as all our suppliers must commit to.

Our network of franchised EROSKI stores employs an estimated 3,301 people.

Promoting the cooperative culture of self-management

Our cooperative culture stems from our interest in promoting a higher degree of autonomy across teams of professionals at each of our stores. We work to provide all the tools they need to achieve self-management. It's the philosophy behind our "with you" business model.

Professionals at every store form an independent team that, working from the perspective of the owner rather than the employee, participates in designing and organizing their work, making the "with you" store unique. They make their own decisions in many areas:

- Internal management: schedules, work shifts, day-to-day work organization, holidays, free days, leave, etc.
- Their store's value proposition, management of local and regional ranges, adaptation to the market and local competitors, social involvement activities with the community, etc.

All this drives the entire team's internal commitment to a business project that becomes theirs, which in turn strengthens the group as a whole.

Kreating with you

The fifth edition of the Krea Corporate Awards acknowledged EROSKI centres that, in addition to revalidating the trust of our clients through daily effort, have innovatively designed and implemented their own initiatives and ideas that help to further strengthen the principles and pillars that best define us. In 2018, we celebrated that, for the first time, CAPRABO was one of the teams to receive an award.

Internal Communication

The EROSKI cooperative model is characterized by a high degree of employee involvement throughout the organization. To make this possible, we have a management model that favours active listening and continuous communication – key elements to ensure the transparency and motivation of our staff and to facilitate quality work.

We've prepared the 2018 Internal Communication Plan with the participation of around 4,500 Employee Partners who attended the annual meeting of the entire collective in groups of 150, led by senior management.

Communication at EROSKI extends to the individual at all levels of the different businesses and is adapted to the characteristics of each of the companies that make up the group.

That is why we have different tools and publications to strengthen and promote fluid communication between employees and the organization:

NEXO

Online publication, updated daily, offering information on all areas of the company, with an emphasis on the economic, corporate and commercial data on which the EROSKI "with you" model is based. We also publish regular Nexo monographs.

NÉCTAR

Monthly magazine focused on new EROSKI brand launches, explaining the organoleptic characteristics, quality and packaging of new products. The magazine also deals with information related to EROSKI'S strategic pillars.

La Parrapla

Monthly newsletter addressed to headquarters offering a collection of the most relevant company news.

Corporate intranets

These offer professionally useful and socially interesting content. Moreover, some intranets, such as Forumnet at FORUM SPORT, also function as document repositories. The possibility of exchanging information and cooperating across teams makes them fundamental tools for internal communication.

Job placement and social innovation

As a consumer cooperative, EROSKI is a collective project focused on consumers and society. Therefore, we are committed to the integration of people in disadvantaged situations and at risk of social exclusion. To this end, through occupational training agreements with public employment services and different organizations such as the Red Cross, we establish annual training programmes and non-work internships for groups with greater difficulties regarding job placement. This allows them to receive

professional training and facilitates their subsequent placement at our points of sale. In 2018, in collaboration with 86 entities, more than 450 people were trained. Of these, more than 120 were hired by EROSKI upon completion of the training programmes.

Among the various job placement initiatives carried out in 2018, the following are noteworthy:

Commitment-to-hire courses

During 2018, six courses were offered with a commitment to hire, through which 56 contracts for 93 students were signed, representing a 56% recruitment rate.

As a new development in 2018, CAPRABO began offering courses with a commitment to hire.

Dual training

We began dual training in June 2018. Currently, three students are benefiting from a one-year training and learning contract, which allows them to combine their studies with internships. They are receiving professional development in the area of travel sales.

Non-work internships

We've exceeded **37,000 hour** of non-work internships at CAPRABO and EROSKI, with a total of 491 students in 2018. Of these, 86 were hired upon completing their internship. This represents a 72% increase compared to 2017.

Social training and integration

In 2018, we collaborated with 41 organizations that work with people from disadvantaged groups or at risk of social exclusion, such as the Red Cross, Asociación Zabaltzen sartu, Fundación Ilundain and Kooperera. A total of 391 people participated in these courses, 75 of which were hired by the organization upon completion.

Programa Inserta by the Fundación ONCE

EROSKI is one of the 64 leading companies in Spain that forms part of the Inserta Programme and Forum by the Fundación ONCE. As an Inserta company, we express our commitment to social responsibility, diversity and disability, as well as our desire to comprehensively integrate this variable in our value chain and the corporate social responsibility policies we create, thereby improving our competitiveness. The Fundación ONCE collaborates with us to develop projects that empower the employment of people with disabilities and improve their quality of life, thus optimizing all the innovation, differentiation and value creation opportunities that these projects offer us.

We are also, on the one hand, committed in the social sphere to the training and employability of groups that present difficulties for job placement.

On the other hand, at the EROSKI Group, we work in social innovation to integrate people with different abilities through different projects. In collaboration with social economy organizations and other entities with social purposes, we have projects in our portfolio to expand the creation of employment for people with disabilities in franchised supermarkets in other regions.



Inclusive products

In 2018, EROSKI began collaborating with Lantegi Batuk on their "Naia" project to sell salads and 100% fresh organic vegetables, as part of their commitment to social development and sustainability. The cooperative offers two of the first references to be marketed in 29 of its establishments in the Basque Country: the batavia salad and the mixed salad. This new brand of ready-to-eat salads and fresh, organic vegetables are produced in collaboration with different ecological farms in Biscay.

This initiative is a new addition to those already launched by VEGALSA-EROSKI and CAPRABO.

At VEGALSA-EROSKI we are committed to training and hiring people with disabilities through the projects such as the vegetable brand We, La Alegría de la Huerta, launched in 2016 in collaboration with Asociación Down Coruña or the 2017 agreement with the firm Freshcut of Vigo to include its fifth range of products in our aisles.

This company, with employees with disabilities representing 80% of its staff, supplies products such as vegetable creams and mixed fruit purées marketed under the Galifresh brand.

In 2017, at CAPRABO we began selling Muntanyola cheeses and Urpina wines produced by the Fundación AMPANS at our supermarkets. With more than 50 years of experience, this organization works to promote education, quality of life and the job placement of people with intellectual disabilities, mental illness or who are in a situation of vulnerability. Specifically, 10 people with intellectual disabilities work at Muntanyola Cheese, producing 14 varieties of goat, buffalo, cow and sheep milk cheese.

Inclusive supermarkets

At GUREAK and EROSKI, we have consolidated our project for the social inclusion and job placement of people with disabilities with the inauguration of a new supermarket in Vitoria, managed entirely by people with disabilities. Three years ago we started a pioneering social innovation initiative with the hope of spreading it. The positive outcome of former experiences confirms the competitiveness of our franchised store model, open to be shared with entrepreneurs, cooperatives and social economy companies with the aim of creating employment and wealth in our environment and advancing the diversification of social employment.

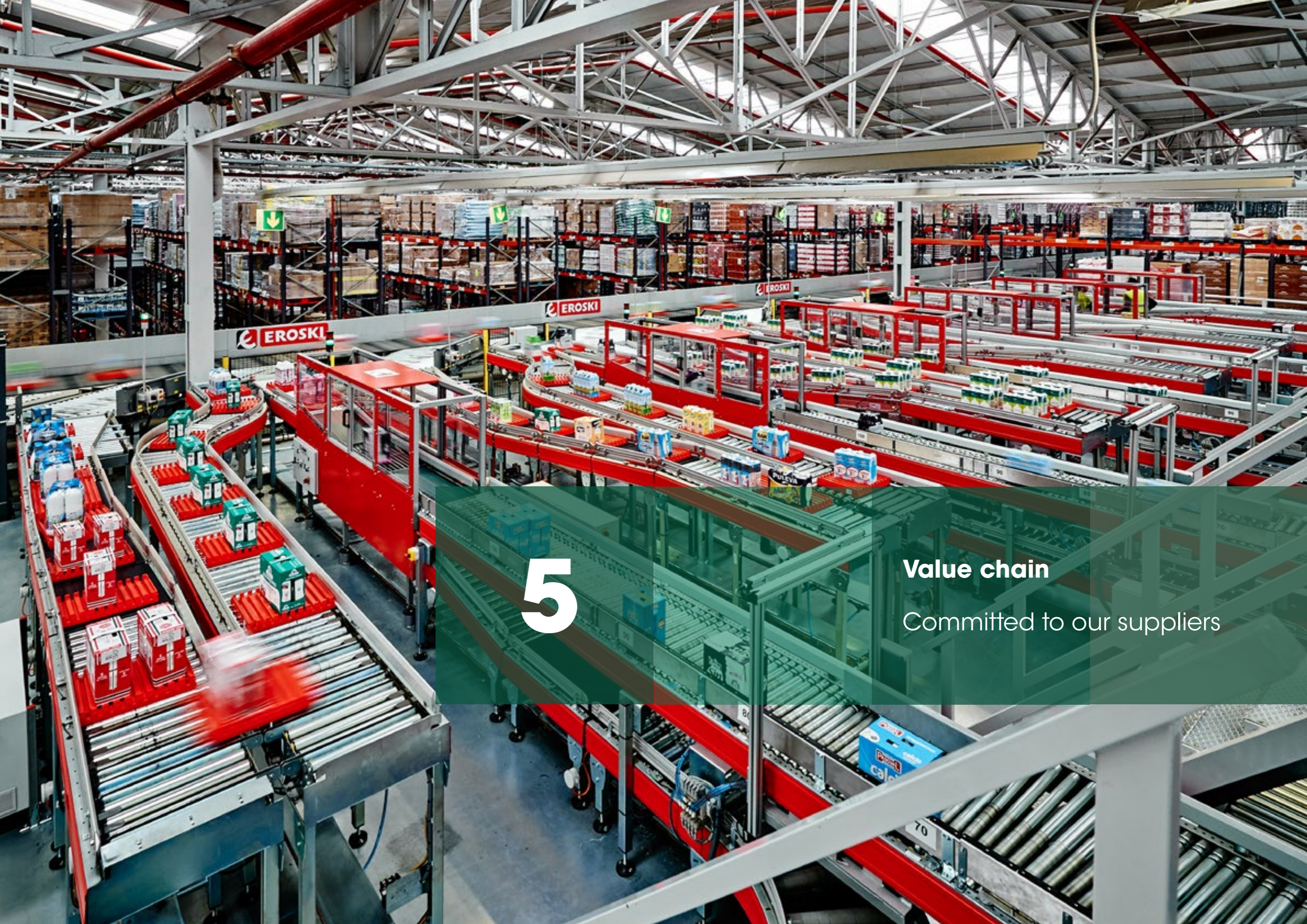
This model has also been extended to CAPRABO: in 2017, we opened the first supermarket in Catalonia run entirely by people with disabilities. It was inaugurated last year and has a staff of 12 people aged 21 to 59 years old. The store is part of a social innovation project for the job placement of people with disabilities that promotes, through direct contact with the public, visibility in society of diverse skills and abilities.

Distribution of people with disabilities by gender and age group and professional category

		Total			
	<30	7	18 4.6%	11	<30
PROFESSIONAL	7	18	4.6%	11	PROFESSIONAL
30-50	140	246	63.2%	106	30-50
ADMINISTRATOR	1	2	0.5%	1	ADMINISTRATOR
PROFESSIONAL	125	221	56.8%	96	PROFESSIONAL
MANAGER	9	12	3.1%	3	MANAGER
TECHNICIAN	2	3	0.8%	1	TECHNICIAN
SUPERVISOR	3	8	2.1%	5	SUPERVISOR
>50	88	125	32.1%	37	>50
DIRECTOR		1	0.3%	1	DIRECTOR
ADMINISTRATOR		2	0.5%	2	ADMINISTRATOR
SUPERVISOR	2	8	2.1%	6	SUPERVISOR
PROFESSIONAL	78	100	25.7%	22	PROFESSIONAL
MANAGER	5	10	2.6%	5	MANAGER
TECHNICIAN	3	4	1.0%	1	TECHNICIAN
Total	235	389		154	Total

See table 20 of the appendix with indicators for comparison with previous years by gender and professional category.





5

Value chain

Committed to our suppliers

Efficient and collaborative value chain

In 2018, we continued working on our commitment to comprehensive innovation and optimization of the value chain, the development of new store models and a new way of interacting with customers, imbued with the "with you" spirit that inspires our day to day.

Our goal is not only to guide the organization towards the stores, but to also guide our main collaborators, our suppliers, toward them.

To achieve an increasingly broader range of more personalized products that offer greater savings, our value chain is open to manufacturers brands, our own brand and the enormous diversity of locally produced foods in the vicinity of all our stores. We strengthen the diversity of the agri-food productive fabric to create a sustainable local sector thanks to the shared commitment of EROSKI and our clientele. In addition, we continue to maintain our commercial alliances to improve our consumer proposal in terms of value and price.

We seek to build the most efficient value chain from the maximum satisfaction of our customers so we can continue to innovate at all levels of the supply chain and in logistics management. Thanks to our advanced platforms, we have managed to automate a large part of distribution, as in the case of Elorrio (Biscay) and Zaragoza, or the automated processes for preparing fruit and vegetable orders in Mallorca.

The keys to improving our business competitiveness are:

Optimization of sales and supply processes to achieve greater efficiency throughout the value chain.



Optimization of sales and supply processes to achieve greater efficiency throughout the value chain.



Innovation in collaborations with suppliers and leading food organizations.



More suitable and competitive prices thanks to commercial alliances and the management of multiple promotions and personalized offers.

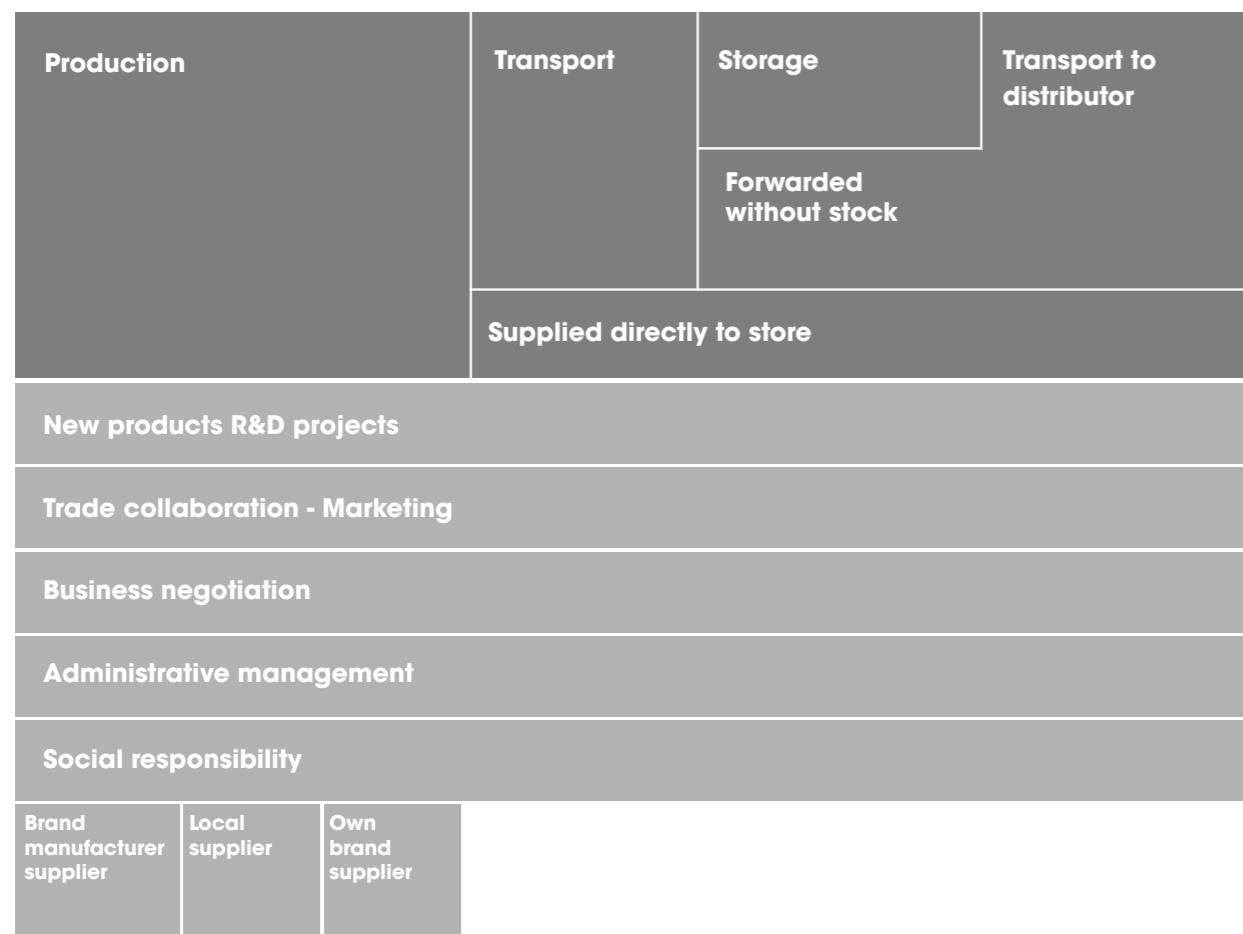


Diversity of our agri-food productive fabric to promote small local producers.

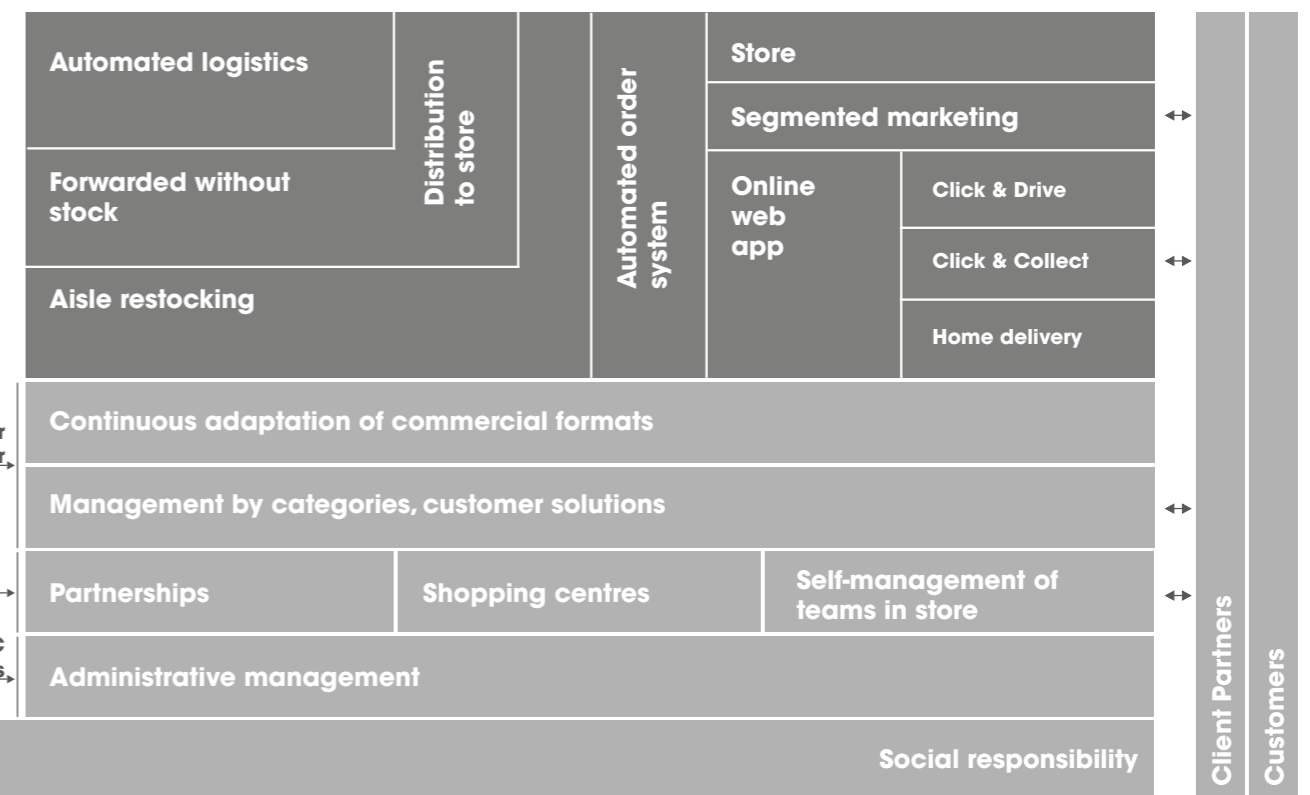


EROSKI value chain

Supplier












EROSKI



Our brands

In 2018, our own brand turned 41. Since its beginnings, EROSKI brand products have grown and become part of the family. We thus continue working to offer more and more higher quality products that help save. In 2018, we updated the design of EROSKI Basic packaging and we repositioned our brand of produce EROSKI Nature under

the promise "Responsible Flavour", in accordance with EROSKI's fifth commitment to our environment through responsible consumption of fresh and tasty products with a guaranteed source and process traceability, among other advances. We have added a total of 201 new products to our own-brand range.

	No. of own-brand references	2018	2017	
	EROSKI SeleQtia	199	196	The best of the best. Products tested by the Basque Culinary Centre.
	EROSKI	2,798	2,752	Wide range of products for everything you need with the best value for money guaranteed.
	EROSKI Sannia	132	141	Nutritionally balanced and improved products as compared to market equivalents or averages, with 25% less salt, 30% less fat and sugar and/or 30% less saturated fat. Also rich in fibre, Omega 3 and phytosterols, with full flavour for the best price.
	EROSKI Natur	398	369	Produce with full flavour, total traceability and controlled quality, extracted from the best sources at the best time.
	Belle	449	426	Dermatologically tested cosmetic, hygiene and personal care products without parabens or triclosan at the best price.
	EROSKI Basic	362	342	Ordinary, everyday consumer products with all the quality guarantees of EROSKI at the best price.
	Visto Bueno	2,126	1,739	In-house design clothing and footwear with the best value for money.
	Romester	408	489	In-house design sports clothing and equipment with the best value for money.
	Ecron	403	53	Electronic devices and appliances with different levels of functionality and the best value for money.

Our suppliers

102-9; 102-10; 204-1

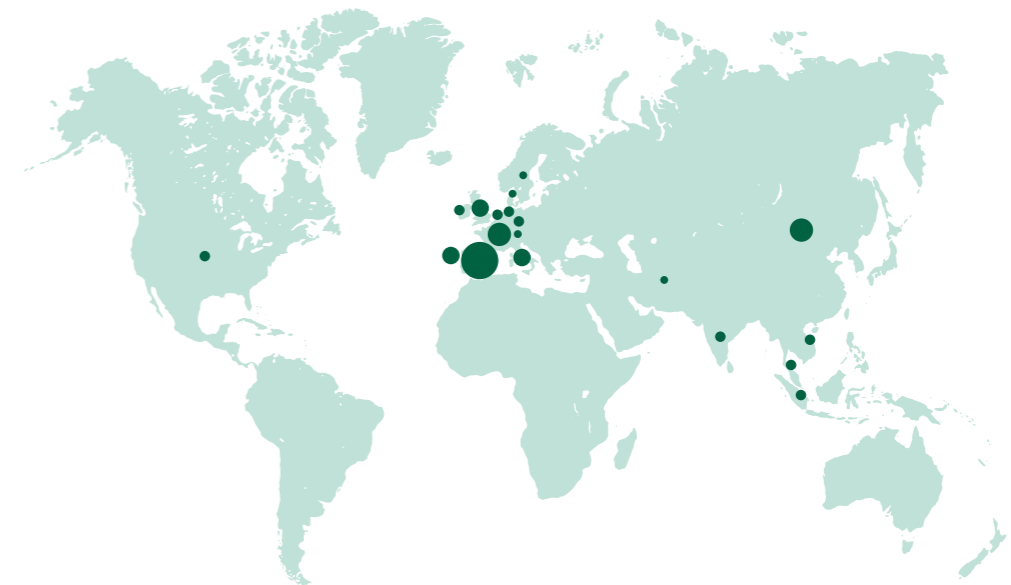
In an activity such as commercial distribution, in which the price, quality and rapid availability of products have become increasingly more important to consumers, proximity to suppliers, both geographically and when it comes to approaching joint initiatives, has become a critical element.

At EROSKI, we work with more than 11,000 commercial and service suppliers, which generated more than €4 billion in economic transactions in 2018. This translates into the marketing of more than 107,000 different items during the year. Our commitment to the national production system is clear since 98% of spending on suppliers

corresponds to companies located within Spain. In addition, we work to promote local consumption by collaborating with local and regional suppliers, which accounts for more than 50% of our commercial supply chain in Spain.

As part of this strategic plan, we are developing a General Supplier Collaboration Plan that covers all areas of our organization and is fully aligned with our 10 commitments to health and sustainability. This plan is based on three pillars: CLIENTS (we emphasize the needs of our consumers); HEALTH (one of our main levers in the strategic plan) and EFFICIENCY (we are clearly committed to logistics)

Number of commercial and service suppliers per country



2018		2018		2018	
Spain	11,029	Belgium	12	Poland	2
China	70	Bangladesh	11	Thailand	2
France	63	Denmark	10	Taiwan	2
Portugal	51	Norwegian	9	Cyprus	1
United Kingdom	33	Andorra	6	South Korea	1
Germany	20	Vietnam	5	India	1
Holland	20	Pakistan	4	Indonesia	1
Italy	16	Switzerland	4	Israel	1
USA	13	Greece	2	Singapore	1
Ireland	12	Luxembourg	2	Sweden	1

There were no significant changes to the supply chain in 2018. See Table 21 of the appendix with indicators for comparison with previous years.

Total suppliers:
11,405

AgeCore, the biggest European trading centre

In a highly competitive environment in which raw material markets are global and big, leading brands operate on a global scale, at EROSKI we work to strengthen our alliances in the international market.

These are determining factors that support our competitive positioning and allow us to offer new savings opportunities to consumers.

The AgeCore trading centre constitutes the largest European purchasing alliance, formed by EROSKI, the ITM Group (France), EDEKA (Germany), COLRUYT (Belgium), CONAD (Italy) and COOP (Switzerland). In addition to being independent companies, they share a long-term strategic vision. Their objective is to offer European consumers a wider range of products for greater freedom of choice and better prices, while expanding business opportunities for our suppliers.

AgeCore's global turnover is €140 billion and it conducts business in eight European countries (Germany, Belgium, Spain, France, Italy, Switzerland, Poland and Portugal). The alliance is also a meeting point for allies to seek synergies through the exchange of knowledge in areas such as sustainable consumption, quality management, store formats and collaboration programmes with small local producers.

Our suppliers' social responsibility ⁴¹⁴⁻¹

Sustainability, understood as the balance of economic, social and environmental aspects, is also key in the selection of the companies that make up our supply chain. We therefore require that our suppliers maintain responsible employee management and we empower those that implement environmental management systems in their companies.

Fair trade

EROSKI was the first distribution company in Spain to include fair trade products in its commercial offer and we are recognized by Fairtrade International as a legitimate operator for the import and distribution of these products with their own brand. The range of fair trade products that we market consists of coffee, cocoa, tea and sugar, as well as various certified textile products.

Fairtrade International products have supply chain certification, from producers to final consumers, which guarantees compliance with the social, economic and environmental criteria of fair trade: salaries for a dignified life, rejection of child labour, gender equality, labour rights and respect for the environment.

Social responsibility

As explained in the section on employees, all our suppliers are subject to the international requirements of social responsibility at work. Thus, our business relationship with them is dependent on their fulfilment of human and labour rights. Additionally, we have internal regulations that promote measures to prevent all types of corrupt activity in the management of suppliers and contractors.



Efficient logistics

To offer coverage and service to the more than 1,600 EROSKI Group establishments we have a logistics network with 23 of our own platforms, although in total our trucks transit through some 40 logistics platforms, including others that belong to external companies. In total, they represent more than 360,000 m² of warehouse space, from which we distribute up to 1 million boxes daily. We seek to build the most efficient value chain from the maximum satisfaction of our customers so we can continue to innovate across all links of the supply chain and in logistics management. Thanks to our advanced platforms, we have managed to automate a large part of distribution, as in the case of Elorrio (Biscay) and Zaragoza and the automated processes for preparing fruit and vegetable orders in Mallorca.

With the aim of continuing to optimize our supply chain processes, and in line with the "with you" business model proposal, in 2018 we worked on improving the freshness of our products: we want our consumers to recognize EROSKI as one of the supply chains with the best quality produce. We are also working with local suppliers to offer produce from local producers at our stores. This has meant redesigning current transport routes and defining new flows aimed at this new service model.

Other significant lines of action to improve logistics efficiency include the implementation of a new supply system that makes it possible to reduce stock and the withdrawal and automation of low rotation products at the Sigüeiro platform.



Restructuring our platform map

We remain focused on restructuring our platform map in areas where most of our business is concentrated. We will create new, modern and efficient facilities that will allow us to meet the potential future demands of our customers (openings, range growth, unit service, e-commerce, more local products, etc.). Specifically, we believe there are two regions where we must act in the short- and mid-term. On the one hand, we are going to restructure the map of fresh product platforms in the North and, on

the other hand, we need to redesign the map of Catalonia's platforms. One of the cornerstones on which the transformation of the CAPRABO logistics network is based is the construction of a new distribution platform for fresh produce in El Prat de Llobregat (Barcelona). With a surface area of close to 24,000 m² and an estimated investment of €20 million, the project, which started in 2018, will be fully operational in 2020. This new platform forms part of CAPRABO'S comprehensive competitiveness plan.

Thanks to our advanced platforms, we have managed to automate a large part of distribution, as in the case of Elorrio (Biscay) and Zaragoza and the automated processes for preparing fruit and vegetable orders in Mallorca.



Collaboration project with suppliers

The philosophy and basis of the collaboration project with suppliers remains the same, since we are convinced of the strengths and benefits demonstrated since it was started in 2014. We have continued working on the items we defined at the time, focusing our efforts on the aspects that can offer the greatest mutual benefit to



the supplier-EROSKI relationship. Therefore, in the 2017-2020 Strategic Plan, we are focusing projects on one of these three areas: efficiency, collaborative demand and collaboration. We have made the following progress in the collaboration plan in 2018:

Progress in the EDI Project,

to increase efficiency in our platforms and reduce billing incidents. EDI is a system that makes it possible to exchange standardized documents between the computer systems of commercial relationship members: manufacturing companies and distributors.

Expansion of refrigerator shelves:

both in Madrid and Zaragoza. Automation of the **Efficient Order tool**.

We continue working internally to extend **pick-ups at the source** to more suppliers, both for own-brand suppliers as well as manufacturer brands and all businesses.

Review of **useful life criteria** in cases that guarantee the requirements demanded by our consumers.

Improvement in the cross-docking flow (without stock) at our Ciempozuelos platform.

Review of the reception process at the platform to improve our unloading efficiency and the wait times of our suppliers.

Meeting points with suppliers

As an additional lever within the axis of collaboration, we continue to hold forums with our suppliers where we share the evolution of the main key indicators, the status of joint projects and new projects. In May 2018, we

held a meeting with our suppliers to present our 2017-2020 Strategic Plan and the main logistics projects we have in place for the next four years.

Committed to offering more local products

204-1

Commitment no. 6 places special emphasis on contributing to the development of the social and economic environment of our stores by marketing local products and promoting the culture of each area.

The possibility of having a diverse production sector focused on sustainable development through SMEs of the primary sector are the most relevant factors in our relationship with the local agri-food world: committing to this diversity, creating collaborative environments and working with a large number of suppliers is in our "cooperative genes". This strategy offers several benefits. On the one hand, small production companies have the EROSKI

marketing channel to distribute their goods, which has a high impact in terms of employment, rural development and maintenance of natural landscapes.

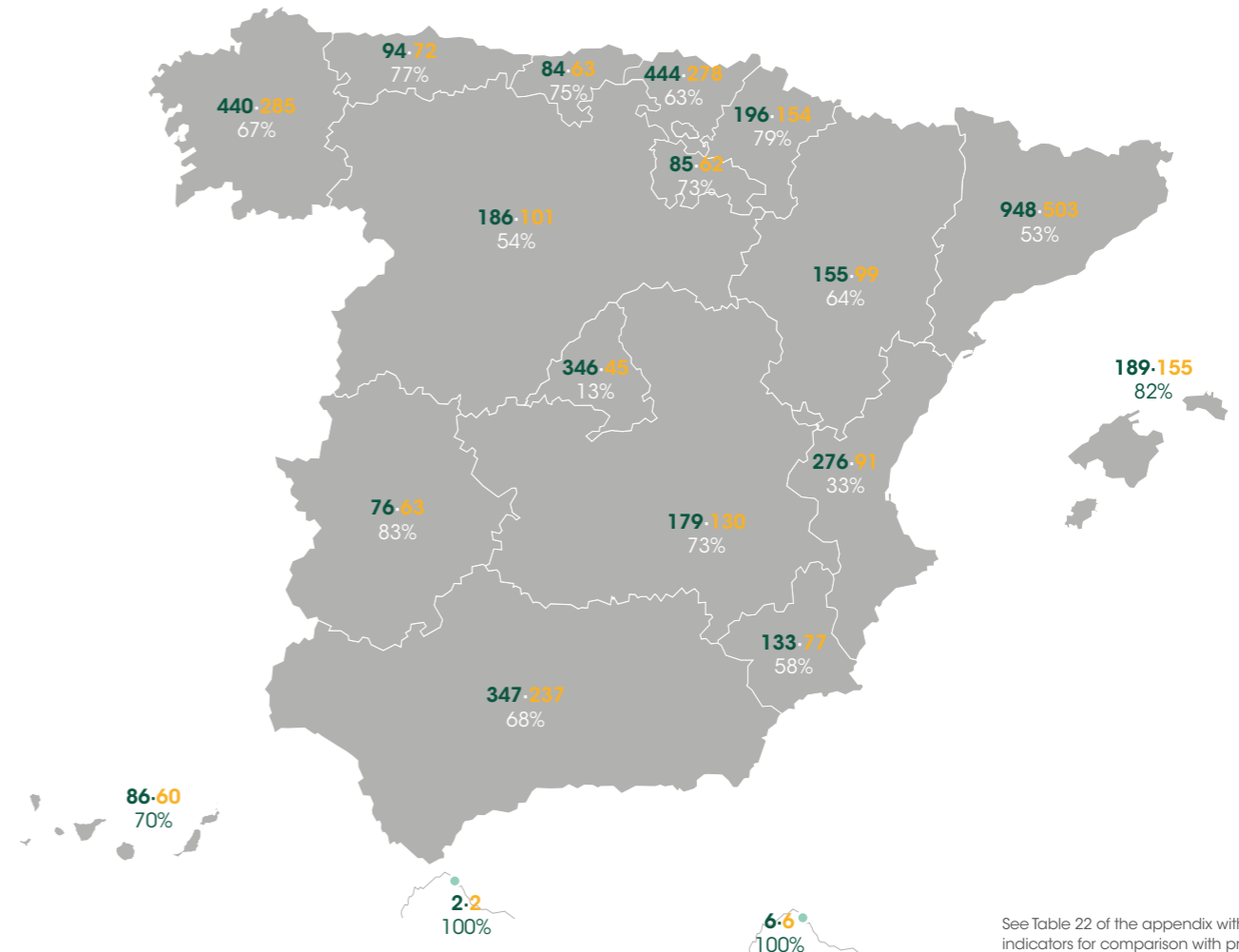
On the other hand, consumers find fresher, more sustainable, healthier and higher-quality products at EROSKI. In fact, the source of food is increasingly more important to our customers since local products also reflect the particularities of each region, traditional ways of doing things, preserved native varieties, unique recipes, etc. That's why, at EROSKI, we give them a leading role in our commercial proposal and actively contribute to enhancing the local offer, thus avoiding the standardization and trivialization of food.

Number of business suppliers and local producers in each region in 2018

No. of business suppliers · No. of small local producers
% of regional supplier as compared to total number of business suppliers

4,272 business suppliers

2,493 local suppliers



See Table 22 of the appendix with indicators for comparison with previous years.

Collaboration with local agri-food producers

EROSKI's commercial policy maximizes local economies, creates wealth in the environment and contributes to agri-food, economic and social development.

More than half of EROSKI's 4,200 business suppliers in Spain are small local producers. EROSKI coordinates this collaboration with its suppliers on the basis of the three main commitments to action with local agri-food SMEs.

1. Offer the products of small production companies to consumers.
2. Develop commercial management adapted to micro-enterprises, SMEs and Cooperatives.
3. Collaborate on plans for their professionalization and business growth.

Another distinctive element in our relationship with suppliers and producers is the establishment of long-term cooperation agreements. In 2018, we reached a total of 1,540 agreements with SMEs and cooperatives to add new local-regional products into our commercial offer. Of all our local/regional references, 808 are for the produce sections and 732 for food sections. These new additions generated more than €11 million in sales. Moreover, we continue to renew and generate new collaboration agreements with sector organizations for the promotion of local foods, protected designations of origin (PDO) and indications:

Innovation project to revitalize legume consumption and production

In 2018, EROSKI, HAZI, GARLAN and Lertiiker signed a collaboration agreement to implement an innovation project that revalues legumes produced in the Basque Country and promotes consumption thereof as a healthy and sustainable food among new generations: they have committed to revaluing and boosting local production of legumes through the diversification of innovative products.

Agreement to market and promote the pink tomato

In 2018, EROSKI and the Association of the Pink Tomato of Barbastro signed an agreement to develop and promote this crop. This is the first time that the cooperative has signed an agreement with this association, which produces its pink tomato in the area of Oscense de Barbastro under the national brand name "Tomate rosa de Barbastro" ["Pink tomato of Barbastro"].

Introducing the brand Bovi Balear Natur

At EROSKI, we continue to promote the consumption of local products and establish agreements with producers of the Balearic Islands. Creating the brand Bovi Balear Natur represents a significant change in the sale of beef, since almost everything that can be found at our centres in the Balearic Islands is 100% local. The source of this meat can be traced.

The importance of this collaboration is visible in the periodic meetings we hold with local agri-food producers, where we update the shared strategy to promote the diversity of the primary sector.

We met once again in 2018 with the tuna fleet to work towards sustainability

We participated in a meeting at the technological centre for marine and food research AZTI in Dario (Biscay) that brought together the Spanish tuna fleet and the sector associations ANABAC and OPAGAC to analyze the evolution of their agreement to increase the amount of tuna caught using the most sustainable fishing gear and establish new steps.

Meeting points with suppliers from the Basque Country and Navarre

We held separate meetings with suppliers in both the Basque Country and Navarre, with more than 300 small producers in the first and more than 150 in the second. The cooperative sells nearly 2,000 and 1,500 products, respectively, thus maintaining its commitment to sustainability and small producers.

Products with an exclusive source as a differentiating factor

In our effort to offer clients local products of the highest quality, at EROSKI we included PGI and PDO in our commercial offer some time ago. These certifications identify foods whose quality or special characteristics are due, fundamentally or exclusively, to the geographical environment from which they come, both as regards nature and human factors. Moreover, in the case of PDO foods, they are guaranteed to have been transformed and prepared in the designated geographic area.

We currently have more than 2,000 products with PDO or PGI: more than 1,500 wines, 130 cheeses, 100 canned vegetables, oils, legumes and rice, 300 meat products and 100 fruits and vegetables. Our commitment to this type of product in our own brand is clear through the 2018 addition of eight new cheeses and 75 wine references with PDO and 15 canned vegetables, 1 fruit and 1 sweet references with PGI.

Cider with Euskal Sagardoa designation of origin by EROSKI SeleQtia

At EROSKI, we have continued moving forward in our commitment to local products and launched our first own-brand cider with Euskal Sagardoa D.O. under the gourmet brand EROSKI SeleQtia. The cooperative is thus the first distribution chain to put its brand on a quality cider certified with the Euskal Sagardoa seal.

Promotion of local products

EROSKI'S objective of promoting local products also extends to our efforts to disseminate and promote the cultural, culinary and gastronomic values inherent to them. While our offer of local products has steadily increased in recent years, at EROSKI we are also involved in promoting the consumption of these local foods as a way of maintaining our culinary culture, **economy and landscapes**.

In 2018, we launched 40 local campaigns to publicize and promote food from all our geographies, prioritizing the regions where our stores are located. This commercial dynamism is, in large part, focused on fresh, seasonal products that are especially important to consumers.



VII Edition of the BCC-EROSKI Saria Award

The BCC EROSKI Saria award, organized by the Basque Culinary Centre and EROSKI, aims to recognize culinary creations that emphasize gastronomic innovation of traditional local food. Specifically, it rewards chefs who promote and use varieties and species that form part of the cultural and gastronomic richness of the different regions of Spain.

This edition placed special emphasis on health, sustainability and culinary innovation, demonstrating a social commitment to the producers and the preservation of the biodiversity of species, varieties and flavours.

Oriol Casals of the restaurant Teòric in Barcelona was the winner in 2018. Xabier Blanco of the restaurant Summum of Las Palmas de Gran Canaria won second place and Carolina Sánchez and Iñaki Murua of the restaurant Ikaru in Logroño won third place.

VEGALSA-EROSKI receives the "Mardelaxe" award

VEGALSA-EROSKI won first place in the "Mardelaxe" awards of the Laxe Brotherhood of Fishermen in recognition of the support it gives to enhancing artisanal coastal fishing products thanks to its purchases at the Galician markets of Laxe, Burela, Celeiro, A Coruña, Malpica, Marín and Vigo.

CAPRABO Local Product Fairs

Throughout year at CAPRABO we promoted different fairs with the aim of bringing the work of small producers closer to their customers. We thus promoted products from Vallés, Camp de Tarragona, l'Anoia and Maresme.

Chef CAPRABO regional programme

Chef CAPRABO welcomed the presentation of the V Gastronomic Conference of Calçot de Valls, as well as another edition of the Xató Route to promote and spread the tradition and different preparations of a dish originating from different Catalan regions, such as the Alt Penedès, Baix Penedès and Garraf.

"A comida é vida" campaign at VEGALSA-EROSKI

At VEGALSA-EROSKI we carried out a campaign to promote local products with the Galicia Calidade certified quality guarantee seal. We launched a new advertisement, highlighting the Galician culture and way of life and featuring the region's best products, as well as numerous promotion and tasting activities to spread awareness of local Galician products.

VII Local Product Trade Fair in Zaragoza

In 2018, together with regional suppliers of Aragon, we organized the VII Local Product Trade Fair in Zaragoza, with the aim of publicizing and highlighting the characteristics of local products and promoting consumption thereof. In addition to the exhibition and tasting of numerous local products, the award for the EROSKI CONTIGO Most Innovative Aragonese Product Award was also delivered at the fair. It went to the company Biosurya SL, supplier of eco-friendly vegetarian products. Furthermore, EROSKI gave a special award to Casa Matachín-Aves Nobles y Derivados, manufacturers and specialists in pre-prepared poultry products, in recognition of its long-standing relationship with EROSKI.

"Productes de Sa Nostra Terra" Campaign in the Balearic Islands

Like every year, we launched the "Productes de Sa Nostra Terra" campaign to promote items produced, manufactured and packaged in the Balearic Islands. In the past year, turnover of these local products exceeded €85.7 million in the Balearic Islands, representing a 9.5% increase as compared to sales figures for the previous year. Moreover, in 2018, other campaigns targeting local Balearic products were also carried out, such as the promotion of the Balearic lamb, empanadas and robiols during Holy Week, and the promotion campaigns for PGI sobrasadas of Mallorca and llonguets.



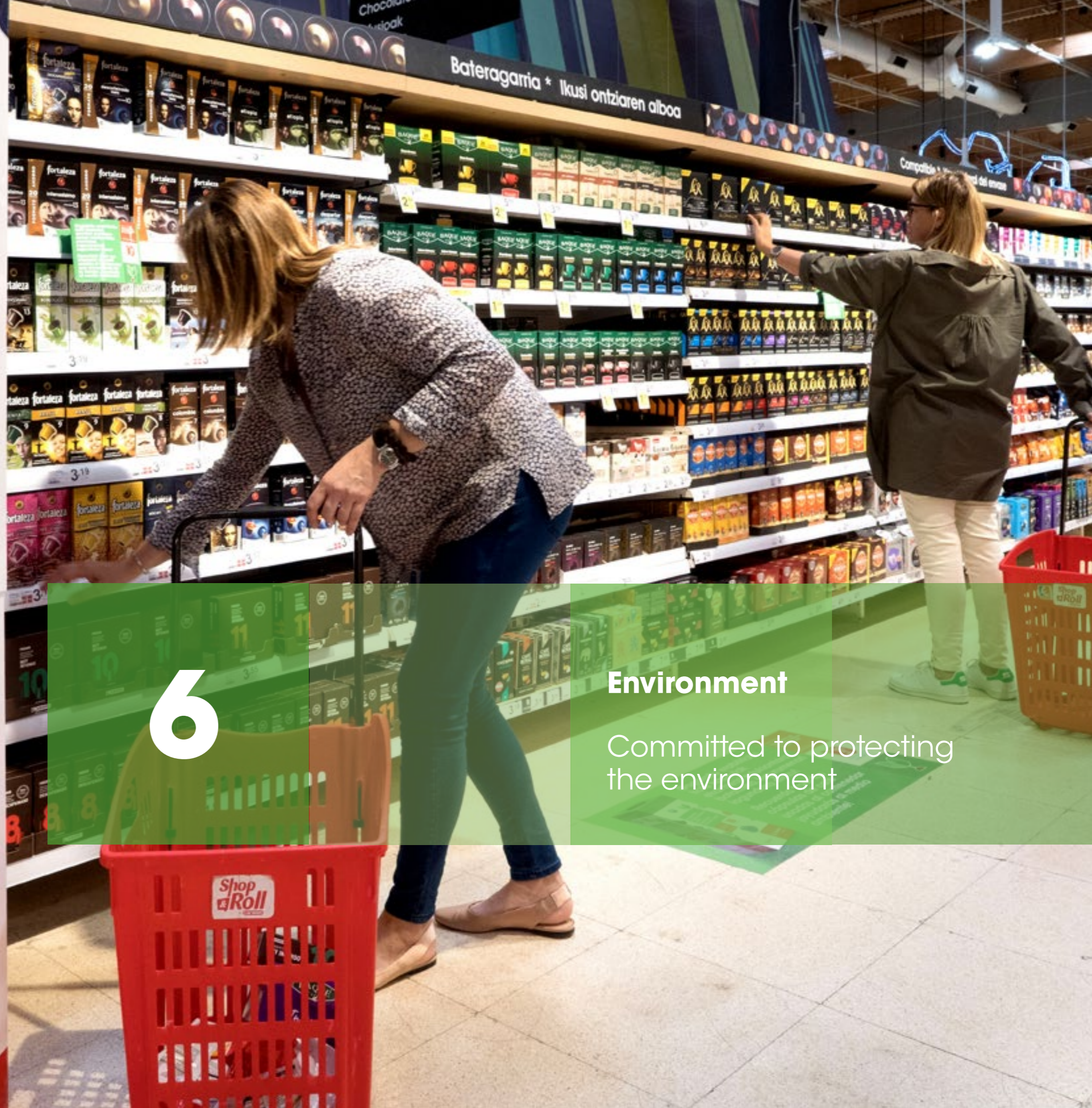
Ahora puedes
reciclar tus
cápsulas
de café en el
contenedor que
encontrarás
en esta tienda



6

Environment

Committed to protecting
the environment



Commitment to environmental sustainability 307

In line with commitment no. 5 to promote responsible consumption, we work to improve the design and execution of our activity to be more environmentally friendly and foster actions to better protect the environment. This model of behaviour towards our environment is, in turn, one of the principles of our organization's Code of Conduct.

At EROSKI, we work to ensure compliance with the applicable legislation in all areas of action. But, we also make a continuous effort to improve the identification, characterization and minimization of the main negative impacts and the optimization of the positive impacts that our activity has on the environment. For this, we consider all the phases in which we might affect the environment in our activity as distributors. That is, from manufacturing products with suppliers to managing end waste generated at homes and our own facilities. This global vision of our impacts on the environment is aimed at acting without transferring the impacts from one phase to another, as well as transmitting our commitment to protecting the environment to all our stakeholders.



Environmental policy 102-11

This commitment is comprehensively integrated throughout the organization by an environmental policy that aligns respect for the environment and social welfare with our strategic objectives. The policy is aimed at

minimizing our impact on climate change, protecting and making sustainable use of natural resources, managing waste with circular economy models and preserving biodiversity. The basic principles of our policy are:

Maintain a proactive attitude that, in addition to ensuring compliance with current environmental regulations, leads us to make increasingly more demanding commitments.	Prevent pollution by standardizing our environmental management in such a way that allows us to monitor, measure, and prevent or reduce the environmental impact associated with our activity.	Base the environmental management system on the continuous improvement of the aspects that are most relevant for the organization. To do this, we set quantifiable objectives and assign the necessary resources to achieve them.
Include the environment as a variable in the research and development of the products and services we offer, seeking out profitability of the environmental actions we implement and identifying new opportunities for negotiation.	Promote an attitude of collaboration and participation by everyone to achieve sustainable development. For this, it is essential to train and educate people at all levels of the organization.	Establish fluid communication channels with authorities, local communities, industry organizations, suppliers and consumers that guarantee permanent and transparent dissemination of the impacts of our activity, as well as the resources and technologies we use to minimize them.

Collaboration with environmental institutions and organizations

To create this environmental policy we receive support from expert environmental organizations and collaboration agreements with other companies that, like EROSKI, seek to carry out their activity in a sustainable fashion.

Thus, since 2007 we have collaborated with the World Wildlife Fund for Nature (WWF) as a world expert in environmental conservation. Our joint actions include updating our sustainability policy for seafood products and promoting more responsible consumption through our Nutrition School.

We are also part of the European Retail Forum, a voluntary platform for the exchange of best practices in sustainability between companies and organizations in the distribution sector in Europe. Sharing our experiences and learning from those of other entities promotes the establishment of new improvement actions that will reduce the environmental footprint of our sector and improve the information our consumers have on this matter.

Along these same lines, we are part of Izaite, the Association of Basque Companies for Sustainability. This non-profit organization promotes training and dissemination of information on sustainable development and favours the creation of alliances between administrations, training centres and companies with a shared commitment to sustainability and social responsibility.

We also have an alliance of this kind as members of the Basque Ecodesign Centre, where private companies and the Iñobe Basque Public Company of Environmental Management collaborate on the conceptualization and execution of innovative ecodesign projects, together with the University of the Basque Country (UPV-EHU) and leading international knowledge centres.

Main indicators

Materials 301-1

Materials used in our own-brand products and packaging as reported to collective systems of extended producer responsibility



2,457 tons
Containers and packaging

Non-renewable:

Steel	312
Plastic	818
Aluminium	49
Other	55
Total:	1,235

Renewable:

Ceramics	5
Paper/cardboard/wood/cork	1,107
Glass	110
Total:	1,222



101 tons
Batteries



0.011 tons
Compact fluorescent light bulbs



0.013 tons
Oil



1,280 tons
Electrical and electronic devices

See table 23 of the appendix with indicators for comparison with previous years.

Paper used for advertising and at EROSKI company headquarters 301-1



5,137 tons
Paper

Advertising brochures	4,809
Magazines	318
Headquarters	11

See Table 25 of the appendix with indicators for comparison with previous years.

Advertising:

Advertising: all paper is PEFC certified (Programme for the Endorsement of Forest Certification schemes) to ensure it comes from sustainably managed forests.

EROSKI Consumer and EROSKI Club:

All paper is FSC® certified (Forest Stewardship Council), guaranteeing responsible forest management.

Headquarters paper:

We use eco-efficient paper with a lower grammage and the FSC seal and EU Ecolabel.

Reused logistics containers 301-3



4,944,741 tons
Reused pallets



41,862,959 tons
Recycled plastic boxes

The percentage of breakage varies between 0.3% and 30% depending on the type of logistics container. All breakages together only accounts for 2% of logistics packaging.

See Table 25 of the appendix with indicators for comparison with previous years.

Number of bags according to type sold at checkout line



144,225,762
Bags

AENOR certified reusable plastic bags	83,004,198
Tote bags, with recycled, reusable plastic	1,431,930
Reusable charity bags	221,122
Bags with more than 55% recycled plastic	164,823
Paper bags	16,569
Compostable bags	339,545
Single-use plastic bags	59,047,575

Energy 302-1; 302-2; 302-3; 302-4

2018 consumption 823,553,489 kWh
2,964,793 GJ

-4% less than 2017

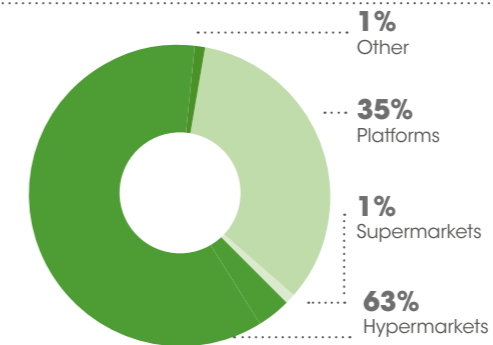
Non-renewable fuel
278,116,806 kWh
1,001,220 GJ

34%
of all energy consumed

-1%
compared to 2017



Gas Natural
9,976,723 Kwh
35,916 GJ

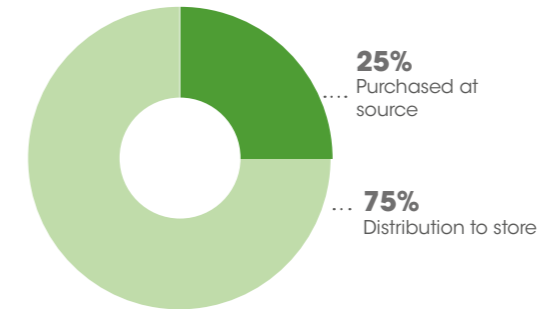


15%
more than 2017

4%
of total consumption
of non-renewable fuel



Diesel
268,140,083 Kwh
965,304 GJ

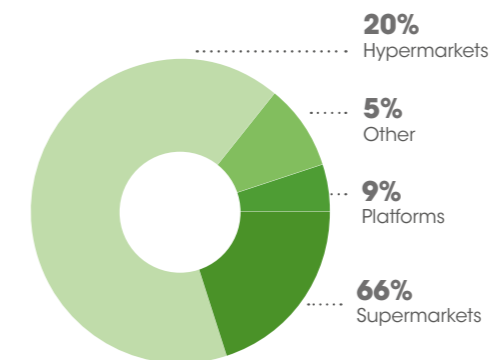


-1%
2017

96%
of total consumption
of non-renewable fuel



Electricity
545,436,683 Kwh
1,963,572 GJ



-6%
compared to 2017

66%
of all energy consumed

See Tables 26 and 27 of the appendix with indicators for comparison with previous years and kWh value for each business or logistics type.



Energy intensity ratio at EROSKI

0.18 kWh/€
net sales

634.34 kWh/m²
commercial surface area

See Table 28 of the appendix with indicators for comparison with previous years.

Energy consumption outside the organization

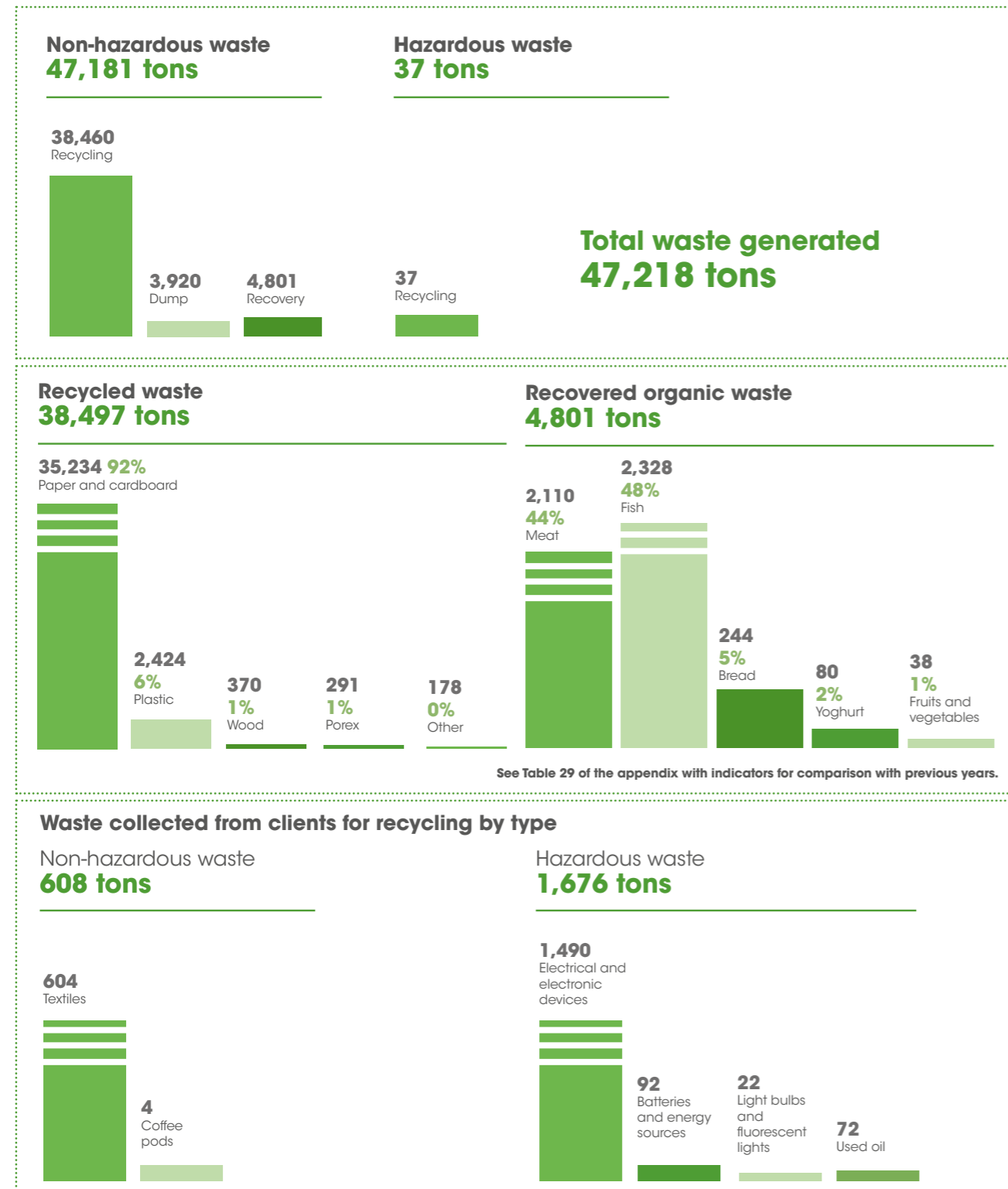
10,708,575 kWh
38,551 GJ

Diesel consumed during work trips by road

Waste 306-2

At EROSKI, we develop reverse logistics processes, from our stores to our platforms, in order to ensure the waste generated by our activity is managed properly and the environmental impact of the waste transport phase by the authorized manager is minimized. However, in some

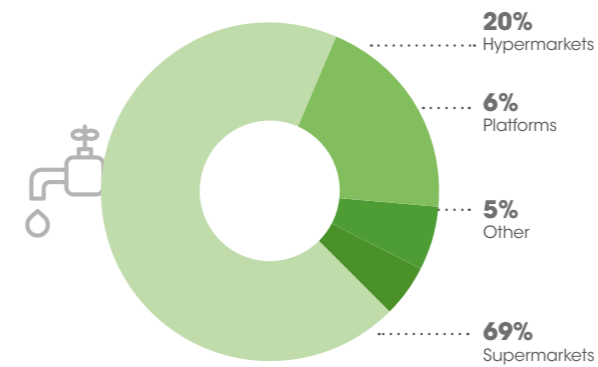
cases the manager directly collects the waste from our establishments. The data presented in this report correspond to the waste generated at our food businesses collected through reverse logistics or an external manager.



Water consumption 303-1

The water consumed at our stores, platforms and headquarters is drawn from municipal drinking-water supply networks, which directly manage the collection and purification of distributed water.

951,375 m³ Water extraction by source



See Table 31 of the appendix with indicators for comparison with previous years.

Discharges and spills 306-1; 306-3

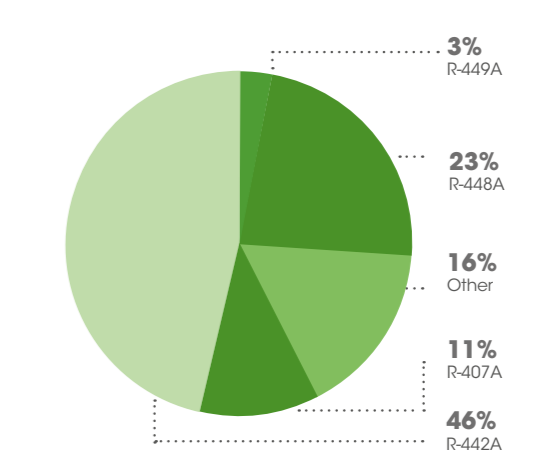
The wastewater we generate is treated at wastewater treatment plants in the municipalities where we conduct our business. An estimated 941,861 m³ of wastewater was generated in 2018. EROSKI complies with legislation on prevention and management of uncontrolled discharges and spills and did not detect any significant ones in 2018.

941,861 m³ of wastewater generated

Refrigerants consumed to compensate for leaks 301-1; 305-1

All the refrigerants consumed by EROSKI in 2018 to compensate for leaks have a zero ozone depletion potential (substances not included in Appendices A, B, C and E of the Montreal Protocol).

50.63 tons of refrigerants consumed



See Table 32 of the appendix with indicators for comparison with previous years.

Products with environmental certification

We include the preservation of terrestrial and marine biodiversity as an objective in our commercial offer.

- 1,100 **eco-friendly** products
- 361 counters and 7 logistics platforms for **MSC** certified fish.
- 100% of our canned tuna complies with **ISSF** principles.
- 398 **EROSKI NATUR** products that have certification such as Global G.A.P. for comprehensive production or animal welfare.
- 53 products with **FSC®** or **PEFC** seal.

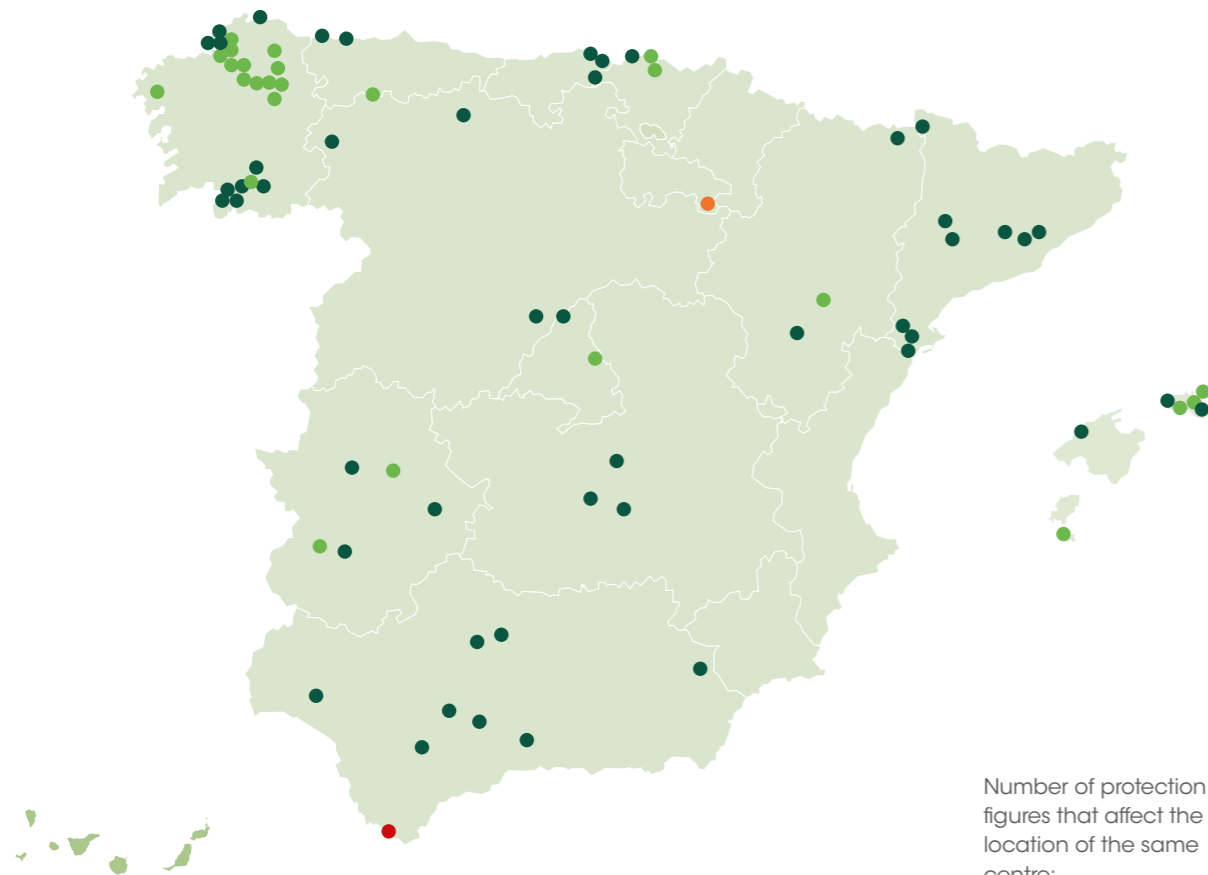
Centres located in biodiversity hotspots

304-1

Of our more than 1,100 establishments in Spain, 86 are located in areas affected by the following protection figures:

- ENP (Protected Conservation Areas)
- IBAS (Important Areas for the Conservation of Birds and Biodiversity in Spain)
- Red Natura 2000 (LIC, ZEC and ZEPA)
- Biosphere reserves
- IEZH (Spanish Inventory of Wet Area)

It should be noted that there are provinces and regions in which much of their territory is considered a biodiversity hotspot, such as Galicia or the Balearic Islands. EROSKI always complies with environmental and biodiversity legislation when it comes to locating and building its centres. It also works to minimize its environmental impact and promote measures that preserve biodiversity, such as sustainable fishing.



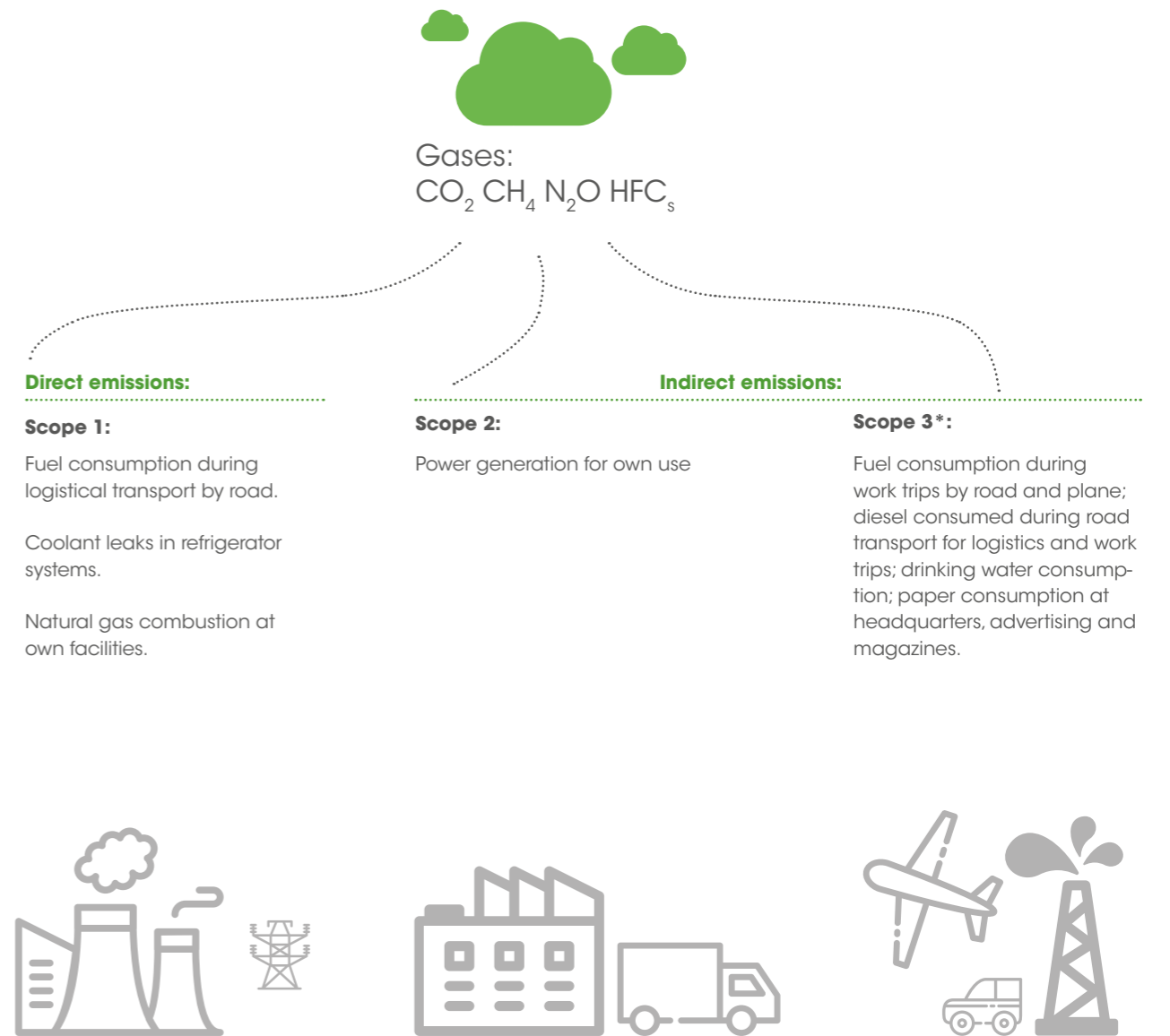
Number of protection figures that affect the location of the same centre:

- 1
- 2
- 3
- 4

Greenhouse gas emissions and EROSKI'S carbon footprint

305-1; 305-2; 305-3; 305-4; 305-5; 305-6

Type of GHG emissions and sources included in this report:



*Indirect emissions under scope 3 are a result of EROSKI'S activities but from sources that it does not own or have any control over. In total, there are 15 categories (items and services purchased, waste generated, use of products sold,

etc.), but this report includes only a small portion of them due to the data available. We plan to continue expanding the activities included under scope 3 of EROSKI'S carbon footprint in the coming years.

Greenhouse gas emissions - EROSKI'S carbon footprint

634,441
tons
CO₂ eq./year

GHG emissions intensity at EROSKI:

488.7 kg CO₂ eq./m²
commercial surface area

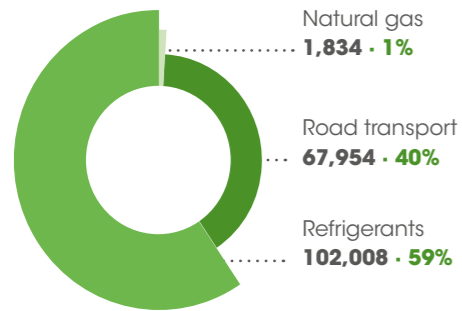
135.0 g CO₂ eq./€
net sales

See Table 33 of the appendix with indicators for comparison with previous years.

Scope 1

Direct emissions

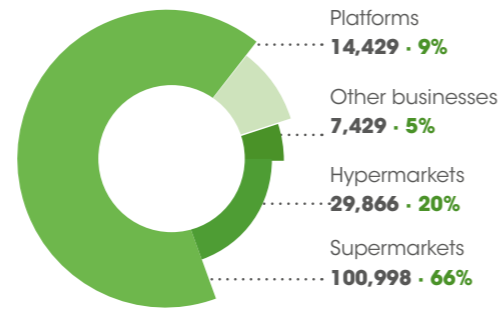
171,796 kg CO₂ eq.



Scope 2

Indirect emissions due to electrical consumption

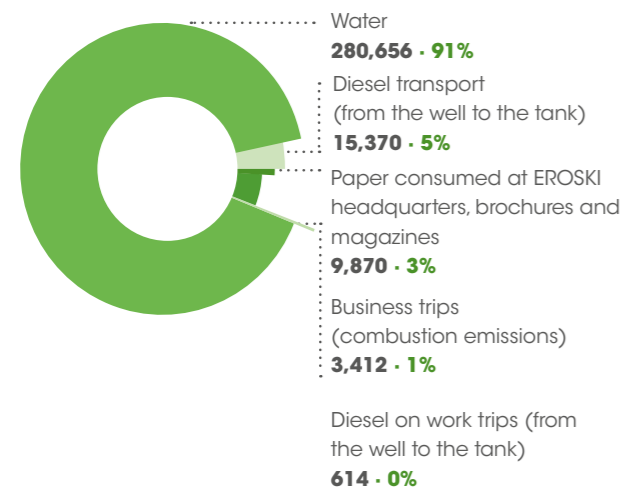
152,722 kg CO₂ eq.



Scope 3

Other indirect emissions

309,923 kg CO₂ eq.



See Table 33 of the appendix with indicators for comparison with previous years.

Intensity of greenhouse gas emissions	2018	2017
g CO ₂ eq/€ net sales	135.0	176.4
kg CO ₂ eq/m ² commercial surface area	488.7	623.0
Scope 1		
g CO ₂ eq/€ net sales	36.6	39.9
kg CO ₂ eq/m ² commercial surface area	132.3	141.1
Scope 2 (mix of sellers)		
g CO ₂ eq/€ net sales	32.5	45.0
kg CO ₂ eq/m ² commercial surface area	117.6	160.8
Scope 3		
g CO ₂ eq/€ net sales	66.0	90.9
kg CO ₂ eq/m ² commercial surface area	238.7	321.1

Reduction of greenhouse gas emissions	2018 vs. 2017	Comments
Direct emissions (scope 1)	-10%	
Indirect emissions due to electrical consumption (scope 2)	-30%	Consumption and the mixed seller emission factor were reduced
Other indirect emissions (scope 3)	-29%	This reduction is mainly due to lower water consumption.

See Table 34 of the Appendix with indicators for comparison with previous years.



Environmental improvement measures 308-1

In accordance with our environmental policy and the most relevant environmental aspects associated with our business activity, at EROSKI, we have lines of work based on continuous improvement that align with our strategic objectives. A large part of these are included in commitment no. 5 to promote more responsible consumption, no. 6 to offer more local products and no. 10 to facilitate a healthier and more sustainable lifestyle. These improvement actions affect different stages of our production process, which is why we also involve actors outside our organization to the extent that they can contribute to reducing our environmental footprint.

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Products

At EROSKI, we believe it is essential to collaborate with responsible suppliers that share our commitment to sustainable development in order to include the environmental factor in our offer. As part of commitment no. 5, we ensure that all processes, from the production source to store operations, to all the processing and handling, reduce their environmental impact. This includes eradicating post-harvest phytosanitary treatments, certifying our fishmongers with sustainability labels, monitoring the use of antibiotics, implementing practices that guarantee animal welfare and promoting ecological ranges.

We have three fundamental lines of work so our customers can enjoy more environmentally friendly products: guaranteeing the sustainable source of products, promoting local products and local consumption, and ecodesign of packaging and products of our own brands.



EROSKI Natur: Responsible flavour

In 2018, we changed the promise of our brand of produce, EROSKI Natur, to "Responsible flavour". In selecting products and suppliers, we demand not just differential quality to ensure they are tasty but additional requirements as well to ensure they are produced following more environmentally friendly practices.

Our brand EROSKI Natur has received animal welfare certification for free-range chicken, Duroc pork and Ternasco lamb from Aragon. Moreover, the chickens are raised without antibiotics, which helps prevent potential resistance to medications for consumers.

We have also added certifications that guarantee the food has been produced following more environmentally friendly processes. For example, all fresh fish is certified by MSC® (Marine Stewardship Council), broiler fish has the GlobalG.A.P seal. of aquaculture, fruits and vegetables also have the GlobalG.A.P seal. of agricultural production or an integrated production seal. We have also eliminated post-harvest treatments in our citrus and stone fruits, thus reducing consumption of raw materials and the generation of waste. Moreover, we have expanded our range of produce with quality options in categories that, until now, did not include the brand, such as bakery items and eggs. The latter come from free-range chickens raised on farms where they can move freely and have access to the outdoors.

Certified sustainable origin

For decades, we've worked to offer consumers healthier and more sustainable alternatives.

Some milestones in this trajectory are removing CFC aerosols in 1989, as they are harmful to the ozone layer, and guaranteeing that none of our own-brand products contain transgenics since 2004. Along this same line, for years we have had certifications, labels and brands that ensure the sustainable source of our products. Some of the most significant among them include:



Belle Natural: COSMOS Natural certified cosmetics

In 2018, we launched the first range of COSMOS Natural certified cosmetics by our own brand. It consists of 16 products that cover the basic needs of a daily hygiene and beauty routine, marketed under our brand Belle NATURAL.

The entire new range is certified as natural cosmetics according to the COSMOS standards and is certified by the prestigious international body ECOCERT. This standard regulates everything from the preparation and production of each ingredient to packaging, labelling and environmental management, among other aspects. Thus, it requires the use of formulation parameters in which the raw materials used must be previously certified, as well as their manufacturing process. The entire new range has been certified with at least **98% natural ingredients** or from a natural origin, such as shea butter, plant extracts, macadamia nut oil or flower and fruit extracts such as jasmine and guava, among others. Likewise, and while it is not required by the standard, 5% of Belle NATURAL products come from an ecological source.



Wood products from sustainable forests

This guarantees that the wood used to produce our stationery products or garden furniture come from legal and sustainable logging. In 2018, we marketed 53 stationery, garden furniture, cleaning and hygiene articles with the FSC or PEFC seal. We also use paper with FSC certification for our own-brand butchery products.

Ecological products

We strive to offer food from ecological agriculture and livestock, as it represents a production model that guarantees the best environmental practices. This model avoids the use of synthetic chemical substances and artificial additives and promotes the preservation of biodiversity and natural resources and respect for animal welfare. In 2018, our offer included **1,100 organic products** certified with different labels, among which the European logo stands out.

Committed to animal welfare

- The number of **barn eggs** that we market in our stores already makes up around 35% of eggs sold at our stores. At EROSKI, we're committed to raising this percentage to 100% of eggs sold in the entire network of stores by 2024.
- We have included a new animal welfare certification on our **Duroc pork**, sold throughout our business network under the EROSKI Natur brand. All the pigs come from **farms certified in animal welfare by AENOR** with strict standards in *animal welfare* principles such as food, accommodation, health and natural behaviour.
- EROSKI Natur chicken also has Certicar certification, which refers to characteristics of the breeding system and animal welfare. It is a slow-growing chicken - 56 days minimum -, raised in an extensive indoor system with a smaller number of birds per square meter for greater space and freedom of movement. As regards their feeding, they now eat whole grains. Their food is 100% vegetarian and consists of at least 50% corn. Moreover, the **EROSKI Natur chicken farms have received Certicar certification according to the "Specific conditions for certification in animal welfare of broiler chickens" developed by Neiker** based on the *Animal Welfare Indicators (AWIN)* methodology, at the *premium* level.
- We've included **GlobalG.A.P. certification of aquaculture** on EROSKI Natur farmed fish, which has specific and demanding requirements regarding the animal welfare of fish, both while raising them and during transport and slaughter.

Sustainable fish at EROSKI

With the objective of continuing to work to conserve biodiversity in the seas and oceans through the rational use of marine resources, in 2016 we agreed on the EROSKI sustainable fisheries policy. In response to the commitments made in this area, in 2018 we continued

working towards sustainable fishing together with international organizations of reference. The sustainable fishing policy is founded on 11 principles that encompass both good practices already established and the challenges that we set for the future.

Principles and commitments of the EROSKI sustainable fishing policy

<p>Sustainable fishing equipment and fish in our commercial offer</p> 	<p>Including sustainable fishing resources in our commercial offer.</p>	<p>Selling products exclusively from authorized fisheries and fishing grounds.</p>
<p>Respecting minimum sizes and proactivity to establish minimum sizes larger than those required.</p>	<p>Promoting the use of sustainable fishing gear among supplier companies.</p>	<p>Promoting sustainable, MSC certified products for extractive fishing.</p>
<p>Sustainability in the value chain</p> 	<p>Empowering local guilds and suppliers closer to stores.</p> <p>Reducing the environmental impact of the fishing distribution activity.</p>	<p>Selecting suppliers that comply with and respect the fundamental rights of employees according to Convention 188 of the International Labour Organization on fishing.</p>
<p>Transparency and governance</p> 	<p>Transparent labelling and communication with consumers.</p> <p>Active listening and collaboration with the entire fishing sector and other stakeholders.</p>	<p>Consumer information and education in the field of sustainable fishing.</p> <p>Governance system, with efficient supervision and audit measures that reinforce the implementation of this sustainable fishing policy at EROSKI.</p>

Achievements in sustainable fishing in 2018



In 2017, we became the first retail distribution chain in Spain to pass the MSC audit of the chain of custody for fresh fish. MSC sustainable fishing certification audits both the fishery and the companies involved in the entire process of handling fish so that traceability and good practices are guaranteed throughout the chain of custody. In 2018, we renewed our MSC chain of custody for fresh fish certification and also added the seal to our commercial range of frozen fish and seafood. With the launch of frozen hake, we now have 11 frozen fish and seafood references with the blue seal throughout our business network. We expect the commercialization of MSC certified fish to reach 2 million kilos by 2020.



In 2018, we became the first distribution chain in Spain to pass the GlobalG.A.P. certification for the aquaculture chain of custody audit, which certifies that the species bred in this way and sold in our fish shops have been produced in a safe and sustainable fashion. Thus, there are already 361 fish counters in our stores that sell seabream, corbina, sea bass and turbot with the GGN seal.



In addition to our commitment to guarantee the sustainable source of our entire range of canned tuna, we also require it be caught using only the most responsible fishing equipment: Responsible Tuna Fishing, without FAD, MSC and Fishery Improvement Project. To this end, we have reached an agreement with our suppliers so that they double the amount of tuna caught using this equipment, reaching 40% in two years. We are moving forward with our plan for the conservation of fishing grounds and to offer our customers more sustainable consumption options. At EROSKI, we only work with suppliers that have included in their sustainable fishing policy a provision that rejects tuna from countries that have received a yellow warning card from the European Union for failing to comply with the measures approved by regional fishery organizations and for not establishing measures to end illegal fishing.



+2,000 tons of sustainable fish with MSC and GlobalG.A.P. seals purchased in 2018

“Ugly fruit and vegetables” against food waste

According to the UN Organization for Food and Agriculture, one third of food produced in the world is wasted. At EROSKI, as part of our commitment to the sustainability of the agricultural sector and against food waste, we have opted to sell fruits and vegetables considered “ugly” due to their appearance or size.


In 2018, the campaign was carried out in 560 establishments of our business network, including 79 CAPRABO centres and franchises. The Balearic Islands joined this edition for the first time, with the participation of 14 transformed stores. In total, 1,055 tons of “ugly” fruits and vegetables were sold in 2018 throughout the network.

Ecodesign packaging and products

Since the creation of our own brand, we have been working at EROSKI to improve the packaging of our products. In 2008, we began including environmental criteria in their design, such as selecting materials from a sustainable source that favour recyclability or reducing the amount of raw materials used for their manufacturing and packaging. These actions encourage the reduction of the global environmental impact of packaging and

containers, which, in some cases, also entails economic savings derived from the optimization of the production and logistics phases.

In 2018, we worked on defining our plastics strategy and took on the following commitments to fight against plastic pollution:

<p>Reduce tons of single-use plastics by at least 20% by 2025.</p> 	<p>Reduce single-use plastics, also by eliminating plastics in single-use objects that are not packaging, such as dishes or cutlery.</p>	<p>Promote reusable bags.</p>
<p>Increase the sale of bulk fruit and vegetables in our stores.</p>	<p>Ensure that all own-brand containers are 100% recyclable, overpackaging has been eliminated and container weight has been reduced as much as possible by 2025.</p>	<p>Be more transparent: adapt our systems to disseminate data on all the own-brand containers we put into circulation in coming years, and the impact that our measures will have to reduce our plastic footprint on an annual basis.</p>

New range of more environmentally friendly bags

At the end of 2018, we began to progressively replace our current single-use bags with compostable bags made from plant-based materials. This type of bag has also been included in our online shopping service. In addition, the AENOR certified reusable bag has been replaced by a bag containing at least 55% recycled plastic to enhance a circular economy. Likewise, we also included a new FSC-certified paper bag from a sustainable origin in the range, as a result of listening to our customers. These are all in addition to our existing reusable raffia bags, made with recycled plastic, and the charity bag, which combines protecting the environment with social purposes.

Along this line, at CAPRABO, we have added a pioneering initiative: the first pilot test of substituting single-use plastic bags at the cash register and store sections with compostable bags. The **#projecteCERES** is an initiative of the Ellen MacArthur Foundation and part of the Circular Economy 100 programme. This project is aimed at taking advantage of the fact that businesses will use compostable bags to promote organic collection. The project involves the coordination of compostable plastic manufacturers, the distribution sector and public administrations responsible for collecting and recycling organic waste. Through this measure, 10,000 reusable bags for weighing fruit and vegetables were distributed to families, which has saved 250,000 conventional single-use plastic bags.

1.341 billion single-use plastic bags avoided thanks to our reusable bags

Strengthening the #PorElClima community



Since 2017, we have been part of the #PorElClima community, which is a meeting place for all the actors (companies, public administrations, NGOs, media, and individuals) that are already working #PorElClima with the aim of guaranteeing compliance with the Paris Agreement against climate change that corresponds to our country. Moreover, as members of this community, we are committed to carrying out a plan to reduce greenhouse gas emissions.

At the beginning of 2018, **porelclima.com**, a platform aimed at becoming the main national offer of responsible products and services, was launched. At porelclima.com, you can find both responsible goods and services from large or medium-sized companies and different green products and services that are growing exponentially in our country.

Logistics

Lean&Green: Towards sustainable logistics

We received the award for the Lean&Green project by the Association of Manufacturers and Distributors (AECOC). With this certificate, the EROSKI Group leads the Lean&Green platform together with 15 other companies in the consumer sector. The objective of Lean&Green is to create a network of leading companies in the field of sustainable logistics to increase their savings capacity and reduce their CO₂ emissions by at least 20% in five years. This award certifies that we have presented the action plan to reduce the percentage between 2015 and 2020. Lean&Green is the largest European collaboration platform especially aimed at reducing emissions associated with the supply chain.

In the last four years, it has managed to reduce transport emissions by 14%, which translates to more than 11,000 tons of CO₂ equivalent emissions through the following actions:

- Reorganization of non-food platforms by selling stores to other distributors.
- Reorganization of platforms in the central/southern region by selling stores to other distributors. Closure of the Mercamadrid platform.
- Elimination of the Larrabetzu platform for route optimization.
- Reorganization of northern platforms.
- Refurbishment of the fleet: elimination of vehicles prior to Euro III.
- Addition of semi-trailers to the fleet.
- 25 x 25 m trucks added to the fleet.
- Vehicles powered by compressed natural gas (CNG) or liquefied gas (LNG) added to fleet.
- Night-time unloading procedures.
- Changes to loading procedures for fresh pallets.
- Changes in loading criteria for ex work activity.
- Increased truck fill.
- Optimization of routes and order isolation.
- Training in ecological driving techniques for drivers of the EROSKI road transport network.
- Purchase of green energy.

Efficiency and sustainability as pillars of our new transport model



1 More efficient supply process:

- Improved demand planning.
- Continuous optimization of the purchase transport model at source.
- Concentration and simplification of our platform map.
- Implementation of the transport manager system, which optimizes the planning and tracking of routes and the loading of goods.
- Collaboration with suppliers to optimize their use of vehicles.

2 Less polluting vehicles and driving:

- Renewal of the fleet with vehicles adapted to the new anti-pollution regulations of the European Union Euro 6.
- Use of fuel additives that can reduce greenhouse gases by up to 40%.
- Promotion of electric vehicles.
- Use of vehicles with more optimal loading, such as city trailer.
- Use of vehicles that run on liquefied petroleum gas for fuel.
- Outfitting of vehicles with certain electronic devices that favour more efficient driving.
- Training in ecological driving techniques.

3 More sustainable platforms:

- Use of LED lighting, motion detectors, temperature robots and natural light to improve energy efficiency of platforms.
- Installation of solar panels for an electricity supply with a lower environmental impact.
- Reduction in the amount of packaging materials used.

4 Reverse logistics:

- Objective: manage and recover waste generated in stores. This measure forms part of our zero waste goal as it allows the collection and treatment of all organic and inorganic by-products for proper recycling.

5 Optimization of urban logistics:

- Night-time unloading, use of multi-purpose lanes or dynamic reservation of unloading spots to minimize the impact on the urban environment.
- As regards noise pollution, the night-time distribution model includes centralized supplying of the product to stores at night. Sound emission levels at night are more restrictive than during the day. To meet these levels during loading and unloading operations, the distribution model includes a series of measures adopted in different areas. On the one hand, the facilities are to be adapted: closure systems, segmented alarms, acoustic insulation, etc. Likewise, the necessary equipment is taken into account, such as forklifts, silent pallet racks and curb ramps. On the other hand, the personnel involved in silent work protocols are trained and educated, differentiating between the protocols for each work position: daytime store staff, night staff and delivery personnel. Lastly, to correct any deviations, internal audit processes are included to detect them and verify compliance with the work protocols established at the operating points of sale. Many of these measures are defined in collaboration with the municipalities to ensure their suitability.



Eco-efficient shops

The renovation and expansion of the EROSKI business network to adapt it to our “with you” models also includes improvements in construction and management in accordance with environmental criteria.

Eco-innovation has characterized EROSKI stores from the start. Proof of this was the implementation more than 20 years ago of the first national environmental management system with ISO 14001 certification at our Artea supermarket in Leioa (Biscay). Our goal is to have self-sufficient supermarkets with renewable energy and reach a

neutral CO2 balance. To achieve this, we carry out R+D+i projects at our stores. The zero emissions store of Oñati (Gipuzkoa), which renewed its ISO 50001 energy certification in 2018, is a significant example of this. The good practices learned in these stores are being implemented in other establishments across our business network.

Our renewed model improves energy efficiency through new and efficient cooling, air conditioning and lighting systems and equipment. Energy efficiency is part of the zero waste management that makes the “EROSKI with you” store a leader in sustainability and environmental policy. We extend this new energy model to all supermarkets and hypermarkets openings and renovations.

Sustainable construction and equipment

We are committed to designs and equipment that consume less energy and have a lower environmental impact. A few examples of the measures we have implemented are:

LED lighting

All the light fittings are latest generation LEDs that turn on through an automated mechanism that optimizes use and minimizes light pollution at night. This type of light fitting can be recycled and does not contain polluting materials such as mercury, lead or tungsten. In addition to this measure, we have included the installation of floating screed and both thermal and acoustic insulation at the facilities.

Refrigeration equipment

The environmental measures applied to refrigeration equipment are mainly based on the installation of a negative CO₂ refrigeration unit and a positive R134, which represent important energy savings and run on environmentally friendly gases. This installation also includes a floating condensation system that reduces electricity consumption.

The refrigeration equipment is made up of state-of-the-art units with glass doors that prevent the store aisles from cooling and guarantee better conservation of the products by keeping them at the strict temperature they must be kept at. This also contributes to customer wellbeing in stores.

Use of refrigerants with a low global warming potential

We use refrigerants that combine zero ozone layer depletion potential, low global warming potential and high energy efficiency. Additionally, in 2018 we installed the Intelligent Detection system to detect leaks at 27 centres in order to minimize emissions of these gases as much as possible.

Climate control

For optimal climate control, the energy model includes the installation of a roof top system with acoustic insulation specific to homes and a heat recovery system for the sales room, in addition to acoustic screens for the cooling chamber. Climate control is part of the management system, which regulates temperature, humidity and air quality through a remote system that monitors for incidents that increase electricity consumption. The installation has networks analyzers to control consumption integrated in its own analysis programme, developed by the EROSKI energy team. This system registers operational alarms when electrical consumption deviates from the expected amount.

Circular economy

We handle waste management and recovery from the prevention and integration of a circular economy model.

As one of our basic pillars of action to reduce our environmental impact, we focus much of our efforts on preventing, managing and recovering the waste we generate.

Minimizing waste

We work to minimize the waste generated from our activity by using ecodesign for our own-brand products, promoting produce close to their expiration date and donating food suitable for consumption that cannot be sold to people at risk of social exclusion through the “Zero waste” programme. In 2018, we became members of the Basque platform against food waste to join efforts with other actors in the value chain to minimize food waste.

Along this same line, we also encourage our customers to adopt measures such as using reusable bags to reduce the number of plastic bags thrown out each day. In 2019, we will progressively add reusable mesh bags to the produce section to minimize consumption of single-use bags.

Waste management and recovery

At EROSKI, we take responsibility for properly managing and recovering the waste generated at our facilities and stores by promoting recycling and reuse as priority treatments. From the perspective of a circular economy, we promote reverse logistics processes, from stores to platforms and suppliers, which allow correct reuse and recycling of organic and inorganic waste generated. This implies not only minimizing the amount of waste but also avoiding the consumption of virgin materials in other production processes.

Organic waste

Through reverse logistics and authorized managers, we collect the organic waste generated at our stores for use as raw material in the manufacture of meat and bone meal and animal oil, as well as animal feed.

Inorganic waste

As producers of our own brand, we report the packaging, electrical devices, batteries, oils and light fittings of our products each year to the collective systems of extended producer responsibility, such as Ecoembes or Ecovidrio. These entities guarantee the proper recovery and management of waste generated from the use of our products. Thanks to the recycling of the containers we report to Ecoembes, we have avoided more than 1,178 tons of CO₂ equivalent emission in one year.

- We recycle 100% of the cardboard, plastic, paper and wood generated at our facilities. To do so, we collect the different materials discarded at our stores and collaborate with different integrated management systems authorized for their treatment.
- We reuse logistics packaging in our distribution operations.
- We make it easier for consumers to recycle their waste. To do so, we make recycling points available at our stores to collect batteries, electrical appliances, lamps, clothing, household oil and ink, among other used products.

CAPRABO participated once again in 2018 in the European Week for Waste Reduction, with the aim of raising awareness about the importance of working together in the reduction of waste, the reuse and recycling of materials based on concrete actions and the dissemination of information campaigns.

Recycling coffee pods

We continue to move forward in our commitment to making it easier for consumers to adopt more sustainable consumption patterns, which is why we launched a coffee pod recycling project. It is a pilot initiative that we have started in stores in the Basque Country, Navarre and the Balearic Islands, making us the first major distributor in Spain to install collection points for coffee pods of any material and brand.

We have installed specific containers at our points of sale where customers can drop off used coffee pods. This is a reverse logistics process that includes sending the capsules collected from each store to the plant where the authorized PLS POOLING manager then collects them for treatment and recycling. The coffee and biodegradable pods are converted into fertilizer for mushroom or fungus substrates and other compost, and the plastic and aluminium are recycled and melted to generate new plastic and aluminium containers, respectively. In 2018, we collected more than four tons of coffee pods at the 15 pilot stores.

Consumers

At EROSKI, we are aware that everyone can contribute to protecting the environment by choosing a sustainable and responsible consumption model. We aim our efforts at informing consumers and increasing their knowledge through awareness campaigns and pedagogical content published on our web platforms and other information resources. In line with this objective, we also promote and carry out collaborative initiatives with clients, employees and institutions.

Raise awareness

"Earth Hour"

For the eighth consecutive year EROSKI joined the "Earth Hour" campaign promoted by WWF with the support of the United Nations. It is a symbolic blackout and part of the largest global initiative to protect the environment. The theme of 2018 was "Connect and turn off the light".

"Step by step" environmental programme

VEGALSA-EROSKI participated once again in 2018 in "Camiño a Camiño", the environmental programme by the Council of Vigo to promote activities to care for and improve our environment. In latest edition, the funds donated were allocated to alleviate the consequences of the fires that devastated the region of Vigo.

"A tree, a story"

At VEGALSA-EROSKI, we continue to promote the value of environmental sustainability among Galician schoolchildren through our project "A tree, a story". With this initiative, we seek to share our commitment to the natural environment with our little ones through a short story contest and by getting them involved in the reforestation work we perform each year in the vicinity of our establishments. In 2018, we replanted 30 species of oak and chestnut trees in the vicinity of the EROSKI hypermarket in Noia.

European Week for Waste Reduction 2018 at CAPRABO

At CAPRABO, we joined the 2018 European Week for Waste Reduction through different awareness actions to promote the reuse and recycling of clothing and shoes to minimize waste generated at dumps.

Inform

EROSKI CONSUMER environmental channel

We have a specialized environmental channel at www.consumer.es to inform people about sustainable consumption habits. We provide content on nature, urban environments, natural parks, and energy and science, among other topics. The channel receives more than 250,000 monthly visits.

EROSKI Nutrition School

We have a specific unit on sustainability in the Healthy Eating and Habits Education Programme of the EROSKI Nutrition School, which the WWF also provides content for. Thanks to this unit, we educated 406,401 schoolchildren about sustainability, sustainable food production and sustainable nutrition during the 2017/2018 school year. Moreover, our website www.escueladealimentacion.es includes content about how to prevent food waste.

"Give nature her colour back"

Through this initiative we encourage children to take care of the environment in our drawing contest "Give nature her colour back" at VEGALSA-EROSKI stores. The only requirement was to for participants to let their imagination run wild and draw a form of ecological transport for the VEGALSA-EROSKI eco-patrole. Among the awards handed out were a bicycle and 10 tickets to the Marcelle Natureza Zoo.

"Join in on responsible consumption. Reduce, reuse, recycle."

In 2018, we collaborated with the HISPACOOOP campaign under the slogan "Join in on responsible consumption. Reduce, reuse, recycle", which aims to inform, educate and raise consumer awareness about the importance of responsible consumption, so that they reduce food waste, reuse resources and recycle waste generated at home. This campaign is part of the project "Management of waste, food waste and responsible consumption" funded by the Spanish Agency for Consumption, Food Safety and Nutrition within the Ministry of Health, Social Services and Equality. The initiative was carried out simultaneously in different EROSKI stores located in Cantabria, La Rioja, Navarre and the Basque Country.

"Get involved in a sustainable Saint John"

VEGALSA-EROSKI joined the campaign promoted by the Department of the Environment of the A Coruña City Council "Get involved in a sustainable Saint John," the objective of which was to reduce the generation of waste while celebrating this holiday. We contributed to this initiative by making a special paper bag with a design in tribute to Saint John that we gave to customers for free at checkout. A total of 27 establishments in the A Coruña metropolitan area participated in this measure, in which a total of 61,000 biodegradable paper bags were distributed.



Act

Get Active + Programme

We participated in the initiative "Get Active +" by the Provincial Council of Biscay, based on the international programme Global Action Plan, which seeks to promote citizen participation in favour of environmental sustainability through the development of good consumption habits. Thus, we collaborated together with six other Basque entities on the programme that has managed to involve 2,302 homes, 80 centres and 43,204 schoolchildren since 2012. Upon analyzing the effects of training, we have seen average annual savings of 16% in energy consumption at participating schools.

Charity bag campaign with WWF

EROSKI and WWF collaborated on a charity campaign for the conservation of forests and the recovery of degraded ecosystems. EROSKI donated the €22,500 raised through the sale of our charity bag to this nature conservation organization. This is the sixth year we have donated all the profits from the sale of the €1 charity bag at our stores. Since its launch in 2013, the cooperative has sold more than 1 million charity bags and the profits obtained have gone to numerous organizations such as the Red Cross, Unicef, Oxfam Intermon and Save the Children, among others.

Animal conservation projects in two natural reserves in Álava

With the proceeds from the sale in 2018 of reusable plastic jars as an alternative to glass, we donated €5,000 – which the Department of the Environment of the Álava Forest Department matched with an additional €5,000 – to a conservation project for the sand martin in two reserve in Álava. Through this action, we are committed to enjoying the holiday while still fulfilling our commitment to environmental sustainability and caring for our natural environment.



7

Social action

Committed to our citizens

Our contribution to the community 413-1

Since the start, at EROSKI we have carried out diverse social actions to effectively contribute to making a more just and supportive society.

We consider charity a fundamental principle under which we conduct our activity and, therefore, we dedicate 10% of EROSKI'S profits to the EROSKI Foundation to develop social activities. In this way, we support actions either of our own initiative or through the establishment of collaboration agreements with third parties for the social and cultural development of our environment. Moreover, at EROSKI we make financial donations to social purposes, reaching more than €8 million in 2018.

For the people that form part of EROSKI, it is a point of pride to have had so many collaboration agreements with associations, NGOs and social entities over the course of 2018, as well as to have carried out more than 15 campaigns promoting consumer involvement.

Financial contributions in 2018 totalled €8,500,199 distributed across the following fields of social action:



ONCE-Galicia Charity Award for VEGALSA-EROSKI

We were given the ONCE-Galicia 2018 Charity Award for the company category in recognition of the numerous projects and initiatives in the field of social and environmental commitment and the promotion of healthy eating and living habits that we have carried out in recent years.



Charity initiatives 413-1

International cooperation

At EROSKI, we believe that charity must cross borders and, therefore, our campaigns also focus on the urgent needs of those who are further away.

Toy collection campaign with the Red Cross

For two days in December, our clients were able to participate in a campaign to collect non-warlike and non-sexist toys. All the donations were destined to covering the needs of children of families at risk of social and economic vulnerability that can not afford to purchase toys.

Emergency campaign for the tsunami in Indonesia

Thanks to the solidarity of EROSKI and its clients, we raised €30,000 in the emergency campaign for victims of the tsunami in Indonesia in October, organized in coordination with UNICEF. The funds were allocated to providing drinking water and sanitation to prevent epidemics and provide adequate health and nutrition.

Product delivery programme

For yet another year, we have continued donating non-food consumption items (toys, footwear, clothing, school supplies and optical products, among others) to children in Latin America through the Children of the World Federation, an organization that works for sustainable human development and international cooperation. In 2018, donations reached €169,200.

Cooperative volunteer programme

As part of EROSKI'S principles of cooperation and charity, we have been collaborating for more than a decade with MUNDUKIDE, an organization focused on the development of vulnerable populations in the third world. We help disseminate information about its projects through our EROSKI CONSUMER magazine and the website www.consumer.es. We also participate in the "Cooperative volunteer programme for social transformation" that MUNDUKIDE carries out together with the Lanki de Mondragon Unibertsitatea Research Centre and the Landless Workers' Movement of Brazil. Four EROSKI employees have already volunteered, providing knowledge about distribution and marketing to promote the socioeconomic and cooperative development of the central region of the state of Paraná.

Charity star

For the fourth consecutive year, EROSKI held its "Charity star" Christmas campaign. Thanks to EROSKI and VEGALSA-EROSKI customers, €63,000 were raised in 2018 from the sales of the star. They were allocated to helping children through UNICEF and the EROSKI Foundation, as this was the cause consumers voted for.

Food charity

In line with our objective to raise consumer awareness about the urgency of overcoming issues related to covering basic needs in our setting, we have organized campaigns that allow our customers to get involved in food charity actions.

Charity campaigns with consumer involvement

In 2018, we celebrated 22 years of collaboration with the Spanish Food Banks Federation (FESBAL), to which we donate food collected during two large charity campaigns organized each year at our stores: "Operation Kilo", in June, and the "Big Food Collection", in November. These foods are given to individuals with financial difficulties and at risk of social exclusion in each community. In 2018 we continued with the two existing modalities: the traditional physical delivery of products and collection via vouchers, which allows food banks to receive the products they consider most necessary at any time. We also relaunched the "Zampakilos solidario" campaign at VEGALSA-EROSKI.

Moreover, CAPRABO and the Red Cross worked together for the sixth consecutive year on the "No Child without Food!" campaign to help feed children, a charity initiative that raises funds to pay for food grants for children at risk of social exclusion. In 2018, they allocated 12 food grants.

Charity card

Since 2009, at EROSKI, Cáritas Bizkaia and Laboral Kutxa, we have given meal vouchers to people receiving assistance from Acogidas de Cáritas Bizkaia to be redeemed at our establishments. In addition to providing the necessary infrastructure for this charity initiative, the EROSKI Foundation and Laboral Kutxa also financially contribute to the resources Cáritas Bizkaia has for this project. At VEGALSA-EROSKI, we also give meal vouchers to the social emergency programme of the Xunta de Galicia.

With the aim of standardizing access to basic needs with keys that do not just provide assistance but are also integrating and form part of broader social inclusion processes for people in or at risk of exclusion, in 2018 we consolidated the implementation of the rechargeable charity card. This card replaces paper vouchers and has allowed this food charity initiative to be extended to other regions such as Aragon, the Balearic Islands, Galicia and the Basque Country. This system, which several associations such as the Red Cross and municipalities such as Vitoria or Zaragoza have already joined, makes the tool even more dignified for these families, as well as more modern and simple.

1,523 tons of food donated during Operation Kilo and the Big Food Collection

"Zero waste" programme

At EROSKI, we continue in the fight against food waste by following an action protocol that guarantees the safety of food products and produce donations that, when in perfect consumption conditions, we withdraw from our aisles to meet our commitment of maximum freshness and good packaging appearance. We ensure that donations are kept in the cold chain at the entity receiving them and we maintain the same guarantees during their transportation and storage until the food is consumed.

The allocation criteria and final delivery of these products to the recipient corresponds to more than 100 social entities throughout Spain with which we have signed collaboration agreements.

The programme is also aimed at promoting responsible consumption, which is why we hold several consumer

awareness campaigns to inform and educate our customers in conjunction with the donations. To this end, we use EROSKI CONSUMER to share knowledge, resources and practical tools to rationalize customer purchases, make the most of them and minimize food waste at home, with the subsequent savings that this entails for both society and the families' economy.

For the "Zero waste" programme, EROSKI collaborates with many social organizations, such as food banks, Caritas, etc. In 2018, EROSKI and its clients donated more than 4,928 tons of food to the most disadvantaged groups. This translates to 9,747 personal meals donated.

EROSKI S. Coop has been acknowledged with the Espiga de Oro Award, the highest award given by the Spanish Federation of Food Banks to organizations that stand out for their collaboration in redistributing food surpluses.

We joined the first Week against Food Waste

In 2018, we joined the first Week Against Food Waste, an initiative coordinated by the Association of Large Consumer Companies (AECOC), held for the first time in Spain, with the aim of raising awareness, encouraging and motivating consumers to use tools within their reach to reduce the amount of food that is thrown away. We launched workshops, competitions and online raffles at our stores and shared good practices with the aim of raising consumer awareness against food waste.

Goal, #ZeroHunger

At EROSKI, we joined the #ZeroHunger campaign launched by the United Nations Organization for Food and Agriculture, for World Food Day on October 16.

This initiative falls under SDG no. 2 and aims to make society aware that a world with zero hunger is possible by 2030. But to achieve this, we must all get involved, not just governments and the world's large institutions.

+4,928 tons of food donated through the Zero Waste programme



9,747 personal meals donated



Collaborations with people with disabilities or illnesses

Aware of the daily challenges people with disabilities or special needs must face, at EROSKI we work shoulder to shoulder with the organizations that represent them and collaborate to improve their wellbeing and quality of life.

Sponsoring projects and initiatives in this area is also a fundamental part of our social action and is developed by signing numerous collaboration agreements with

social entities in the field of disabilities and various diseases. In 2018, we allocated more than €100,000 in financial contributions to this type of action, which was distributed across both national reference associations and others focused on local groups.



The Kosta Trail for diabetes and kidney disease

Thanks to the participation of more than 4,600 people in the 13th edition of the Kosta Trail, FORUM SPORT, Salomon and Laboral Kutxa donated €14,400 to the Biscay Diabetes Association and the Biscay Association for the Fight against Kidney Diseases. The donation will go to helping those affected by diabetes to learn in a practical way about the benefits and challenges of practising sports in their daily management of the disease and to supporting patients suffering from kidney diseases.

The WOP Foundation and EROSKI together to cure neurodegenerative diseases

Under the collaboration framework between EROSKI and The Walk On Project (WOP) Foundation, we organized a series of activities for clients, who could increase the number of minutes spent researching a cure for neurodegenerative diseases just by participating. More than 51,096 minutes were earned. Thanks to customers' involvement, EROSKI was able to give the WOP Foundation a cheque for €30,658.



VEGALSA-EROSKI with rare and chronic diseases

We joined the campaign "This could be magic thanks to you", promoted by the Galician Federation of Rare and Chronic Diseases to help support the care needs of people who suffer from this type of disease (and their families) in Galicia. Our customers were able to purchase a charity sweet at 15 of our stores for the symbolic price of €1. VEGALSA-EROSKI contributed an additional 6% to the total amount raised, bringing the final figure to €1,900.

The fight against breast cancer

EROSKI participated once again in 2018 in different women's races organized in Spain by the Spanish Association Against Cancer. Moreover, for the fourth year in a row, at VEGALSA-EROSKI we held the "Ready to win!" campaign with the aim of raising funds for this association, and we distributed information brochures about detecting breast cancer and habits to reduce the risk of developing it.

Skin cancer awareness campaign

We work with the Spanish Association Against Cancer every year to raise awareness about skin cancer. During the campaign, our supermarkets hosted stands where advice was given on how to sunbathe carefully and the basic rules of how to check skin for potential warning signs. We also offered informative talks to our CAPRABO employees.

Some of the associations we collaborate with:

- ACAMBI - Asociación de Cáncer de Mama de Bilbao
- ADEMBI - Asociación de Esclerosis Múltiple de Bizkaia
- AECC - Asociación Española Contra el Cáncer
- AEFAT - Asociación Española Familia Ataxia Telangiectasia
- ALCER - Asociación para la Lucha Contra las Enfermedades Renales
- ANADI - Asociación Diabetes Navarra
- ASPANAFOHA - Asociación de Padres de Niños con Cáncer de Álava
- ASPANOGLI - Asociación de Padres de Niños Oncológicos de Gipuzkoa
- ASVIDIA - Asociación de Diabéticos de Bizkaia
- BENE - Asociación de Afectados y Familiares por Enfermedades Neurológicas de Bizkaia
- COCEMFE - Confederación Española de Personas con Discapacidad Física y Orgánica
- EM Euskadi - Fundación Vasca de Esclerosis Múltiple Eugenia Epalza
- EUSKAL GORRAK - Federación Vasca de Asociación de Personas Sordas
- FEDE - Federación Española de Diabetes
- FEKOOR - Federación Coordinadora de Personas con Discapacidad Física y Orgánica de Bizkaia
- FEGEREC - Federación Gallega de Enfermedades Raras y Crónicas
- FEM - Fundación Esclerosis Múltiple
- ONCE EUSKADI
- WOP - Walk On Project



Other charity campaigns

Our campaigns go beyond food charity: they provide support to vulnerable groups and promote commitment to the environment through consumption habits that favour the preservation of natural resources.

Sports material donations from FORUM SPORT

FORUM SPORT donated 179 pairs of shoes to the Red Cross of Biscay to be distributed among users of their projects in a situation of vulnerability. In 2018, we also donated 8,943 kilos of sports equipment to Kooperera, valued at €22,219. This material was given to users of Cáritas, Kooperera stores as second-hand objects or treated as waste and sent to recycling or energy recovery.

VEGALSA-EROSKI charity recipe book for the Red Cross

Thanks to the sale of 15,000 copies of a cookbook with healthy dishes at affordable prices titled *Let's eat at home today: healthy and affordable recipes prepared by the best chefs in Galicia*, €30,000 were raised for social inclusion projects of the Red Cross in Galicia. Twenty Galician chefs participated in this collaboration initiative between the two entities, and it was carried out in Autoservicios Familia, EROSKI Hypermarkets and EROSKI Supermarkets in Galicia.

Emergency Campaign for floods in Mallorca

The national charity campaign we organized after the terrible flooding that affected the Mallorcan municipality of Sant Llorenç raised €140,000 thanks to the solidarity of EROSKI and its customers. The money was channelled to the Sant Llorenç authorities so it could be allocated in full to families affected by the floods.

Support for families

EROSKI has collaboration agreements with entities such as Fanoc and Familia XL, among others, to support large families. Aware of the particular needs of this type of family, since 2012 CAPRABO has offered special advantages through the gold customer status (and the My Club CAPRABO Gold Card) together with all its additional benefits. Moreover, 5% of their purchases is transformed into euros and added to the balance of their card. During 2018, a total of **13,292 large families benefited from €804,694 in savings**.

This initiative is in addition to the existing aid programme for families called "Welcome Baby". In 2018 we delivered **1,358,000 baskets**, as well as discounts and promotions on products designed for baby's first year of life. The programme is complemented by the online tool Welcome Midwife, where parents can find answers to the issues

that concern them most during pregnancy, delivery and throughout the first years of baby's life. This initiative is supported by organizations such as the Federation of Midwifery Associations of Spain, the Spanish Association of Midwives and the paediatrician Dr. J. Mateu Sancho. A total of 120,505 people have already visited the website, with more than 358,175 page views.

At VEGALSA-EROSKI, we have also taken another step in helping families since joining the "Tarxeta Benvida" Programme of the Government of Galicia in 2016. With this programme, shoppers who show their card when checking out at our network of Familia, EROSKI/Center and EROSKI Hypermarkets receive a direct discount of 2.5%. In 2018, €59,168 were transferred to families through this initiative.

Promoting culture, leisure and local settings

Promoting EROSKI'S more local initiatives aims to favour the welfare of people close to our business network and to emphasize local tradition and culture.

Promotion and dissemination of local languages

At EROSKI, we consider local languages an essential part of the cultural heritage of the communities in our setting, which is why we work continuously to promote and disseminate them.

The initiative we carried out with Elhuyar Fundazioa to develop a search engine in Basque stands out. This R&D project, which the University of the Basque Country also collaborates on, is focused on developing a much more advanced search engine in Basque than existing ones. By integrating it into our online platform, we have managed to simplify and improve the possibility of browsing through EROSKI CONSUMER magazine documents. It is also worth mentioning our annual participation in major events in this language, with sponsorships linked to the Basque Book and Disc Fair of Durango (Durangoko Azoka), the

most important event on the calendar in this area. At the same time, we collaborate on the main holidays of the Basque language, such as Herri Urrats, Ibilaldia, Araba Euskaraz, Kilometroak, Nafarroa Oinez and the Basque Public School holiday, in which 10,824 people participated in the Nutrition School events that the EROSKI Foundation organized during them.

We also value the culture and language of Galicia and join all the initiatives closely linked to the Galician society. For example, as in previous years, in 2018 we continued supporting the celebration of Galician Literature Day.

These actions are related to the continuous effort we make for the EROSKI CONSUMER magazine to be available in Spanish, Basque, Galician and Catalan.

Leisure and culture

Likewise, we work to bring culture to consumers through various sponsorships, such as the Musikaire cultural festival, which takes place each year in Elorrio, where our headquarters are located.

On the other hand, well aware of the importance of sport in today's society and in leading a healthy life, we also support sports activities organized nearby. Moreover, in 2018 we contributed €224,000 through the CAPRABOSport Programme, distributed among 118 amateur clubs with the aim of promoting healthy habits, such as sports.

In the Basque Country, we collaborated on popular races such as Herri Krosa and Santurce rowing. Likewise, at FORUM SPORT, as we have been doing annually, we organized the Kosta Trailen Bizkaia, a mountain race with a charity facet that includes routes for the whole family and for people who love riding.





Zure iritzia
habetzen laguntzen digu
Escucharte
nos hace mejores
EROSKI
zurekin

8

Transparency

Committed to clarity
and truthfulness

Our stakeholders

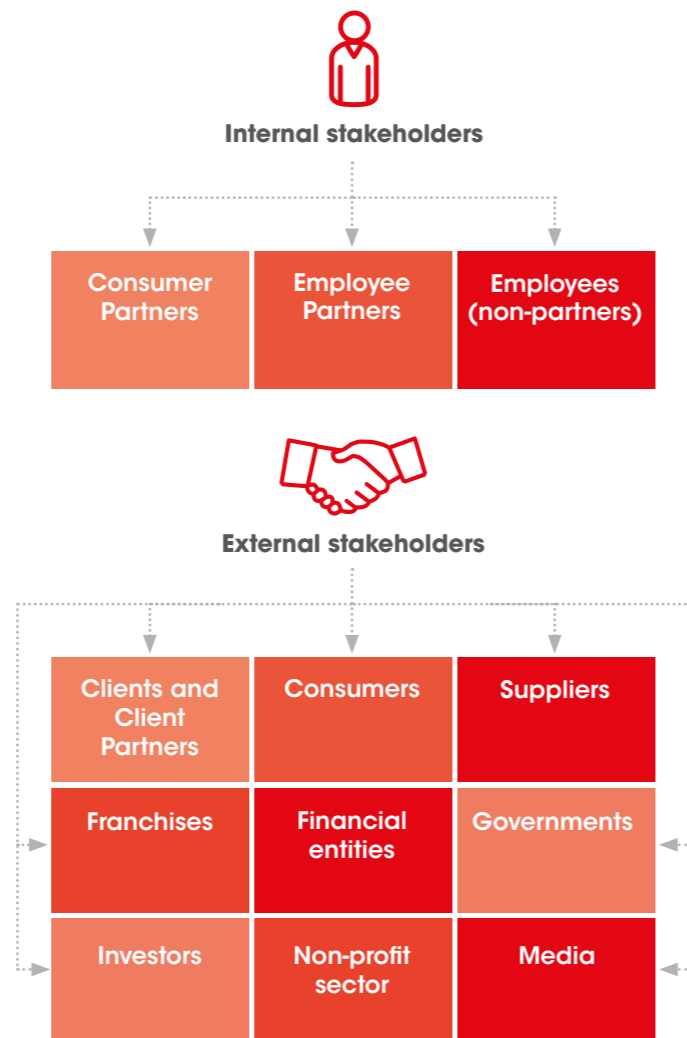
102-40; 102-42; 102-43; 102-44

Our activity generates impacts on different stakeholders and vice versa. These people, groups, collectives and organizations are very important to us, since there exists mutual interaction and cooperation that we have strengthened and worked on over the years.

Therefore, understanding them and involving them in our activities and decisions is basic in developing our social responsibility and monitoring our impact. The current complexity and dynamism of the social and business context has made taking on a solid commitment to them essential to understanding their expectations and challenges. Thus, in 2018 we have reviewed our stakeholders and updated our relationship with groups that:

- Have a direct or indirect impact on our organization
- Are affected by our activities, services or products
- Are interested in our activity

We therefore differentiate between internal stakeholders, or rather, groups or people who are an integral part of the EROSKI Group, and external stakeholders, which ranges from our customers to governments and social entities.



Specific communication mechanisms and key matters and concerns identified for each stakeholder group 102-44

Stakeholder	Specific communication mechanisms	Key matters and concerns
Clients and Client Partners	Customer service (at store, by phone and on website) EROSKI Club magazine CAPRABO Sabor magazine Customer satisfaction studies Customer feedback programmes Promotional brochures EROSKI Club app Newsletters	Marketing and labelling Competitiveness in the market Occupational health and safety Anticorruption Materials Effluents and waste Food waste Employment
Consumers	EROSKI Consumer magazine and www.consumer.es Nutrition school (www.escueladealimentacion.es) Nutritional Survey of the Spanish Population (ENPE) Awareness campaigns (health, charity and environment) Public institutions and organizations that safeguard the interests of consumers (Kontsumobide, Council of Consumers and Users, AECOSAN, etc.) Press notes and conferences	Marketing and labelling Occupational health and safety Energy Local communities Customer safety Product traceability Accessibility Market presence
Employees	Publications: Nexo, Nüctar, La Parrapia, intranets (Prisma, ForumNet), protocols, headquarters memos Evaluation interviews Work culture surveys Audits (Code of Ethics) Whistleblower channel	Occupational health and safety Customer safety Employment Work-life balance Anticorruption Effluents and waste
Employee partners	Shareholders' bodies Welcome manual Employee mechanisms	Economic management Governance and ethical management Restructuring the business network Matters inherent to employees and consumers
Consumer partners	Shareholders' bodies Newsletters Client Partner and consumer mechanisms	Matters inherent to consumers and Consumer Partners
Suppliers	Supplier service publications: Nexo Logística EROSKI Agreements with SMEs Cooperation agreements Industry round tables Promotional campaigns for local products Audits (Quality control, etc.) Permanent and occasional forums	Anticorruption Regulatory compliance Customer safety Product traceability Economic performance
Financial entities/ Investors	Corporate Governance Report Annual accounts Consolidated notes and press conferences CNMV and EROSKI websites:	Anticorruption Regulatory compliance Economic performance Personal data protection Innovation
Franchises	"With you in franchises programme Direct communication with staff from the Franchise Department of the General Network Director	Customer safety Accessibility Anticorruption Regulatory compliance Occupational health and safety Acquisition practices
Governments	Collaboration agreements Meetings with public representatives Business and consumer cooperative associations (ACES, ANGED, AECOC, etc.)	Accessibility Anticorruption Product traceability Materials Unfair competition
Non-profit sector and other social agents	Meetings with representatives from different organizations EROSKI FOUNDATION Scientific Committee Universities: grants, scholarships NGOs: collaboration agreements, sponsorships, conferences, stands, etc.	Anticorruption Effluents and waste Regulatory compliance Emissions Food waste Customer safety



Principles of preparing the report

102-45; 102-46; 102-48; 103-1

At EROSKI, we work to improve and expand the performance information we present to our stakeholders each year as part of our commitment to transparency inside and outside the organization. Therefore, we have prepared this report based on the standards of the Global Reporting Initiative (GRI), an independent institution founded in 1997 and which serves as the most widely used reference framework in the world for sustainability

reports and which we have supported for more than a decade as a member of its GOLD Community. By applying the criteria and principles of the GRI standards, we seek to ensure that the quality of the report and its content are aligned with the expectations of our stakeholders, in addition to making it possible to compare the different indicators to our results in coming years and reports presented by other organizations.

Scope of the report

The companies for which data are reported in this report are affected by Act 11/2018 on Non-Financial Information and Diversity. These are the 27 companies included in the consolidated financial statements, although

they do not all have an impact on every non-financial aspect reported herein. The following table presents the breakdown of companies in the consolidated financial statements, grouping them by material aspects reported.

COMPANY	FINANCIAL ASPECTS AND DATA PROTECTION	ENVIRONMENTAL ASPECTS	SOCIAL LABOUR PRODUCT-CLIENT ASPECTS
EROSKI, S.COOP.			
CECOSA HIPERMERCADOS, S.L.			
EQUIPAMIENTO FAMILIAR Y SERVICIOS, S.A.			
CECOSA DIVERSIFICACIÓN, S.L.			
CECOSA SUPERMERCADOS, S.L.			
GRUPO EROSKI DISTRIBUCIÓN, S.A.			
GESTION DE HIPERMERCADOS CAPRABO EISA, S.L.U.			
SUPERMERCADOS PICABO, S.L.U			
PARQUE MARITIMO JINAMAR, S.L.			
FORUM SPORT, S.A.			
VIAJES EROSKI, S.A.			
CENTRAL DE SERVEIS CIENCIAS, S.L.			
CAPRABO, S.A.			
SOCIEDAD FRANQUICIAS EROSKI CONTIGO, S.L.			
EROSKI HIPERMERCADOS, S.COOP.			
ALCAMUGA, S.A.U.			
CECOSA INSTITUCIONAL, S.L.			
CECOSA GESTIÓN, S.A.			
DESARROLLOS COMERCIALES DE OCIO E INMOBILIARIOS DE ORENSE, S.A.			
SOCIEDAD DE AFILIADOS EROSKI CONTIGO, S.L.			
JACTUS SPAIN, S.L.			
INMOBILIARIA RECARÉ, S.A.U.			
GESPA FORUM, S.C.P.			
APORTACIONES FINANCIERAS EROSKI, S.A.			
VEGONSA AGRUPACIÓN ALIMENTARIA, S.A.			
VEGO SUPERMERCADOS, S.A.			
MERCASH SAR, S.L.			

The absence of environmental or social information for some of these companies is due to the fact that they do not have employees or direct activity with consumers, so they do not generate any impacts on these non-financial aspects. Moreover, information is included about EROSKI Foundation actions regarding standard GRI-413 in local communities.

Of these companies, the following are owners of establishments for the different businesses that we presented in Chapter 2 ("with you" business network and model):

COMPANY	HYPER-MARKETS	SUPER-MARKETS	GAS STATIONS	LEISURE AND SPORT	TRAVEL AGENCIES	OPTICIANS	ONLINE STORES
EROSKI, S.COOP.							
CECOSA HIPERMERCADOS, S.L.							
EQUIPAMIENTO FAMILIAR Y SERVICIOS, S.A.							
CECOSA SUPERMERCADOS, S.L.							
GESTION DE HIPERMERCADOS CAPRABO EISA, S.L.U.							
SUPERMERCADOS PICABO, S.L.U							
FORUM SPORT, S.A.							
VIAJES EROSKI, S.A.							
CAPRABO, S.A.							
VEGO SUPERMERCADOS, S.A.							



Materiality Analysis 102-49

In 2018, at EROSKI, we updated and improved on the 2017 materiality analysis. This materiality analysis is conducted in order to determine which aspects are relevant when reflecting the economic, environmental and social impacts of the organization, influencing the decisions of the stakeholders, or generating an impact on the economy,

the environment or society. Those considered relevant are reflected in the materiality matrix.

Thus, to identify potentially material issues, the following were taken into account:

Bibliographic sources, among which the following stand out: GRI Standards and sectoral supplements, Governance & Accountability, Principles of the United Nations Global Compact, in addition to Act 11/2018 on Non-Financial Information and Diversity.

Market information, mainly from publications by companies in the sector and/or the EROSKI supply chain.

Internal and external information concerning the organization and its stakeholders, as a result of focus groups and surveys conducted with the staff, consumers, partners, suppliers, the non-profit sector, public administrations, financial services and investors and the media.

Below, we have chosen some of the relevant aspects for EROSKI and our stakeholders. In 2018, we conducted internal (relevant to EROSKI) and external (relevant to stakeholders) analyses to understand the degree of importance of the topics identified.

For the most part, the consultation method used was an online survey for stakeholders (external perspective) and for people with responsibilities in the decision-making process at EROSKI (internal perspective). These groups include the Board of Directors, staff, franchises, Client Partners, consumer partners, NGOs, suppliers, public administration, financial services and media. This process involved direct consultation, as well as extending the scope of consultation to a greater number of people. We believe the results obtained thus allow a better response to the expectations of the different stakeholders.

Subsequently, responses were weighed according to the importance of each stakeholder group for EROSKI and reviewed and validated to ensure that the materiality reflects the performance of the organization in a reasonable and balanced manner in terms of sustainability, both for its positive and negative impacts.

Last, the materiality matrix was created, thus identifying material aspects for the organization.



High	<ul style="list-style-type: none"> Market presence 	<ul style="list-style-type: none"> Anticorruption Innovation Product traceability Personal data protection Effluents and waste Employment 	<ul style="list-style-type: none"> Socio-economic and environmental compliance Marketing and labelling Materials Occupational health and safety
	<ul style="list-style-type: none"> Indirect economic impacts Energy Training and education 	<ul style="list-style-type: none"> Economic performance Accessibility Diversity and equal opportunities Non-discrimination 	<ul style="list-style-type: none"> Acquisition practices Customer safety
	<ul style="list-style-type: none"> Market competitiveness Public policy Emissions Food waste Biodiversity Water Atmospheric pollution Client management Freedom of association and collective bargaining Social inclusion and placement Work-life balance 	<ul style="list-style-type: none"> Unfair competition Local communities* Consumer education Employee-company relations 	<ul style="list-style-type: none"> Social and environmental evaluation of suppliers Human rights assessment Customer health
	Low	Medium	High

- Environmental management
- Responsible commitments, policies and management
- Employment and labour relations
- Customers, consumers and product responsibility

The material topics are those included in the shaded areas as well as those marked by an * due to their relationship and importance in EROSKI's activity.

Financial aspects

- Economic performance
- Market presence
- Anticorruption
- Innovation
- Socio-economic and environmental compliance
- Acquisition practices
- Social and environmental evaluation of suppliers
- Human rights assessment
- Local communities

Environmental Aspects

- Materials
- Effluents and waste
- Energy
- Emissions
- Food waste

Social/labour/product-client aspects

- Employment
- Occupational health and safety
- Diversity and equal opportunities
- Non-discrimination
- Marketing and labelling
- Accessibility
- Customer safety
- Customer health
- Personal data protection
- Product traceability

List of materials aspects and coverage thereof 102-46; 103-1

Material aspect	Location of impact	EROSKI's involvement	Reason for its materiality
Economic performance (GRI 201)	Inside and outside the organization	Direct and indirect	The organization's economic management has a big impact on the entity's various stakeholders. It affects the number of jobs generated, the purchase of products and services, the business network, the business strategy, debt management and the distribution of profits, among other aspects.
Market presence (GRI 202)	Outside the organization	Direct and indirect	An organization such as ERSOKI, which seeks to promote the development of the setting in which it operates, must have a hiring and salary policy that promotes local development.
Acquisition practices (GRI 204)	Outside the organization	Direct	The volume of purchases and the number of suppliers we have might potentially represent a significant impact on the development of local suppliers in the setting in which we operate.
Anticorruption (GRI 205)	Inside and outside the organization	Direct	Ethical and responsible business behaviour is a priority for our stakeholders: we take measures to fight against corruption and bribery.
Innovation	Inside and outside the organization	Direct	Innovation in the design and improvement of products and services allows us to continue increasing the safety and quality of our offer.
Materials (GRI 301)	Inside and outside the organization	Direct and indirect	The manufacture, use and disposal of containers and packaging can have a significant impact on the environment. Therefore, optimizing the consumption of materials and using more sustainable ones and in smaller quantities is fundamental to our customers and society in general.
Energy (GRI 302)	Outside the organization	Direct and indirect	Promoting energy efficiency and using renewable energy is a priority to our reduce environmental impact and avoid the use of fossil fuels.
Emissions (GRI 305)	Outside the organization	Direct and indirect	The impact of greenhouse gas emissions on human health and the climate is one of the major environmental issues of today and is highly relevant to our different stakeholders.
Effluents and waste (GRI 306-1, 306-2)	Outside the organization	Direct and indirect	Reduction of waste and dumping generated is vital to conserving the environment. Therefore, minimizing the ecological impact thereof through reuse, recycling or other uses (circular economy) must be an objective of all of society.
Food waste (GRI 306)	Inside and outside the organization	Direct and indirect	Developing initiatives and actions to prevent and avoid food waste is an especially important aspect in the food sector. On the one hand, reducing waste lowers inefficient or unnecessary food production and, on the other hand, has a positive social impact through distribution of those foods to people at risk of exclusion.
Socioeconomic and environmental compliance (GRI 307 and 419)	Inside and outside the organization	Direct	Legal compliance in socioeconomic and environmental matters is necessary to guarantee we do not generate negative impacts related to sustainability. Non-compliance can also entail economic and administrative sanctions, as well as a risk to our reputation.
Environmental assessment of suppliers Social assessment of suppliers (GRI 308-414)	Outside the organization	Direct and indirect	Responsible management of the supply chain, including social, environmental and ethical criteria, promotes the implementation of liability policies, not only in our entity but throughout the value chain.

Material aspect	Location of impact	EROSKI's involvement	Reason for its materiality
Employment (GRI 401)	Inside and outside the organization	Direct	Employment stability and quality are essential in an organization such as EROSKI, in which there are more than 30,000 direct employees, many of whom are also owners of the cooperative.
Occupational health and safety (GRI 403)	Inside the organization	Direct	Employees represent one of our priority stakeholders; therefore, promoting their health and safety and preventing occupational risks is a fundamental aspect of the organization.
Diversity and equal opportunities Non-discrimination (GRI 405-406)	Inside and outside the organization	Direct	Establishing non-discrimination policies and promoting an inclusive work environment based on diversity, multiculturalism and equal opportunities between women and men.
Human rights assessment (GRI 412)	Inside and outside the organization	Direct	Applying human rights criteria in operations and significant investment agreements and contracts and training staff in human rights policies and procedures.
Local communities (GRI 413)	Outside the organization	Direct	Actively participating in society through social action programmes that contribute to the economic and social development of the communities where we operate.
Customer safety (GRI 416)	Inside and outside the organization	Direct and indirect	As a food distribution company, ensuring the quality and safety of all products together with our suppliers is critical for the organization.
Customer health	Inside and outside the organization	Direct and indirect	Offering healthier products adapted to special diets is key in responding to the needs of our customers. The high rates of obesity and excess weight in Spain mean that access to healthier and more balanced products is a priority for society. Moreover, the increase in food allergies and the needs of groups such as coeliacs requires that our stores have suitable food to meet their needs.
Marketing and labelling (GRI 417)	Inside and outside the organization	Direct and indirect	Labelling products with information about their characteristics (ingredients and nutritional content, consumption safety, container recyclability, etc.) is key to the health of our customers and the environment and is part of EROSKI's commitment to transparency. Applying ethical criteria and responsibility in marketing communication, differential attention and individualized marketing is highly relevant to our customers.
Personal data protection (GRI 418)	Inside and outside the organization	Direct	Guaranteed personal data protection is not just a legal obligation but also a demand of our clients and an EROSKI commitment.
Product traceability (GRI 416)	Inside and outside the organization	Direct	Ensuring the traceability of the supply chain across all processes and levels is vital to preventing and monitoring any negative impacts, thus reducing risks in areas such as health or the environment.
Accessibility	Outside the organization	Direct	Providing universal access to our centres and facilities for people with disabilities is fundamental to many of our clients.

Additional information about the calculation of the indicators presented in this report 102-46; 103-1

Indicator	Scope	Calculation method/comments
Data regarding direct employees (GRI 102-8, 405-1)	EROSKI Group	<p>The total number of direct employees and employee partners is an average of the data recorded during the last month of the 2018 financial year (January 2019).</p> <p>The percentages of type of contract, working day, age, gender and professional category correspond to data as of January 31, 2019 (end of year financial year). These percentages were applied to the total number of employees reported (30,048).</p> <p>Turnover numbers and rates correspond to employees who left the organization voluntarily, were dismissed, retired or passed away.</p>
Data regarding remuneration (GRI 102-34, 102-35, 102-36, 102-37, 102-38, 102-39, 202-1, 405-2)	EROSKI Group	<p>Data are reported from EROSKI S. Coop. and the other Group companies, separated by remuneration differences. The data provided correspond to the 2018 calendar year. We used gross expected consumption data for EROSKI S. Coop and gross yearly remuneration data for other companies. Gross expected consumption is the sum of net remuneration and Personal Income Tax withholdings (not including Social Security contributions).</p> <p>Data on the evolution of the Cooperative can be extracted from reports from previous years. Regarding the Group, we have not analyzed such records. As we began working with these data in 2018, from next year onward we will begin to see the evolution.</p> <p>The data used in comparisons with the IBEX 35 companies were taken from <i>Report: Evolution good governance indicators in IBEX 35 companies during 2017</i>. Fundación 1.o de Mayo; January 2019.</p>
Data regarding accidents and occupational risk prevention training (GRI 403-2, 404-1)	EROSKI Group	Data corresponding to the 2018 calendar year.
Reused logistics containers (GRI 301-3)	EROSKI Group (food area)	Data for pallets and plastic boxes used during the 2018 financial year at EROSKI, CAPRABO and VEGALSA platforms.
Energy consumption inside the organization (GRI 302-1)	EROSKI Group	<p>There are no data on electricity consumption broken down according to use. Conversion factors used in the calculation:</p> <ul style="list-style-type: none"> • Conversion of kilowatt-hour to megajoule: 1 kWh = 3.6 MJ. • Fuel consumption in transport operations (source: EROSKI's own estimates according to fleet). • Conversion of litres of diesel to gigajoules (source: Emission factors. <i>Record of carbon footprint, compensation and carbon dioxide absorption projects</i>. MAPAMA; 2018): - Density of diesel: 832.5 kg/m - Calorific value of diesel: 343 GJ/t
Energy consumption outside the organization (GRI 302-2)	EROSKI Group	<p>Conversion factor used in calculations:</p> <ul style="list-style-type: none"> • Average diesel consumption on work trips by road: 5.68 l/km. (Source: Average consumption of type M1 vehicles in 100 km, available in the IDAE database).

Indicator	Scope	Calculation method/comments
Energy intensity (GRI 302-3)	EROSKI Group	<p>Indicators used to calculate relative energy consumption in the organization:</p> <ul style="list-style-type: none"> • Commercial surface area: 1,298,274 m² (as of 31 January 2019) • Net sales: €4.698 billion.
Reduction of energy consumption (GRI 302-4)	EROSKI Group	2017 was selected as the reference year to present reductions in fuel consumption in transport and energy, as that was when we published our first GRI sustainability report.
Water extraction by source (GRI 303-1)	EROSKI Group	Consumption for the 2018 fiscal year was calculated based on recorded drinking water expenses. The average price of water applied as a conversion factor was €2.87/m ³ , which was calculated based on the prices of a sample of invoices from different companies or businesses with water consumption. There is no record of all the sources from which the different municipalities that supply EROSKI extract water.
Biodiversity (GRI 304-1)	EROSKI Group	Information source: Ministry for Ecological Transition. Franchised stores were not taken into account.
Water dumped	EROSKI Group	An estimated 99% of the water dumped corresponds to drinking water consumed.
Waste discarded by clients	EROSKI Group	Data on batteries, light bulbs and electrical and electronic devices correspond to the 2018 calendar year.
Direct GHG emissions (scope 1) (GRI 305-1)	EROSKI Group	<ul style="list-style-type: none"> • Characterization factors for global warming potential (kg CO₂eq/kg CO₂, kg CO₂eq/kg CH₄, kg CO₂eq/kg N₂O, HFC emitted): - GWP100 of the IPCC 2013 (Source: CML - (<i>Institute of Environmental Sciences, University of Leiden</i>), August 2016). - For refrigerant mixtures, the corresponding characterization factor was calculated taking into account its composition (% of each HFC) and the CML GWP100-IPCC 2013 emission factors (August 2016). • CO₂ emission factors for natural gas and diesel in transportation (Source: <i>Emission factors. Record of carbon footprint, compensation and carbon dioxide absorption projects 2018</i>. MAPAMA; 2019): - 0.203 kg CO₂/kWh net calorific value. - 0.901 kWh PC net/kWh higher calorific power. • The CH₄ and N₂O emission factors for natural gas correspond to the 2006 IPCC Guidelines for national greenhouse gas inventories (Stationary combustion. Table 2.4). • Consolidation approach for emissions: operating control.
Indirect GHG emissions from power generation (scope 2) (GRI 305-2)	EROSKI Group	<ul style="list-style-type: none"> • CO₂ emission factor according to the national mix (source: Agreement on results. The electricity source guarantee and labelling system related to the energy generated in 2018. CNMC; 2019): - 0.41 kg CO₂eq/kWh • CO₂ emission factor based on mix of businesses (Source: calculated based on the percentage consumed by EROSKI in each business and the environmental impact factors of the CNMC in 2018 for each business): - 0.28 kg CO₂/kWh. • Consolidation approach for emissions: operating control.

Formal complaint and claim mechanisms

Indicator	Scope	Calculation method/comments
Other indirect GHG emissions (scope 3) (GRI 305-3)	EROSKI Group	<ul style="list-style-type: none"> CO₂ emission factor for diesel in transport (Source: Standard EN 16258 as set out in the <i>Guide on calculating the carbon footprint of freight forwarding 2017</i>. AECOC; 2018): <ul style="list-style-type: none"> - 3.24 kg CO₂eq/l of diesel (cradle to grave) In the "from the well to the tank" factor, 2.67 kg CO₂/l of diesel is subtracted from direct emission. CO₂ emission factor for trips by plane: estimated based on the 2017 emissions calculated with the ICAO calculator. For CO₂ emissions from water consumption, the 0.298 kg CO₂/m³, factor was used, which comes from the Tap Water process life cycle analysis [Europe without Switzerland] tap water production, conventional treatment from the Ecoinvent database at SIMAPRO. For CO₂ emissions from paper consumption, the following factors were used, according to the processes indicated in the Ecoinvent database in SIMAPRO: <ul style="list-style-type: none"> - Office paper material: 1.095 kg CO₂ eq/kg (Paper, woodfree, uncoated {RER} market for Cut-off, S) - Advertising brochures: Lightweight coated paper and glossy paper: 1.108 kg CO₂ eq/kg (Paper, woodfree, coated {RER} market for Cut-off, S) Offset recycled paper: 1.157 kg CO₂ eq/kg (Adaptation of Paper, woodfree, uncoated {RER} paper production, woodfree, uncoated, at non-integrated mill Cut-off, U) Printing paper: 0.788 kg CO₂ eq/kg (Adaptation of Sulfate pulp {RER} production, elementary chlorine free bleached Cut-off) - Magazines: 2.328 kg CO₂ eq/kg (Printed paper, offset {CH} offset printing, per kg printed paper Cut-off, U)
GHG emissions intensity (GRI 305-4)	See scope of direct and indirect GHG emissions (scopes 1, 2 and 3)	Indicators used to calculate relative energy consumption in the organization: <ul style="list-style-type: none"> Commercial surface area: 1,298,274 m² (as of 31 January 2019) Net sales: €4.698 billion.
Waste (GRI 306-1, 306-2)	EROSKI Group	The waste generated by EROSKI presented in this report is treated by specialized managers, selected based on the criterion that they be recycled and recovered in most cases. There is no information available on solid urban waste collected by municipal services. CAPRABO manages, in general, its organic waste through municipal waste services, except at its stores in Navarre, where it has a reverse logistics service. The data corresponding to Navarre are also included in the data provided in this report.
Food donated through the "Zero waste" programme	EROSKI Group	The data correspond to the 2018 calendar year. A conversion rate of €1 = 1 kg was used for calculating tons.
EROSKI CONSUMER magazine readers	Full magazine circulation	An average of 2.5 readers per magazine was estimated, with a monthly circulation of 111,680 copies.

There are different channels through which complaints or claims can be sent to EROSKI in relation to the three dimensions of sustainability. Specifically:

Customer claims, complaints and suggestions

Customers may contact EROSKI customer service at 944 943 444, from Monday to Saturday from 9 am to 10 pm or fill out the form available at www.eroski.es/contacto. Should they wish to contact CAPRABO, they may do so at 932 616 060 during this same timetable, or visit the website: www.miclubCAPRABO.com/atencion-cliente

FORUM SPORT has a phone number available during the same hours, 944 286 618, as well as the following email address: forumsport@forumsport.es. Complaints/claims can be registered through any of these channels and are managed with by corresponding supervisors within the organization to offer a solution/compensation as quickly as possible.

Complaints related to contractual or legal compliance

Notifications or requests related to regulatory or contractual breaches are sent to the corresponding centre or area or directly to the EROSKI Legal Department. In the latter case, depending on the subject matter, the Legal Department forwards the document to the corresponding management area to obtain a response. On this basis, the Legal Department draws up the response according to Administrative Procedure Law. Moreover, any actions aimed at correcting the breach reported in the claim are implemented, where applicable.

Customer claims, complaints and suggestions

For complaints or claims related to administrative or job matters, you can contact the Social Department through the regional head of human resources or by contacting the person responsible for staff management. For complaints related to breaches of the Cooperative Code of Conduct or the Criminal Risks Plan we have

a telephone number (946 211 234), an e-mail address (canaldenuncia@EROSKI.es) and a form that can be delivered physically.

The head of the Compliance Office reports the complaints received through the whistleblower channel and the Social Department to the Audit and Compliance Committee of the Governing Council. The Audit Committee supervises the procedures established for receiving consultations and notifications and validates the response provided. We also have a specific protocol to handle cases of sexual and gender-based harassment at the workplace. It is initiated by a request for intervention by the alleged victim through their boss, the regional head of human resources, or a member of the Social Council. An instructing commission is established to open the corresponding confidential investigation file. Once finalized, the instructing commission issues a report with conclusions, which is sent to the Department of Human Resource so that the proposed measures may be taken.

Supplier service

Supplier Service provides support in accounting and financial matters. It informs users about the status of invoices, due dates, payments or charges issued by EROSKI. Should suppliers use this channel to communicate concerns or problems related to other issues, they are redirected to the corresponding persons or departments. This service is also available for concerns from business managers handling an incident with a supplier or who require information about the status of an account.

Suppliers can contact the service either by phone (from 8:30 am to 1:30 pm and from 3:00 pm to 4:00 pm) or by e-mail. The e-mail inbox is reviewed and managed within two days maximum, depending on the time of year (just before payments, for example). Suppliers can also join the website available to them for free where they can access the status of invoices, charges, etc. To assess the effectiveness of the service, we generate statistics on the number of calls received per period and time slot, calls answered, unanswered and received in time slots without service. Moreover, the number of e-mails received and the date thereof is monitored so as not to incur delays with suppliers.

GRI content index (102-55)

● Material topic

Universal standards

GRI 102: General content

GRI Standard	Content	Page	Direct response/Omissions
1. Profile of the organization			
102-1	Name of the organization	10	
102-2	Activities, brands, products and services	10, 11, 34	
102-3	Location of headquarters		Barrio San Agustín, s/n. 48230, Elorrio, Biscay
102-4	Location of operations	34, 186	
102-5	Ownership and legal form	10	
102-6	Markets served	11	
102-7	Size of the organisation	10, 24, 35	
102-8	Information about employees and other workers	67, 152, 182, 188-190	
102-9	Supply chain	97, 194	
			2017 Data:
102-10	Significant changes to the organization and its supply chain	37, 97	From EROSKI: 1 Hypermarket 4 Supermarkets 1 Gas station 1 Travel agency 7 Sports equipment stores EROSKI franchises: 1 Hypermarket 46 Supermarkets
102-11	Precautionary principle or approach	47, 48, 111	
102-12	External initiatives	28	
102-13	Membership of associations	22	
2. Strategy			
102-14	Statements from senior executives responsible for decision-making	4	
102-15	Key impacts, risk and opportunities		Confidential information. The map of risks and impacts has been reviewed throughout 2018.
3. Ethics			
102-16	Values, principles, standards and code of conduct	12, 182, 184	
4. Governance			
102-18	Governance structure	14-17	
102-19	Delegation of authority	14	
102-20	Executive responsibility for economic, environmental and social issues	14	
102-21	Consultation with stakeholders about economic, environmental and social issues	41, 184	
102-22	Composition of the highest governing body and its committees	14-17, 184	
102-23	Chairperson of the highest governing body	14, 184	
102-24	Appointment and selection of the highest governing body	14	

GRI Standard	Content	Page	Direct response/Omissions
102-25	Conflict of interest	21, 184	
102-26	Duties of highest governing body in selecting objectives, values and strategy	14, 15	
102-27	Collective knowledge of the highest governing body	14, 183	
102-28	Performance evaluation of the highest governing body	14-17	
102-29	Identifying and managing economic, environmental and social impacts	14, 184	
102-30	Efficacy of risk management processes	19	
102-31	Review of economic, environmental and social issues	18	
102-32	Role of the highest governing body in preparing sustainability reports		This report containing non-financial information has been approved by the Governing Council while preparing the annual accounts and by the General Assembly of EROSKI. The VEGALSA Board of Directors has also approved the annual accounts with non-financial information.
102-33	Communication of critical concerns	14-17	
102-34	Nature and number of all critical concerns		Confidential information. Critical concerns reported to the Governing Council are recorded in the minutes of the corresponding sessions and are not published outside the organization.
102-35	Remuneration policies	74, 152	
102-36	Process for determining remuneration	74, 152	
102-37	Involvement of stakeholders in remuneration	74, 152, 184	
102-38	Total annual compensation ratio	74, 152	
102-39	Ratio of the percentage increase of total annual compensation	74, 152	
5. Stakeholder engagement			
102-40	List of stakeholders	144	
102-41	Collective bargaining agreements	67, 182, 183	
102-42	Stakeholder identification and selection	144	
102-43	Approach to stakeholder engagement	144-145	
102-44	Key topics and concerns raised	144-145	
6. Reporting practices			
102-45	Entities included in consolidated financial statements	146	
102-46	Defining report content and topic boundaries	146, 150, 152	
102-47	List of material topics	148-151	

Material topic

GRI Standard	Content	Page	Direct response/Omissions
102-48	Restatements of information	146	To facilitate comparison with previous years, the 2017 data published in the previous report for the following issues have been modified: <ul style="list-style-type: none"> energy consumption (diesel) in transport and the corresponding GHG emissions since we were able to expand the scope to include VEGALSA-EROSKI gas stations. Refrigerant consumption and the corresponding GHG emissions since we were able to expand the scope to include platforms, CAPRABO and VEGALSA. Total emissions of scope 3 to also include emissions for water and paper consumption.
102-49	Changes in reporting	148	On economic issues, new material topics are included: Market presence (derived in part from the previous material topics of competitive and sustainable prices), Acquisition practices (called "local purchase" last years), Social and environmental assessment of suppliers and assessment of human rights. Indirect economic material impacts are no longer included. In environmental topics, "Materials" is included as a new material issue (in 2017 it was called packaging and ecodesign of products and packaging) and "Biodiversity" is no longer included. As for social issues, Accessibility, Personal Data Protection (included under "Customer management" in 2017) and product traceability have become material issues; "Healthier products" from 2017 are included in "Customer health"; and "Consumer Training" and "Products adapted to special diets" are no longer material issues.
102-50	Reporting period		2018 Financial Year: February 1, 2018 to January 31, 2019
102-51	Date of most recent report		June 28, 2018, corresponding to the 2017 financial year
102-52	Reporting cycle		Annual
102-53	Contact for questions regarding the report		sostenibilidad@EROSKI.es
102-54	Declaration of reporting in accordance with GRI Standards		This report was prepared in accordance with the GRI standards: Essential option
102-55	GRI content index	157	
102-56	External verification	102, 104	

Standards topics

GRI 200: Economic issues

GRI 201: Economic performance

103-1	Explanation of the material topic and its boundary	146, 150-152	
103-2	Management approach and its components	24-25, 146	
103-3	Assessment of the management approach	24-25	
201-1	Direct economic value generated and distributed	24-25, 83, 184	The EROSKI Group consolidated financial statements are available at www.cnmv.es .
201-3	Defined benefit plan obligations and other retirement plans		Some EROSKI S. Coop employee partners make contributions to a Lagun Aro social pension plan according to their anticipated gross consumption. The amount contributed is variable. Moreover, CECOSA and PICABO Supermarket employees contribute €300,000 annually to established contribution plans.

GRI Standard	Content	Page	Direct response/Omissions
201-4	Financial assistance received from the government	24-25	
GRI 202: Market presence			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	74-75	
103-3	Assessment of the management approach	74-75	
202-1	Ratio of standard entry level wage to local minimum wage	74-75, 152	EROSKI S.Coop.: There is a 53% difference between the interprofessional minimum salary in 2018 (€13,303) and comparable anticipated consumption with the least paid employment market of the cooperative (€15,769). Other companies: There is a 30% difference between the basic salary of the EROSKI supermarkets agreement (€13,414) and the minimum interprofessional salary.
202-2	Percentage of senior executives hired from the local community		Information not available. The place of residence of employees before being hired by EROSKI is not recorded; we only record the place of residence throughout the duration of the contract.
GRI 203: Indirect economic impacts			
103-2	Management approach and its components	24-25	
203-1	Infrastructure investments and services	24-25	
203-2	Significant indirect economic impacts	24-25	
GRI 204: Acquisition practices			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	97-98	
103-3	Assessment of the management approach	97-98	
204-1	Proportion of spending on local suppliers	97, 103	At EROSKI, we consider local suppliers those who have an address in the region in question and provided references of regional or local products in 2018. These references include those marketed only in that region (local consumption). Locations with significant operations are those in which there are EROSKI Group stores. That is, where we carry out our business activity.
GRI 205: Anticorruption			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	18	The Criminal Risk Prevention Plan includes the entire EROSKI Group, excluding VEGALSA, which has its own, and FORUM SPORT and Viajes EROSKI, which will be included in 2019.
103-3	Assessment of the management approach	18	

GRI Standard	Content	Page	Direct response/Omissions
205-1	Operations assessed for risks related to corruption		All EROSKI Group operations were analyzed when preparing the Criminal Risk Prevention Plan, except VEGALSA, which has its own plan, and FORUM SPORT and Viajes EROSKI, which will be included in 2019. The corruption risks identified are related to the selection and hiring processes of suppliers, contractors, commercial partners and external collaborators; business relationships involving suppliers and competitors in defence of free competition in markets where the EROSKI Group is present; the delivery, receipt or promise of payments, gifts or undue attention to any public or private person or entity with the intention of obtaining or maintaining business or other benefits or advantages.
205-2	Communicating and training about anticorruption policies and procedures		In 2018, all EROSKI Group staff were informed about the Criminal Risks Prevention Plan, the whistleblower channel and the existence of the Supervisory and Compliance Body. Specific training will be provided in 2019.
205-3	Confirmed incidents of corruption and actions taken		In 2018, there were no confirmed cases of corruption.
GRI 300 Environmental topics			
GRI 301: Materials			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	110-112	
103-3	Assessment of the management approach	110-112	
301-1	Materials used by weight or volume	112, 115, 183-184, 195-196	Data on packaging materials and products included in the report correspond exclusively to the materials reported to Collective Systems of Extended Producer Responsibility (ECOEMBES, ECOTIC, ECOPILAS, SIGAUS and AMBILAMP). There is no centralized information on the quantity and type of materials used in the more than 107,000 different articles marketed (including manufacturer's brands). However, we are working to collect data on EROSKI brand packaging materials in our systems and to provide such information in future reports.
301-2	Recycled input		Some of the packaging for EROSKI brand products contain recycled materials (meat and fish trays, egg cartons, etc.) However, there is no centralized information available on the quantity and type of materials used in the more than 107,000 different articles marketed (including manufacturer's brands). We are working to collect details of EROSKI brand packaging materials in our systems and to provide such information in future reports.
301-3	Reclaimed products and packaging materials	112, 152, 183, 196	
GRI 302: Energy			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	110-112	
103-3	Evaluation of management approach	110-112	
302-1	Energy consumption inside the organization	113, 152, 183, 184, 196	
302-2	Energy consumption outside the organization	113, 152, 183-184	

GRI Standard	Content	Page	Direct response/Omissions
302-3	Energy intensity	113, 153, 183, 197	
302-4	Reduction of energy consumption	113, 152, 183-184	
GRI 303: Water			
103-2	Management approach and its components	110-112	
303-1	Water extraction by source	110-112, 198	
303-2	Water sources significantly affected by water extraction		There is no record of any source significantly affected by water extraction for EROSKI'S consumption.
303-3	Recycled and reused water		Water is not recycled or reused in the organization.
GRI 304: Biodiversity			
103-2	Management approach and its components	111, 115, 116, 121-122	
304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas with high biodiversity value outside protected areas	116, 183	
304-2	Significant impacts of activities, products and services on biodiversity		This information is not available beyond the products with an environmental sustainability seal.
304-3	Protected or restored habitats		No habitat has been restored or protected in relation to our activity.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Work is being done to provide information on this indicator in future reports.
GRI 305: Emissions			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	111-115	
103-3	Assessment of the management approach	111-115	
305-1	Direct GHG emissions (scope 1)	115, 117, 153, 183-184, 199	
305-2	Indirect GHG emissions from power generation (scope 2)	117, 153, 183-184, 199	
305-3	Other indirect GHG emissions (scope 3)	111-113, 199	
305-4	GHG emissions intensity	111-113, 200	
305-5	Reduction of GHG emissions	117, 154, 183-184, 200	
305-6	Emission of ozone-depleting substances (ODS)	117, 183-184	

GRI Standard	Content	Page	Direct response/Omissions
GRI 306: Effluents and waste			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	111-115	
103-3	Assessment of the management approach	111-115	
306-1	Total water discharge by quality and destination	115, 150, 154, 183, 184	
306-2	Waste by type and disposal method	114, 150, 154, 183, 184, 197, 198	The used oil collected from customers corresponds only to VEGALSA-EROSKI. Coffee pods correspond to the 15 pilot stores in the Basque Country and the Balearic Islands.
306-3	Significant spills	115, 183-184	There were no significant spills in 2018.
306-4	Transport of hazardous waste	183-184	The transport and handling of hazardous waste is carried out by authorized managers. EROSKI does not import or export hazardous waste directly overseas
306-5	Water bodies affected by water discharges and/or run-off	183-184	There is no record of discharges that represent 5% or more of the annual average volume of the body of water or correspond to specially sensitive or protected areas.
GRI 307: Environmental compliance			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	111-112	
103-3	Assessment of the management approach	111-112	
307-1	Non-compliance with environmental laws and regulations		There are no records of fines or significant non-financial sanctions for non-compliance with environmental laws or regulations in 2018. Sanctions are considered significant when qualified as "very serious" by the Administration that issues them.
GRI 308: Supplier environmental assessment			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	94-95	
103-3	Assessment of the management approach	94-95, 122	
308-1	New suppliers that have passed evaluation and selection filters according to environmental criteria	120	There are 86 suppliers of EROSKI Natur and ecological products that had to meet environmental criteria when being selected. They represent 4% of all business suppliers.
GRI 400: Social topics			
GRI 401: Employment			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	64-66	The organization of working hours varies according to the activity and its location (headquarters, shop, platform, etc.). In any case, it is stipulated in the corresponding regulations (Workers' Statute, Collective Agreement, Internal Regime Regulations of EROSKI S.Coop.).

GRI Standard	Content	Page	Direct response/Omissions
103-3	Assessment of the management approach	64-66	
401-1	New employee hires and employee turnover	67-68, 183-184, 190	
401-2	Benefits for full-time employees that are not given to part-time or temporary employees		There is no difference in the benefits offered to employees based on their type of working day.
401-3	Parental leave	79	
GRI 402: Labour relations			
103-2	Management approach and its components	64-66	
402-1	Minimum notice periods regarding operational changes		The process of social dialogue with non-partner cooperative employees is set out in the Workers' Statute to negotiate collective agreements, collective dismissal programme, etc. In the case of Employee Partners, the communication model is established in the Articles of Association and the Internal Regulations Regime, as presented in Section 1 on Management Model. There is no general fixed time period specified for notifications regarding operational changes since this depends on the type of change. But in general the notice period must be reasonable and sufficient.
GRI 403: Occupational health and safety			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	80	
103-3	Assessment of the management approach	80	
403-1	Workers representation in formal joint management-worker health and safety committees	80	
403-2	Types of and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	81, 152, 191, 192	Days lost rate: Omitted. Information not available. It is not possible to calculate the rate of days lost because absentee hours due to common illness and occupational disease are not counted separately.
403-3	Workers with a high rate or risk of diseases related to their activity		
403-4	Health and safety topics covered in formal agreements with trade unions	80	
GRI 404: Training and education			
103-2	Management approach and its components	150-151	
404-1	Average hours of training per employee per year	84-86, 152, 183, 192	
404-2	Programmes for upgrading employee skills and transition assistance programmes	84, 86, 183	
404-3	Percentage of employees receiving regular performance and career development reviews	84-86	

GRI Standard	Content	Page	Direct response/Omissions
GRI 405: Diversity and equal opportunities			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	64-66, 74	
103-3	Evaluation of management approach	64-66, 74	Our establishments comply with legislation on accessibility criteria. All openings and renovation projects are approved by the competent authority that verifies it. Moreover, our model includes improvements for people with reduced mobility: lower scales in the produce section, information desks with height recess and special carts for the disabled.
405-1	Diversity in governance bodies and employees	76, 152, 183, 192	There are no individuals with disabilities on the Governing Council (highest governing body) or the Board of Directors.
405-2	Ratio of basic salary and remuneration of women to men	74-75, 152	All direct EROSKI employees work in Spain
GRI 406: Non-discrimination			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	64-66, 74	
103-3	Assessment of the management approach	74	
406-1	Incidents of discrimination and corrective actions taken		No cases of discrimination were recorded in the organization in 2018. All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI. We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
GRI 407: Freedom of association and collective bargaining			
103-2	Management approach and its components	64-66, 74	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI. We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
GRI 408: Child labour			
103-2	Management approach and its components	64-66, 74	
408-1	Operations and suppliers at significant risk for incidents of child labour		All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI. We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
GRI 409: Forced or compulsory labour			
103-2	Management approach and its components	64-66, 74	

GRI Standard	Content	Page	Direct response/Omissions
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI. We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
GRI 410: Security practices			
103-2	Management approach and its components	64-66, 74	
410-1	Security personnel trained in human rights policies and procedures		The security service is subcontracted. We do not have information about training in human rights that security personnel receives.
GRI 411: Rights of indigenous peoples			
103-2	Management approach and its components	64-66, 74	
411-1	Incidents of violations involving rights of indigenous peoples		There are no records of violation of the rights of indigenous peoples by an EROSKI supplier company in 2018. All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI. We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
GRI 412: Human rights assessment			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	64-66, 74	
103-3	Assessment of the management approach	64-66, 74	
412-1	Operations subject to human rights review or impact assessments		All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI. We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI.
GRI 413: Local communities			
103-1	Explanation of the material topic and its boundary	150-150	
103-2	Management approach and its components	54, 56, 60, 134	
103-3	Evaluation of management approach	54, 56, 60, 134	
413-1	Operations with local community engagement, impact assessments, and development programmes	54, 56, 60, 64, 134-135	
413-2	Operations with significant actual or potential negative impacts on local communities	24-25	

GRI Standard	Content	Page	Direct response/Omissions
GRI 414: Supplier social assessment			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	65	
103-3	Assessment of the management approach	65, 68	
414-1	New suppliers have passed selection filters according to social criteria	65, 98, 182-183	All our suppliers have to accept the requirements of the International Labor Organization to maintain a business relationship with EROSKI. We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
414-2	Negative social impacts on the supply chain and actions taken		We perform surveillance audits of our suppliers through our purchasing centre in Asia. In 2018, we collected data from 26 audits in China and Bangladesh. They were found to comply with the BSCI and SMETA standards.
GRI 415: Public policy			
103-2	Management approach and its components	14	
415-1	Contributions to political parties and/or representatives		No financial contributions were made to political parties in 2018.
GRI 416: Customer health and safety			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	47-51	
103-3	Assessment of the management approach	47-50	
416-1	Assessment of the health and safety impacts of the product and service categories	47-51	
416-2	Incidents of non-compliance concerning the health and safety impacts of the product and service categories	47-51	There were no fines or significant non-financial sanctions for non-compliance with consumption laws or regulations in 2018. Fines are considered significant when qualified as "very serious" by the Administration that issues the sanction.
GRI 417: Marketing and labelling			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	50-52	
103-3	Assessment of the management approach	50-52	
417-1	Requirements for product and service information and labelling		EROSKI includes the mandatory labelling information according to existing legislation on all of its products. For example, on foods it includes the list of ingredients, allergens, nutritional information, best before or expiration dates, batch, special storage and use conditions, where applicable, etc. On its own-brand products it includes additional information such as the nutrition traffic light.

GRI Standard	Content	Page	Direct response/Omissions
417-2	Incidents of non-compliance concerning product and service information and labelling	50-52	In 2018 there were 3,458 claims related to incorrect labelling (misleading information/incorrect prices, etc.), which represents 8.59% of the total number of complaints received. There were no fines or significant non-financial sanctions for non-compliance with consumption laws or regulations in 2018. Fines are considered significant when qualified as "very serious" by the Administration that issues the sanction.
417-3	Incidents of non-compliance concerning marketing communications		In 2018, there were 2,372 claims related to marketing communication (offers, promotions etc.), which represents 5.89% of the total number of complaints received.
GRI 418: Customer privacy			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	20	
103-3	Assessment of the management approach	20	
418-1	Substantiated claims concerning breaches of customer privacy and losses of customer data		There were no customer data leaks during the year.
GRI 419: Socioeconomic compliance			
103-1	Explanation of the material topic and its boundary	150-151	
103-2	Management approach and its components	18-21	
103-3	Assessment of the management approach	18-21	
419-1	Non-compliance with laws and regulations in the social and economic area		There were no fines or significant non-financial sanctions for non-compliance with social or economic laws or regulations in 2018. Fines are considered significant when qualified as "very serious" by the Administration that issues the sanction.

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	Standard used	Page/Direct response
Business model		
Description of the group's business model	GRI 102-2 Activities, brands, products and services	Response in GRI table
	GRI 102-4 Location of operations	Response in GRI table
	GRI 102-6 Markets served	Response in GRI table
	GRI 102-15 Key impacts, risks and opportunities	Response in GRI table
	GRI 102-7 Scale of the organization	Response in GRI table
	GRI 102-45 Entities included in consolidated financial statements	Response in GRI table
Information about environmental issues		
Policies	GRI 103-2 Management approach and its components	Response in GRI table
	GRI 103-3 Evaluation of the management approach	Response in GRI table
Main risks	GRI 102-15 Key impacts, risks and opportunities	Response in GRI table
	GRI 102-11 Precautionary principle or approach	Response in GRI table
	GRI 102-30 Effectiveness of risk management processes	Response in GRI table
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	We do not currently have an analysis. We will perform one in 2019.
General	GRI 102-15 Key impacts, risks and opportunities	Response in GRI table
	GRI 102-29 Identifying and managing economic, environmental and social impacts	Response in GRI table
	GRI 102-31 Review of economic, environmental and social issues	Response in GRI table
	GRI 102-11 Precautionary principle or approach	Response in GRI table
	GRI 102-30 Effectiveness of risk management processes	Response in GRI table
	GRI 102-29 Identifying and managing economic, environmental and social impacts	Response in GRI table
	GRI 102-11 Precautionary principle or approach	Response in GRI table
	GRI 307-1 Non-compliance with environmental laws and regulations (CCAA)	Response in GRI table
	GRI 103-2 Management approach	Response in GRI table
	GRI 302-4 Reduction of energy consumption	Response in GRI table
Pollution	GRI 302-5 Reductions in the energy requirements of products and services	Response in GRI table
	GRI 305-5 Reduction of GHG emissions	Response in GRI table
	GRI 305-7 NOx, SOx and other significant air emissions	
	Noise and light pollution	121

Circular Economy and waste prevention and management	GRI 103-2 Management approach		Response in GRI table	
	GRI 301-1 Materials used by weight or volume		Response in GRI table	
	GRI 301-2 Recycled input materials used		Response in GRI table	
	GRI 301-3 Reclaimed products and packaging materials		Response in GRI table	
	GRI 303-3 Recycled and reused water		Response in GRI table	
	GRI 306-1 Water discharge by quality and destination		Response in GRI table	
	GRI 306-2 Waste by treatment type and method		Response in GRI table	
	GRI 306-3 Significant spills		Response in GRI table	
Sustainable use of resources	Materials 301	GRI 103-2 Management approach (with view towards GRI 300)		Response in GRI table
		GRI 301-1 Materials used by weight or volume		Response in GRI table
		GRI 301-2 Recycled input materials used		Response in GRI table
		GRI 301-3 Reclaimed products and packaging		Response in GRI table
	Energy 302	GRI 102-2 Management approach (with view towards GRI 302 Energy)		Response in GRI table
		GRI 302-1 Energy consumption within the organization (energy from renewable or non-renewable sources)		Response in GRI table
		GRI 302-2 Energy consumption outside the organization		Response in GRI table
		GRI 302-3 Energy intensity		Response in GRI table
	Water 303	GRI 303-1 Water withdrawal by source		Response in GRI table
		GRI 303-2 Water sources significantly adversely affected by water collection		Response in GRI table
		GRI 303-3 Recycled and reused water		Response in GRI table

Climate change	Emissions 305	GRI 305-1 Direct GHG emissions (scope 1)		Response in GRI table
		GRI 305-2 Indirect GHG emissions from power generation (scope 2)		Response in GRI table
		GRI 305-3 Other indirect GHG emissions (scope 3)		Response in GRI table
		GRI 305-4 GHG emissions intensity		Response in GRI table
	Measures taken to adapt to the consequences of climate change	GRI 102-15 Key impacts, risks and opportunities		Response in GRI table
		GRI 103-2 Management approach		Response in GRI table
		GRI 201-2 Financial implications and other risks and opportunities due to climate change		Response in GRI table
	Reduction goals established voluntarily for the mid-term and long-term to reduce GHG emissions and measures implemented for this purpose	GRI 305-5 Reduction of GHG emissions		Response in GRI table
		GRI 103-2 Management approach		Response in GRI table
	Measures taken to preserve or restore biodiversity	GRI 103-2 Management approach		Response in GRI table
GRI 304-3 Habitats protected or restored		Response in GRI table		
GRI 304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas.		Response in GRI table		
Impacts caused by activities or operations in protected areas	GRI 304-2 Significant impacts of activities, products and services on biodiversity		Response in GRI table	
	GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Response in GRI table	

Information about social and employee issues

Policies	GRI 103-2 Management approach and its components		Response in GRI table
	GRI 103-3 Evaluation of the management approach		Response in GRI table
	GRI 102-35 Remuneration policies		Response in GRI table

Main risks	GRI 102-15 Key impacts, risks and opportunities		Response in GRI table	
	GRI 102-30 Effectiveness of risk management processes		Response in GRI table	
Employment	Total number and distribution of employees by gender, age, country and professional category	GRI 102-7 Scale of the organization	Response in GRI table	
		GRI 102-8 Information on employees and other workers	Response in GRI table	
		GRI 405-1. Diversity in governance bodies and employees	Response in GRI table	
	Total number and distribution of employment contract types	GRI 102-8 Information on employees and other workers		Response in GRI table
		Annual average of permanent, temporary and part-time contracts by gender, age and professional classification	Not included in GRI	62-67
	Number of dismissals by gender, age and professional category	GRI 401-1. b) Total number and rate of employee turnover during the period subject to the report, grouped by age, gender, region (only related to dismissals)	Response in GRI table	
		Not included in GRI: Number of dismissals by professional category	67	
	Average remuneration and its evolution grouped by gender, age and professional category or equal value	There is no GRI indicator that completely fits: information must be provided on average remuneration by gender, age and professional category and the evolution thereof (comparison with previous year). To calculate this, total salary paid in cash and remuneration in kind must be taken into account, so the calculation must include the benefits referred to in GRI 401-2.	68-69	
	Pay gap	GRI 405-2 (Ratio of remuneration of women to men) would not be enough to report on this aspect.	68-69	
	Remuneration of equal or average jobs in society	GRI 202-1 Ratio of standard entry level wage to local minimum wage	Response in GRI table	

Work organization	Average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term pension savings systems and any other payment broken down by sex	GRI 102-35 Remuneration policies	Response in GRI table
		GRI 102-36 Process for determining remuneration (for management approach)	Response in GRI table
		GRI 201-3 Defined benefit plan obligations and other retirement plans	68-69
	Implementation of work disconnection measures	Not included in GRI: Information broken down by gender.	There is currently no specific measure available to encourage work disconnection since it was not included in the management plan. However, we will work on it in coming years and report on it in the corresponding non-financial statement.
Employees with disabilities	GRI 405-1. b) Percentage of employees per employment category for each of the following diversity categories (iii. Vulnerable groups).	Response in GRI table	
Organisation of working time	GRI 102-8. c) Total number of employees by type of employment contract (full-time or part-time) and gender.	Response in GRI table	
	GRI 401. Management approach 103-2.	Response in GRI table	
Number of absenteeism hours	GRI 403-2 Types of injury and rates of occupational injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (section a)	Response in GRI table	
Measures designed to facilitate work-life balance and encourage joint responsibility by both parents.	GRI 401-3 Parental leave	Response in GRI table	
	Not included in GRI: management approach regarding other work-life balance measures	70-73	

Health and safety	Occupational health and safety conditions	GRI 103-2 Management approach (with view towards GRI 403 Healthy and safety)	Response in GRI table
	Work accidents (frequency and severity) GRI 403-3 Employees with a high rate or risk of diseases related to their activity	GRI 403-2 Types of injury and rates of occupational injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (section a) Response in GRI table	Response in GRI table
	Occupational illness (frequency and severity)	GRI 403-2 Types of injury and rates of occupational injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities (section a) GRI 403-3 Employees with a high rate or risk of diseases related to their activity	Response in GRI table Response in GRI table
Social relations	Organization of social dialogue, including procedures for informing and consulting with staff and negotiating with them	GRI 102-43 Approach to stakeholder engagement (related to trade unions and collective bargaining)	Response in GRI table
		GRI 402-1 Minimum notice periods for operational changes	Response in GRI table
		GRI 403-1 Workers representation in joint health and safety committees	Response in GRI table
	Percentage of employees covered by collective bargaining agreements in each country	GRI 102-41 Collective bargaining agreements	Response in GRI table
		Not included in GRI: broken down by country	
Balance of collective bargaining agreements, specifically in the area of occupational health and safety	GRI 403-1 Workers representation in joint health and safety committees	Response in GRI table	
	GRI 403-4 Health and safety topics covered in formal agreements with the legal representation of employees	Response in GRI table	
Training	Policies implemented in the field of training	GRI 103-2 Management approach (with view towards GRI 404 Training and education)	Response in GRI table
		GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes	Response in GRI table
	Total number of hours of training by professional category	GRI 404-1 Average annual training hours per employee	Response in GRI table
		Not included in GRI: total training hours.	74-75

Accessibility	Universal accessibility for disabled people	GRI 103-2 Management approach (with view towards GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Response in GRI table
	Measures taken to promote equal treatment and opportunities between men and women.	GRI 103-2 Management approach (with view towards GRI 405 Diversity and equal opportunities)	Response in GRI table
Equality	Equal Opportunities Plans	GRI 103-2 Management approach (with view towards GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Response in GRI table
	Measures implemented to promote employment	GRI 103-2 Management approach (with view towards GRI 401 Employment)	Response in GRI table
		GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes	Response in GRI table
	Protocols against sexual and gender-based harassment	GRI 103-2 Management approach (with view towards GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Response in GRI table
	Integration and universal accessibility of people with disabilities	GRI 103-2 Management approach (with view towards GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Response in GRI table
	Policy against all types of discrimination and, where appropriate, diversity management	GRI 103-2 Management approach (with view towards GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Response in GRI table
GRI 406-1 Incidents of discrimination and corrective actions taken		Response in GRI table	
Information about respect for human rights			
Policies	GRI 103-2 Management approach and its components		Response in GRI table
	GRI 103-3 Evaluation of the management approach		Response in GRI table
	GRI 410-1 Security personnel trained in human rights policies and procedures		Response in GRI table
	GRI 412-2 Training of employees in human rights policies and procedures		
Main risks	GRI 102-15 Key impacts, risks and opportunities		Response in GRI table
	GRI 102-30 Effectiveness of risk management processes		Response in GRI table

Human Rights	Application of due diligence procedures in human rights	GRI 103-2 Management approach (with view towards GRI 412 Assessment of human rights) GRI 414-2 Negative social impacts on the supply chain and measures taken	Response in GRI table
	Prevention of risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair potential abuses committed	GRI 103-2 Management approach (with view towards GRI 412 Assessment of human rights)	Response in GRI table
		GRI 412-1 Operations subject to human rights review or impact assessments	Response in GRI table
		GRI 410-1 Security personnel trained in human rights policies and procedures	Response in GRI table
	Reported cases of violations of human rights	GRI 102-17 Mechanisms for advice and concerns about ethics (reports received and resolution)	
		GRI 103-2 Management approach (with view towards GRI 412 Assessment of human rights)	Response in GRI table
		GRI 411-1 Rights of indigenous peoples	Response in GRI table
		GRI 419-1 Non-compliance with laws and regulations in the social and economic area	Response in GRI table
	Promotion and compliance with the provisions of fundamental ILO treaties related to freedom of association and the right to collective bargaining, eliminating discrimination from the workplace, eliminating forced or compulsory labour and effectively abolishing child labour.	GRI 103-2 Management approach (with view towards GRI 406 Non-discrimination; 407 Freedom of association and collective bargaining; 408 Child Labour; 409 Forced or compulsory labour and 412 Human Rights Assessment)	Response in GRI table
	Information related to the fight against corruption and money laundering		
Policies	GRI 103-2 Management approach and its components	Response in GRI table	
	GRI 103-3 Evaluation of the management approach	Response in GRI table	
	GRI 205-2 Communicating and training about anticorruption policies and procedures	Response in GRI table	
Main risks	GRI 102-15 Key impacts, risks and opportunities	Response in GRI table	
	GRI 102-30 Effectiveness of risk management processes	Response in GRI table	
	GRI 205-1 Operations assessed for risks related to corruption	Response in GRI table	

Corruption and bribery	Measures implemented to prevent corruption and bribery	GRI 103-2 Management approach (with view towards GRI 205 Anticorruption) - If the entity presents 205-2, it also covers this legal requirement	Response in GRI table
	Measures to fight against money laundering	GRI 103-2 Management approach (with view towards GRI 205 Anticorruption)	Response in GRI table
	Contributions to non-profit foundations and entities	GRI 103-2 Management approach (with view towards GRI 205 Anticorruption)	Response in GRI table
		GRI 201-1) Direct economic value generated and distributed (Investments in the community)	Response in GRI table
		GRI 203-2 Significant indirect economic impacts	Response in GRI table
		GRI 415-1 Contribution to political parties and/or representatives	Response in GRI table
Information about the company			
Policies	GRI 103-2 Management approach and its components	Response in GRI table	
	GRI 103-3 Evaluation of the management approach	Response in GRI table	
Main risks	GRI 102-15 Key impacts, risks and opportunities	Response in GRI table	
	GRI 102-30 Effectiveness of risk management processes	Response in GRI table	
Company commitments to sustainable development	Impact of the company's activity on local employment and development	GRI 203-1 Infrastructure investments and services supported	Response in GRI table
		GRI 203-2 Significant indirect economic impacts	Response in GRI table
	GRI 204-1 Proportion of spending on local suppliers	Response in GRI table	
	GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Response in GRI table	
	GRI 413-2 Operations with significant actual or potential negative impacts on local communities	Response in GRI table	

Impact of the company's activity on local populations and territory	GRI 203-1 Infrastructure investments and services supported	Response in GRI table
	GRI 203-2 Significant indirect economic impacts	Response in GRI table
	GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Response in GRI table
	GRI 413-2 Operations with significant actual or potential negative impacts on local communities	Response in GRI table
Relationships with actors in the local community and type of dialogue with them	GRI 102-43 Approach to stakeholder engagement (related to community)	Response in GRI table
	GRI 413-1 Operations with local community engagement, impact assessments, and development programmes	Response in GRI table
Membership or sponsorship actions	GRI 102-13 Membership of associations	Response in GRI table
	GRI 203-1 Infrastructure investments and services supported	Response in GRI table
	GRI 201-1) Direct economic value generated and distributed (Investments in the community)	Response in GRI table

Sub-contracting and suppliers	Included in purchasing policy for social and gender equality and environmental issues	GRI 103-3 Management approach (with view towards GRI 308 and GRI 414)	Response in GRI table
	Considered in relationships with suppliers and subcontractors concerning their social and environmental responsibility	GRI 102-9 Supply chain	Response in GRI table
		GRI 103-3 Management approach (with view towards GRI 308 and GRI 414)	Response in GRI table
	Supervision and audit system and results thereof	GRI 308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria	Response in GRI table
		GRI 308-2 Negative environmental impacts on the supply chain and measures taken	
		GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Response in GRI table
		GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Response in GRI table
		GRI 414-1 New suppliers have passed selection filters according to social criteria	Response in GRI table
		GRI 414-2 Negative social impacts on the supply chain and measures taken	
		GRI 308-1 New suppliers that have been assessed according to environmental criteria	Response in GRI table
GRI 308-2 Negative environmental impacts on the value chain and actions implemented			
GRI 414-2 Negative social impacts on the value chain and actions implemented			

Consumers	Measures for consumer health and safety	GRI 103-2 Management approach (with view towards GRI 416 Customer healthy and safety)	Response in GRI table
		GRI 416-1 Assessment of the health and safety impacts of the product and service categories	Response in GRI table
		GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of the product and service categories	Response in GRI table
		GRI 417-1 Requirements for product and service information and labelling	Response in GRI table
	Claims systems, complaints received and resolution thereof	GRI 102-17 Mechanisms for advice and concerns about ethics (reports received and resolution)	Response in GRI table
Tax information		GRI 103-2 Management approach (with view towards GRI 416 Customer healthy and safety)	Response in GRI table
		GRI 418-1 Substantial complaints related to breaches of customer privacy and losses of customer data.	Response in GRI table
	Benefits obtained in each country	Not included in GRI: Verified together with Tax Information	24
	Taxes on profits paid	Not included in GRI: Verified together with Tax Information	Response in GRI table
	Public subsidies received	GRI 201-4 Financial assistance received from the government	Response in GRI table

Table of Contents of the Global Compact

The following table presents the GRI indicators in this report that offer more relevant information on compliance with the 10 Principles of the Global Compact, in addition to that contained in the management approaches of each

GRI aspect. Following the table of contents, it is possible to assess EROSKI's degree of progress regarding the aforementioned principles.

	Principles of the Global Compact	Most relevant GRI standard
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	Safety practices: 410-1 Rights of indigenous peoples: 411-1 Human rights assessment: 412-1 Local communities: 413-1, 413-2
	2. Businesses should make sure they are not complicit in human rights abuses.	Human rights assessment: 412-3 Supplier social assessment 414-1
	3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Collective bargaining agreements: 102-41 Labour relations: 402-1 Freedom of association and collective bargaining agreements: 407-1
Labour	4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	Forced or compulsory labour: 409-1
	5. Businesses should uphold the effective abolition of child labour.	Child labour: 408-1
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Information about employees: 102-8 Market presence: 202-1, 202-2 Employment: 401-1, 401-3 Training and education: 404-1, 404-3 Diversity and equal opportunities: 405-1, 405-2 Non-discrimination: 406-1
Environment	7. Businesses should support a precautionary approach to environmental challenges.	Material: 301-1, 301-2, 301-3 Energy: 302-1, 302-2, 302-3, 302-4 Water: 303-1 Emissions: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6 Effluents and waste: 306-1, 306-2, 306-3, 306-4, 306-5
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	Material: 301-1, 301-2, 301-3 Energy: 302-1, 302-2, 302-3, 302-4 Emissions: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6 Effluents and waste: 306-1, 306-2, 306-3, 306-4, 306-5 Environmental compliance: 307-1 Supplier environmental assessment: 308-1
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	Energy: 302-4 Emissions: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6 Effluents and waste: 306-1, 306-2, 306-3, 306-4, 306-5
Anticorruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	Values, principles, standards and code of conduct: 102-16 Anticorruption: 205-1, 205-2, 205-3 Public policy: 415-1

Table of contents of the Sustainable Development Goals

The following table presents the GRI indicators in this report that offer more relevant information on compliance with the Sustainable Development Goals, in addition to that contained in the management approaches of each GRI aspect. Following the table of contents, it is possible to assess EROSKI's actions regarding the SDG.

SDG	GRI Standard
	No poverty Market presence: 202-1 Indirect economic impacts: 203-2 Local communities: 413-2
	Zero hunger Economic performance: 201-1 Indirect economic impacts: 203-1, 203-2 Rights of indigenous peoples: 411-1 Local communities: 413-2
	Good health and well-being Indirect economic impacts: 203-2 Emissions: 305-1, 305-2, 305-3, 305-6 Effluents and waste: 306-1, 306-2, 306-3, 306-4 Occupational health and safety: 403-2, 403-3
	Quality education Collective knowledge of the highest governing body: 102-27 Training and education: 404-1
	Gender equality Composition of the highest governing body and its committees: 102-22 Appointment and selection of the highest governing body: 102-24 Economic performance: 201-1 Market presence: 202-1 Indirect economic impacts: 203-1 Employment: 401-1, 401-3 Training and education: 404-1, 404-3 Diversity and equal opportunities: 405-1, 405-2 Non-discrimination: 406-1 Supplier social assessment: 414-1
	Clean water and sanitation Water: 303-1, 303-2, 303-3 Biodiversity: 304-1, 304-2, 304-3, 304-4 Effluents and waste: 306-1, 306-2, 306-3, 306-5
	Affordable and clean energy Economic performance: 201-1 Indirect economic impacts: 203-1 Energy: 302-1, 302-2, 302-3, 302-4
	Decent work and growth Profile of the organization: 102-8 Stakeholder engagement: 102-41 Economic performance: 201-1 Market presence: 202-1, 202-2 Indirect economic impacts: 203-2 Materials: 301-1, 301-2, 301-3 Energy: 302-1, 302-2, 302-3, 302-4 Water: 303-3 Employment: 401-1, 401-3 Labour relations: 402-1 Occupational health and safety: 403-1, 403-2, 403-3, 403-4 Training and education: 404-1, 404-2, 404-3 Diversity and equal opportunities: 405-1, 405-2 Non-discrimination: 406-1 Freedom of association and collective bargaining agreements: 407-1 Child labour: 408-1 Forced or compulsory labour: 409-1 Supplier social assessment: 414-1
	Industry, innovation and infrastructure Economic performance: 201-1 Indirect economic impacts: 203-1

	Reduced inequalities Indirect economic impacts: 203-2 Diversity and equal opportunities: 405-2
	Sustainable cities and communities Indirect economic impacts: 203-1
	Responsible consumption and production Acquisition practices: 204-1 Materials: 301-1, 301-2 Energy: 302-1, 302-2, 302-3, 302-4 Water: 303-3 Emissions: 305, 305-1, 305-2, 305-3, 305-6 Effluents and waste: 306, 306-1, 306-2, 306-3, 306-4 Environmental compliance: 307 Marketing and labelling: 417-1
	Climate action Energy: 302-1, 302-2, 302-3, 302-4 Emissions: 305, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6 Effluents and waste: 306 Environmental compliance: 307
	Life below water Biodiversity: 304-1, 304-2, 304-3, 304-4 Emissions: 305, 305-1, 305-2, 305-3, 305-4, 305-5 Effluents and waste: 306, 306-1, 306-3 Environmental compliance: 307
	Life on land Biodiversity: 304-1, 304-2, 304-3, 304-4 Emissions: 305, 305-1, 305-2, 305-3, 305-4, 305-5 Effluents and waste: 306, 306-3, 306-5 Environmental compliance: 307
	Peace, justice and strong institutions Ethics: 102-16 Governance: 102-21, 102-22, 102-23, 102-24, 102-25, 102-29, 102-37 Anticorruption: 205-1, 205-2, 205-3 Environmental compliance: 307-1 Non-discrimination: 406-1 Child labour: 408-1 Safety practices: 410-1 Supplier social assessment: 414-1 Public policy: 415-1 Customer health and safety: 416-2 Marketing and labelling: 417-1, 417-2 Customer privacy: 418-1 Socioeconomic compliance: 419-1
	Partnerships for the goals Indirect economic impacts: 203-2

Appendix

INDICATOR TABLES. COMPARISON WITH PREVIOUS YEARS

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Table 1.
Wealth distributed by EROSKI to our stakeholders

In millions of euros	2018	2017
EROSKI employees	490	493
Wages, salaries and similar expenses	99.1%	98.7%
Compensation	0.8%	1.3%
Defined pension plan contributions	0.1%	0.1%
State	191	224
Employee social contributions and taxes	90%	78%
Income tax	1%	14%
Taxes	9%	8%
Environment (aimed at minimizing environmental impacts and protecting and improving the environment)	17	11
Expenses	6%	7%
Investments	94%	93%
Suppliers	4,013	4,102
Business suppliers	85%	87%
Service providers	15%	13%
Customers (millions of euros transferred through the multiple commercial offers carried out during the year)	302	260
Society (aimed at social purposes and consumer education and information)	10	12
EROSKI Group	87%	78%
EROSKI Foundation	13%	22%

Table 2.
Number of EROSKI Group stores and franchises by business type 102-4

	2018			2017			2016
	Total	Franchises	Own-brand	Total	Franchises	Own-brand	Total
Hypermarkets	56	2	54	61	3	58	79
Supermarkets	1,278	495	783	1,279	489	790	1,269
Cash&Carry	19	0	19	19	0	19	19
Gas stations	50	1	49	50	0	50	60
Opticians	13	0	13	16	0	16	20
Travel agencies	162	16	146	159	19	140	160
FORUM SPORT Sports equipment stores	66	1	65	59	1	58	52
Online stores	8	0	8	8	0	8	9
TOTAL	1,652	516	1,137	1,651	512	1,139	1,837

*Travel agencies include holiday and company travel (Travel Air).

Table 3.
Number of EROSKI Group supermarkets and franchises by brand

	2018			2017			2016
	Total	Own-brand	Franchises	Total	Own-brand	Franchises	Total
EROSKI/city	515	279	236	500	285	215	479
CAPRABO	318	256	62	320	268	52	322
EROSKI/center	164	162	2	161	159	2	159
Aliprox	122	0	122	140	0	140	151
Familia	78	78	0	78	78	0	79
Onda	64	0	64	73	0	73	74
Rapid	9	0	9	7	0	7	5
Merca	8	8	0	0	0	0	5
TOTAL	1,278	783	495	1,279	790	489	1,269

Table 4.
Distribution of establishments by region and business type in 2017

	Distribution of establishments by region and business type																
	2017																
	Own-brand establishments						Franchised establishments				Total						
Food businesses		Diversified businesses				Total own-brand	Food businesses		Diversified businesses			Total franchises					
Hypermarkets	Supermarkets	Cash&Carry	Gas stations	Opticians	Travel agencies	FORUM SPORT	Hypermarkets	Supermarkets	Travel agencies	FORUM SPORT							
Andalusia	10			7	3	1					21	51	1		52	73	
Andorra													8			8	8
Aragon		36		2		5	2					45	21			21	66
Asturias	1	10	1	2		5	5					24	1			1	25
Cantabria	1	8		1		5	4					19	8	3		11	30
Castile and León	1	21		1		9	12					44	5	2	1	8	52
Castile-La Mancha	5			4	2	2						13	4			4	17
Catalonia	2	247		1		3	1					254	1	56		57	311
Ceuta													1			1	1
Valencian Community	4			3		1	2					10	1			1	11
Extremadura	1					1						2		2		2	4
Galicia	5	149	18	3		5	1					181	128	1		129	310
Gibraltar													2			2	2
Balearic Islands		109		2								111	74			74	185

Distribution of establishments by region and business type														
2017														
Canary Islands	1										1	1		
La Rioja	1	10	1	7	3	22		4			4	26		
Madrid				4		4		8			8	12		
Melilla						0	1				1	1		
Murcia	3		3		1	7			1		1	8		
Navarre	2	54	3	1	14	6	80	27	2		29	109		
Basque Country	21	146	17	10	78	21	293	89	9		98	391		
TOTAL	58	790	19	50	16	140	58	1,131	3	489	19	1	512	1,643

*Travel Agencies include holiday business and business division (Travel Air).

Table 5.
Number of employees by gender ¹⁰²⁻⁸

	2018	2017	2016
Women	23,360.47 (78%)	23,790 (78%)	26,005 (78%)
Men	6,688 (22%)	6,711 (22%)	7,157 (22%)
Total	30,048	30,501	33,162
Estimated no. of employees at franchises	3,301	3,315	3,044
Employee partners	9,796	10,017	11,352
EROSKI S. Coop. Partners	8,202	8,127	

Table 6.
Number of employees by region ¹⁰²⁻⁸

	2018	2017
Andalusia	518	671
Aragon	927	925
Asturias	486	473
Cantabria	386	414
Castile-La Mancha	429	422
Castile and León	653	663
Catalonia	6,213	6,355
Valencian Community	164	247
Extremadura	4	95
Galicia	5,427	5,317
Balearic Islands	2,461	2,439
Canary Islands	72	77
La Rioja	353	368
Madrid	299	278
Murcia	210	216
Navarre	1,643	1,633
Basque Country	9,804	9,908
TOTAL	30,048	30,501

Table 7.
Number of employees by gender and contract type ¹⁰²⁻⁸

	2018	2017	2016	Variation 2017-2018 (%)
Permanent	22,802	23,273	25,828	-2.1%
% permanent	76%	76%	78%	
Women	18,127	18,484	20,568	-2.0%
Men	4,675	4,789	5,260	-2.4%
Temporary	7,246	7,228	7,344	0.2%
% Temporary	24%	24%	22%	
Women	5,233	5,306	5,437	-1.4%
Men	2,013	1,922	1,907	4.5%
TOTAL	30,048	30,501	33,172	-1.5%

Table 8.
Number of employees with a permanent contract by gender, age range and professional category ¹⁰²⁻⁸

	Director		Administrator		Manager		Technician		Professional		Supervisor	
	W	M	W	M	W	M	W	M	W	M	W	M
<30 years	0	0	6	7	3	1	0	0	1,611	575	1	0
30-50 years	0	0	86	3	324	6	128	12	6,885	421	86	3
>50 years	0	0	11	1	44	12	9	10	1,480	139	6	23
TOTAL	0	0	103	11	371	19	137	22	9,976	1,135	93	26

W = Women M = Men

Table 9.
Number of employees with a temporary contract by gender, age range and professional category ¹⁰²⁻⁸

	Director		Administrator		Manager		Technician		Professional		Supervisor	
	W	M	W	M	W	M	W	M	W	M	W	M
<30 years	0	0	15	14	6	15	20	11	1,952	1,034	4	2
30-50 years	0	0	24	9	23	30	19	9	2,625	659	9	2
>50 years	0	0	8	7	26	20	5	8	491	172	6	21
TOTAL	0	0	47	30	55	65	44	28	5,068	1,865	19	25

W = Women M = Men

Table 10.
Number of employees by gender and type of working day 102-8

	2018	2017	2016
Full-time	18,155	17,933	19,281
% full-time	60%	59%	58%
Women	12,680	12,514	13,486
Men	5,475	5,419	5,795
Part-time	11,893	12,568	13,881
% part-time	40%	41%	42%
Women	10,680	11,276	12,519
Men	1,213	1,292	1,362
TOTAL	30,048	30,501	33,162

Table 11.
Number and rate of new hires in 2017 and 2016 401-1

	2017			2016		
	Women	Men	2017 Rate	Women	Men	2016 Rate
<30 years	302	117	1.4%	400	131	1.6%
30-50 years	532	171	2.4%	24	7	0.1%
>50 years	51	10	0.2%	177	78	0.7%
Total by gender	885	298		601	216	
Rate by gender	3.7%	4.5%		2.3%	3.0%	
TOTAL	1,183		3.9%	817		2.5%

Table 12.
Number and rate of turnover 2017 and 2016 (exiting employees) 401-1

	2017			2016		
	Women	Men	Rate	Women	Men	Rate
<30 years	80	48	0.4%	468	115	1.8%
30-50 years	627	150	2.5%	147	52	0.6%
>50 years	151	60	0.7%	38	34	0.2%
Total by gender	858	258		653	201	
Employee turnover rate by gender	3.6%	3.8%		2.5%	2.8%	
TOTAL	1,116		3.7%	854		2.6%

Table 13.
Distribution of employees by gender, age range and professional category

	Director		Administrator		Manager		Technician		Professional		Supervisor	
	W	M	W	M	W	M	W	M	W	M	W	M
<30 years	0	0	16	16	73	42	37	17	2,683	1,327	22	19
30-50 years	9	14	221	116	1,783	453	455	312	12,521	2,378	721	388
>50 years	3	10	76	124	572	208	122	168	3,860	883	186	213
Total	12	24	313	256	2,428	703	614	497	19,064	4,588	929	620

W = Women M = Men

Table 14.
Rate of occupational accidents 403-2

	2018	2017	2016
Causes of occupational accidents			
Overexertion	42.7%	47.3%	49.7%
Falls from the same or different level	11.2%	11.7%	10.8%
Cuts	10.9%	10.2%	9.7%
Other causes	35.2%	30.8%	29.7%
Material agent			
Food, glass, plastic or packaging	41.2%	42.6%*	
Metal products and tools	9.0%	7.2%	7.4%
Forklifts or similar	7.3%	6.9%	6.3%
Other material agents	42.4%	43.3%	41.0%
Rate of minor workplace accidents with leave**	33.9	32.2	29.7
Women	70%		
Men	30%		
Rate of serious workplace accidents with leave	4x10⁻⁸		29.7
Women	50%		
Men	50%		
Rate of workplace accidents in itinere with leave	5.0	5.4	4.8
Women	70%		
Men	30%		
fatalities due to occupational accidents or diseases			
Women	0	0	0
Men	1***	0	0

*This was called "boxes and objects" in 2017

**Injury rate corresponds to number of accidents per million hours worked

***Cardiac arrest

Table 15.
Rate of workplace absenteeism

	2018	2017	2016
Rate of workplace absenteeism	6.2%	5.8%	
Women	6.8%	6.4%	5.9%
Men	4.2%	3.8%	3.6%
Absenteeism hours	2,983,380,30		
Women	2,497,682,43		
Men	485,697,87		

Table 16.
Occupational illness 403-2

	2018	2017
Rate of occupational illness	1.3	1.2
Women	93%	96%
Men	7%	4%

Table 17.
Average hours of training of employees by gender and professional category 404-1

	2018			2017			2016			Variation 2017-2018 (%)		
	Total	Women	Men	Total	Women	Men	Total	Total	Women	Men		
Average training hours	6.9	6.3	7.0	6.8				1%				
Director	56	61.0	57.8	54.3	76.6	44.8	32.9	3%	-20%	29%		
Administrator	12.4	8.9	12.2	19.8	19.5	19.9	16.8	-37%	-54%	-39%		
Supervisor	17.4	16.9	15.6	17.4	19.7	14.3	8.5	0%	-14%	9%		
Professional	5.1	5.0	4.5	4.9	5.1	4.0	5.2	4%	-2%	12%		
Manager	11.9	9.6	5.8	12.0	12.9	8.8	11.3	-1%	-25%	-34%		
Technician	12.1	15.7	15.5	13.8	15.4	11.8	13.8	-12%	2%	32%		

Table 18.
People subject to performance evaluation in 2018

Professional category	Women	Men	Total
Director	12	48	60
Administrator	102	187	289
Supervisor	776	525	1,301
Professional	11,567	2,370	13,937
Manager	1,145	1,015	2,160
Technician	768	207	975
TOTAL	14,370	4,352	18,722

Table 19.
Percentage of employees receiving regular performance and career development evaluation in 2017

Professional category	2017		2016	
	Women	Men	Women	Men
Director	36%	92%	40%	36%
Administrator	51%	56%	39%	32%
Supervisor	75%	69%	59%	61%
Professional	48%	41%	40%	36%
Manager	58%	58%	55%	52%
Technician	79%	79%	65%	73%
TOTAL	79%	21%	79%	21%

Table 20.
Number of employees with a disability by professional category

	2018				2017			
	Total	Women	Men	% with disability with respect to total	Total	Women	Men	% with disability with respect to total
Director	1	0	1	0.3%	0	0	0	0.0%
Administrator	4	1	3	1.0%	2	0	2	0.5%
Manager	22	14	8	5.7%	25	16	9	6.3%
Technician	7	5	2	1.8%	9	7	2	2.3%
Professional	339	210	129	87.1%	343	216	127	86.2%
Supervisor	16	5	11	4.1%	19	7	12	4.8%
TOTAL	389				398			

*Distribution by age range was not included in 2017.

Table 21.
Number of commercial and service suppliers per country 102-9

	2018	2017	2016
Spain	11,029	10,079	9,050
China	70	83	93
France	63	66	67
Portugal	51	42	33
United Kingdom	33	33	21
Germany	20	15	10
Holland	20	17	11
Italy	16	14	16
USA	13	7	5
Ireland	12	5	7
Belgium	12	16	16
Bangladesh	11	13	9
Denmark	10	10	7
Norwegian	9	7	7
Andorra	6	5	45
Vietnam	5	5	4
Pakistan	4	6	5
Switzerland	4	4	6
Thailand	2	2	1
Luxembourg	2	1	1
Greece	2	1	1
South Korea	2	3	2
Poland	2	1	0
Taiwan	1	0	0
India	1	1	1
Indonesia	1	1	0
Cyprus	1	1	0
Israel	1	0	1
Singapore	1	0	0
Sweden	1	0	0
Canada	0	1	1
Slovakia	0	1	1
Tunisia	0		1
TOTAL	11,405	10,440	9,422

The 2018 data also includes service provider information for VEGALSA-EROSKI and, therefore, the data are not comparable.

Table 22.
Number of business suppliers and local producers per region

	2018			2017			2016		
	Business suppliers	Local producers	%*	Business suppliers	Local producers	%*	Business suppliers	Local producers	%*
Andalusia	347	237	68%	361	244	68%	405	281	69%
Aragon	155	99	64%	155	93	60%	148	88	59%
Asturias	94	72	77%	96	75	78%	103	80	78%
Balearic Islands	189	155	82%	194	155	80%	194	154	79%
Canary Islands	86	60	70%	91	63	69%	99	60	61%
Cantabria	84	63	75%	94	71	76%	102	77	77%
Castile and León	186	101	54%	210	129	61%	285	197	69%
Castile-La Mancha	179	130	73%	203	151	74%	223	169	76%
Catalonia	948	503	53%	975	530	54%	983	539	55%
Ceuta	2	2	100%	5	5	100%	5	5	100%
Valencian Community	276	91	33%	288	114	40%	309	120	39%
Extremadura	76	63	83%	78	64	82%	74	59	80%
Galicia	440	295	67%	444	298	67%	542	299	66%
La Rioja	85	62	73%	89	65	73%	94	67	71%
Madrid	346	45	13%	354	52	15%	352	56	16%
Melilla	6	6	100%	5	5	100%			
Murcia	133	77	58%	136	81	60%	148	94	64%
Navarre	196	154	79%	202	154	76%	196	149	76%
Basque Country	444	278	63%	453	293	65%	457	284	62%
TOTAL	4,272	2,493		4,433	2,642		4,719	2,778	

*Percentage of regional suppliers as compared to total number of business suppliers.

Table 23.
Materials used in our own-brand products and packaging reported to collective producer responsibility systems 301-1

	2018 (Tons)	2017 (Tons)	2016 (Tons)	Variation 2017-2018 (%)
Containers and packaging	2,457	2,868	3,119	-14%
Non-renewable	1,235	1,210	1,449	2%
Steel	312	239	294	30%
Aluminium	49	45	37	10%
Other	55	26	7	112%
Plastic	818	900	1,111	-9%
Renewable	1,222	1,658	1,670	-26%
Ceramics	5	5	5	3%
Paper/cardboard/wood/cork	1,107	1,570	1,486	-30%
Glass	110	83	179	33%
Batteries	101	69	100	46%

Compact fluorescent light bulbs	0.011	0.0005	0.001	2.279%
Oil	0.113	0.5	4	-77%
Electrical and electronic devices	1,280	1,341	1,477	-5%

Table 24.
Paper used in advertising, magazines and at the EROSKI company headquarters 301-1

	2018 (Tons)	2017 (Tons)	2016 (Tons)	Variation 2017-2018 (%)
Advertising brochures	4,809	4,707	4,949	2%
Magazines	318	290	369	10%
Headquarters	11	11	12	-4%
TOTAL	5,137	5,008	5,330	3%

Table 25.
Reused logistics containers 301-3

	2018 (units)	2017 (units)	2016 (units)	Variation 2017-2018 (%)
Reused pallets	4,944,741	5,490,795	4,911,481	-10%
Recycled plastic boxes	41,862,959	41,823,759	42,889,880	0.1%

Table 26.
Energy consumption within the organization 302-1

	2018	2017	Variation 2017-2018 (%)
Non-renewable fuel (kWh)	278,116,806	279,835,108	-1%
Natural gas (kWh)	9,976,723	8,707,115	15%
Hypermarkets	6,303,455	5,320,657	18%
Supermarkets	146,106	243,781	-40%
Platforms	3,475,140	3,107,443	12%
Other	52,023	35,234	48%
Diesel (kWh)	268,140,083	271,127,993	-1%
Purchased at source	68,158,438	70,864,197	-4%
Distribution to store	199,981,645	200,263,796	0%
Electricity (kWh)	545,436,683	577,596,444	-6%
Hypermarkets	106,664,813	126,809,642	-16%
Supermarkets	360,707,898	366,678,551	-2%
Platforms	51,531,373	50,879,535	1%
Other	26,532,600	33,228,716	-20%
Total energy consumption (kWh)	823,553,489	857,431,552	-4%
Non-renewable fuel (GJ)	1,001,220	1,007,407	37%
Natural gas (GJ)	35,916	31,346	15%
Diesel (GJ)	965,304	976,061	-1%
Electricity (GJ)	1,963,572	2,079,347	-6%
Total energy consumption (GJ)	2,964,793	3,086,754	-4%

*The information has been reexpressed due to changes in the scope of diesel consumption in transport for 2017 only. Therefore, data for 2016 is not included in the table since it is not comparable.

Table 27.
Distribution of energy consumption by use (%)

	2018	2017
Natural gas		
Hypermarkets	63%	61%
Supermarkets	1%	3%
Platforms	35%	36%
Other	1%	0%
Diesel		
Purchased at source	25%	38%
Distribution to store	75%	62%
Electricity		
Hypermarkets	20%	22%
Supermarkets	66%	63%
Platforms	9%	9%
Other	5%	6%

Table 28.
Energy intensity ratio at EROSKI 302-3

	2018	2017
kWh/m ² commercial surface area	634.34	575.00
kWh/€ net sales	0.18	0.16

Table 29.
Waste by type and disposal method 306-2

	2018 (Tons)	2017 (Tons)	Variation 2017-2018 (%)
Non-hazardous waste	47,181	40,749	16%
Recycling	38,460	32,638	18%
Dump	3,920	3,614	8%
Recovery	4,801	4,498	7%
Hazardous waste (tons)	37	58	-36%
Recycling	37	58	-36%
Total waste generated	47,218	40,807	16%

	2018		2017		Variation 2017-2018 (%)
Recycled waste	38,497	%	32,696	%	18%
Paper and cardboard	35,234	92%	29,898	91%	18%
Plastic	2,424	6%	2,052	6%	18%
Wood	370	1%	273	1%	36%
POREX	291	1%	263	1%	11%
Other	178	0%	210	1%	-15%
Recovered organic waste	4,801	%	4,497	%	7%
Meat	2,110	44%	1,900	42%	11%
Fish	2,328	48%	2,278	51%	2%
Bread	244	5%	233	5%	5%
Yoghurt	80	2%	54	1%	48%
Fruits and vegetables	38	1%	32	1%	19%

Table 30.
Waste collected from clients for recycling 306-2

	2018 (Tons)	2017 (Tons)	2016 (Tons)	Variation 2017-2018 (%)
Non-hazardous waste	608	625	637	-3%
Textiles	604	625	637	-3%
Coffee pods	4			
Hazardous waste	1,676	1,736	1,729	21%
Electrical and electronic devices	1,490	1,559	1,529	23%
Batteries and energy sources	92	95	108	-3%
Light bulbs and fluorescent lights	22	13	16	73%
Used oil	72	69	76	4%
Total	2,284	2,361	2,366	14%

Table 31.
Water extraction by source 303-1

	2018	2017	2016	Variation 2017-2018 (%)
Location				
Supermarkets	69%	67%	59%	3%
Hypermarkets	20%	21%	26%	-1%
Platforms	6%	6%	9%	0%
Other businesses	5%	6%	6%	-3%
TOTAL (m³)	951,375	1,065,815	1,763,459	-12%

*Water consumption for FORUM SPORT was included in 2018, but not in previous financial years.

Table 32.
Refrigerant consumed to compensate for leaks 305-1

	2018	2017	Variation 2017-2018 (%)
R-407A	11%		
R-442A	46%	43%	7%
R-449A	3%	18%	-83%
R-448A	23%	5%	360%
Other	16%	34%	-53%
TOTAL (tons)	50.63	63.79	-21%

Table 33.
Greenhouse gas emissions - carbon footprint 305-1; 305-2; 305-3

	2018		2017		Variation 2017-2018 (%)
	Tons CO ₂ eq.	%	Tons CO ₂ eq.		
Direct emissions (Scope 1)	171,796		191,364		-10%
Natural gas	1,834	1%	1,601		15%
Road transport	67,954	40%	68,711		-1%
Refrigerants	102,008	59%	121,052		-16%
Indirect emissions through electricity consumption (Scope 2, average emission factor Spain)	223,629		248,366		-10%
Hypermarkets	43,733	20%	54,528		-20%
Supermarkets	147,890	66%	157,672		-6%
Platforms	21,128	9%	21,878		-3%
Other businesses	10,878	5%	14,288		-24%
Indirect emissions through electricity consumption (Scope 2, average emission mix of businesses)	152,722		215,433		-29%
Hypermarkets	29,866	20%	47,897		-38%
Supermarkets	100,998	66%	138,500		-27%
Platforms	14,429	9%	16,485		-12%
Other businesses	7,429	5%	12,551		-41%
Other indirect emissions (Scope 3)	309,923		435,639		-29%
Work trips (combustion emissions)	3,412	1%	3,133		9%
Diesel transport (from the well to the tank)	15,370	5%	11,119		38%
Diesel work trips (from the well to the tank)	614	0%	554		11%
Water	280,656	91%	411,222		-32%
Paper consumed at EROSKI headquarters, brochures and magazines	9,870	3%	9,612		3%
TOTAL **	634,441		842,436		-25%

*The information has been reexpressed due to changes in the scope of diesel consumption, coolants and categories of scope 3 in transport only for 2017. Therefore, data for 2016 is not included in the table since it is not comparable.

** Emission factor for electricity from the mix of businesses

Table 34.
Reduction and intensity of greenhouse gas emissions 305-4; 305-5

Intensity of greenhouse gas emissions	2018	2017
Total		
g CO ₂ eq/€ net sales	135.0	175.8
kg CO ₂ eq/m ² commercial surface area	488.7	621.0
Scope 1		
g CO ₂ eq/€ net sales	36.6	39.9
kg CO ₂ eq/m ² commercial surface area	132.3	141.1
Scope 2 (mix of businesses)		
g CO ₂ eq/€ net sales	32.5	45.0
kg CO ₂ eq/m ² commercial surface area	117.6	158.8
Scope 3		
g CO ₂ eq/€ net sales	66.0	90.9
kg CO ₂ eq/m ² commercial surface area	238.7	321.1

Reduction of GHG emissions	Variation 2017-2018 (%)	Comments
Direct emissions (Scope 1)	-10%	
Indirect emissions through electricity consumption (Scope 2)	-29%	Consumption and the mix of businesses emission factor were reduced
Other indirect emissions (Scope 3)	-29%	This reduction is due mostly to lower water consumption.

Table 35.
Distribution by gender and age range of Governing Bodies

Governing bodies	Total	<30 years		30-50 years		>50 years	
		Number	%	Number	%	Number	%
General Assembly	249	2	1%	183	73%	64	26%
Delegate Committee	354	3	1%	251	71%	100	28%
Governing Council	12	0	0%	9	75%	3	25%
Social Council	16	0	0%	11	69%	5	31%

Governing bodies	Total	Women		Men	
		Number	%	Number	%
General Assembly	249	188	76%	61	24%
Delegate Committee	354	302	85%	52	15%
Governing Council	12	6	50%	6	50%
Social Council	16	12	75%	4	25%



Verification in accordance with Act 11/2018 on Non-financial Information and Diversity

AENOR

Declaración de Verificación de AENOR para **EROSKI, S.COOP.**

relativa al estado de información no financiera consolidado
conforme a la Ley 11/2018 correspondiente al ejercicio anual
finalizado el 31 de Enero 2019

EXPEDIENTE: 1995/0227/GEN/11

EROSKI, S.COOP. (en adelante la compañía) y sociedades del estado consolidado ha encargado a AENOR llevar a cabo una verificación bajo un nivel de aseguramiento limitado del estado de información no financiera (en adelante EINF), conforme a la Ley 11/2018 por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad (en adelante, la Ley 11/2018), para el periodo de verificación de sus actividades, ejercicio anual finalizado el 31 de Enero de 2019, incluidas en el EINF formulado en fecha 30 de abril de 2019, el cual es parte de esta Declaración.

AENOR, de conformidad a la citada Ley, ha realizado la presente verificación al ser un prestador independiente de servicios de verificación.

En este sentido, AENOR ha realizado la presente verificación bajo los principios de integridad, independencia, ética, objetividad, competencia y diligencia profesional, confidencialidad y comportamiento profesional que se exigen en base a las acreditaciones que dispone, dentro de los ámbitos de aplicación generales de las Normas ISO/IEC 17021-1:2015 e ISO 14065, y particulares, como la Acreditación otorgada por la Convención de Naciones Unidas para el Cambio Climático (UNFCCC) para verificación y validación de proyectos de Mecanismos de Desarrollo Limpio (MDL).

AENOR, tal y como requiere la citada Ley, declara que no ha participado en procesos anteriores a la verificación del EINF.

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
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AENOR

Datos de la organización: **EROSKI, S.COOP.**

con domicilio social en: Bº SAN AGUSTIN, S/N. 48230 - ELORRIO (BIZKAIA)

Representantes de la Organización a efectos de estado de la información no financiera: D. ALEJANDRO MARTINEZ BERRIOCHOA en cargo de DIRECTOR DE SALUD Y SOSTENIBILIDAD

EROSKI, S.COOP. tuvo la responsabilidad de reportar su estado de información no financiera conforme a la Ley 11/2018. La formulación del EINF así como el contenido del mismo, es responsabilidad de los Administradores de **EROSKI, S. COOP.** Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF este libre de incorrección material, debida a fraude o error, así como los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF.

Objetivo

El objetivo de la verificación es facilitar a las partes interesadas un juicio profesional e independiente acerca de la información y datos contenidos en el estado de información no financiera de la organización mencionado, elaborado de conformidad con la Ley 11/2018.

Alcance de la Verificación

El EINF incluido en el INFORME DE ESTADO DE INFORMACIÓN NO FINANCIERA 2018 consolidado formulado en fecha 30 de abril de 2019 y sociedades incluidas en los estados consolidados y relacionadas en anexo de esta declaración de **EROSKI, S.COOP. y SOCIEDADES DEPENDIENTES (GRUPO EROSKI)**

Materialidad

Para la verificación se acordó considerar discrepancias materiales aquellas omisiones, distorsiones o errores que puedan ser cuantificados y resulten en una diferencia mayor al 5% con respecto al total declarado.

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Criterios

Los criterios e información que se han tenido en cuenta como referencia para realizar la verificación han sido:

- 1) La ley 11/2018 de 28 de diciembre, por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad.
- 2) Norma ISAE 3000 (revisada), relativa a encargos de aseguramientos distintos o de la revisión de la información financiera histórica
- 3) Los criterios establecidos por la iniciativa mundial de presentación de informes de sostenibilidad en los estándares GRI cuando la organización haya optado por este marco internacional reconocido para la divulgación de la información relacionada con su responsabilidad social corporativa.

AENOR se exime expresamente de cualquier responsabilidad por decisiones, de inversión o de otro tipo, basadas en la presente declaración.

Proceso de verificación realizado

Durante el proceso de verificación realizado, bajo un nivel de aseguramiento limitado, AENOR realizó entrevistas con el personal encargado de recopilar y preparar el estado de información no financiera y revisó evidencias relativas a:

- Actividades, productos y servicios prestados por la organización
- Consistencia y trazabilidad de la información aportada, incluyendo el proceso seguido de recopilación de la misma, muestreando información sobre la reportada
- Complimentación y contenido del estado de información no financiero con el fin de asegurar la integridad, exactitud y veracidad en su contenido

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
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AENOR

Conclusión

Basado en lo anterior, en nuestra opinión, no hay evidencia que haga suponer que el estado de información no financiera incluida en la MEMORIA 2018 GRUPO EROSKI. Estado de Información no Financiera formulado en fecha 30 de abril de 2019, y para el ejercicio anual finalizado el 31 de enero de 2019, no proporcione información fiel del desempeño de **EROSKI, S.COOP.** en materia de responsabilidad social conforme a la Ley 11/2018. En concreto, en lo relativo a cuestiones ambientales, sociales y relativas al personal, incluida la gestión de la igualdad, la no discriminación y la accesibilidad universal, los derechos humanos, lucha contra la corrupción y el soborno y la diversidad.

En Madrid a 21 de Mayo de 2019

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
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Report independently reviewed according to GRI standards

AENOR

ANEXO

RELACION DE SOCIEDADES INCLUIDAS EN EL ESTADO DE INFORMACION NO FINANCIERA

EROSKI, S.COOP.
 CECOSA HIPERMERCADOS, S.L.
 EQUIPAMIENTO FAMILIAR Y SERVICIOS, S.A.
 CECOSA DIVERSIFICACIÓN, S.L.
 CECOSA SUPERMERCADOS, S.L.
 GRUPO EROSKI DISTRIBUCIÓN, S.A.
 GESTION DE HIPERMERCADOS CAPRABO EISA, S.L.U.
 SUPERMERCADOS PICABO, S.L.U
 PARQUE MARITIMO JINAMAR, S.L.
 FORUM SPORT, S.A.
 VIAJES EROSKI, S.A.
 CENTRAL DE SERVEIS CIENCIES, S.L.
 CAPRABO, S.A.
 SOCIEDAD FRANQUICIAS EROSKI CONTIGO, S.L.
 EROSKI HIPERMERCADOS, S.COOP.
 ALCAMUGA, S.A.U.
 CECOSA INSTITUCIONAL, S.L.
 CECOSA GESTIÓN, S.A.
 DESARROLLOS COMERCIALES DE OCIO E INMOBILIARIOS DE ORENSE, S.A.
 SOCIEDAD DE AFILIADOS EROSKI CONTIGO, S.L.
 JACTUS SPAIN, S.L.
 INMOBILIARIA RECARÉ, S.A.U.
 GESPA FORUM, S.C.P.
 APORTACIONES FINANCIERAS EROSKI, S.A.
 VEGONSA AGRUPACIÓN ALIMENTARIA, S.A.
 VEGO SUPERMERCADOS, S.A.
 MERCASH SAR, S.L

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
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AENOR

VERIFICACIÓN DE LA MEMORIA DE SOSTENIBILIDAD

VMS-2019/0017

AENOR ha verificado la Memoria de la organización

EROSKI, S.COOP.


TITULADA: MEMORIA 2018. ESTADO DE INFORMACIÓN NO FINANCIERA.

Conforme con: Estándares GRI

Opción GRI aplicada: Esencial

Proceso de Verificación: Para conceder este Documento de Verificación, AENOR ha comprobado la adecuación de la memoria a lo requerido por GRI y ha trazado los datos e información contenidos en dicha memoria.

Fecha de emisión: 2019-05-21


 Rafael GARCÍA MEIRO
 Director General

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 Génova, 6. 28004 Madrid. España
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This Sustainability Report was prepared in accordance with the 2016 Global Reporting Initiative Standards, the essential option. The content of the Report has been verified by AENOR. For any queries or suggestions about this report, contact us at sostenibilidad@eroski.es.
Printed on paper with FSC® (Forest Stewardship Council®) seal, which guarantees it is sourced from responsibly managed forests.



