



2020 Report Executive summary





Letter from the Chairman

I would like to begin this message by thanking all the people who make EROSKI possible. People who, individually and collectively, have lived up to the demands of society, and who have done so with determination and efficiency, always giving their best for the benefit of the community. The quality of this response did not come as a surprise to any of us. But it must nevertheless be recognised, especially when it reaches this level of commitment.

Our main priority is to guarantee the safety of both our employees and customers. It was complicated at the beginning, but we ended up certifying our establishments with the Bureau Veritas *Safer Shopping* seal.

In the meantime, we had to ensure that our stores were well stocked every day. The entire value chain performed exceptionally well and we were able to provide an optimal response to an accumulated demand that increased significantly at the onset of the crisis.

The pandemic adversely affected different groups and, fortunately, we were able to meet the pressing needs of many of them. Thus, we donated one million face masks to municipal councils and social organisations and the equivalent of more than 6.5 million meals to Food Banks, amongst other actions. The most complicated year had to be the most supportive year.

Consumers changed their shopping habits and we wanted to accompany them in that change. The much talked-about innovation and digital transformation in business is about making life easier for customers, allowing them to find different, innovative products and providing them with a more satisfactory, agile and efficient shopping experience. Similarly, this more omnichannel consumer is acquiring healthier and more sustainable consumption habits. To facilitate this evolution, EROSKI has expanded the range of own-brand Eco/Bio products and we are facilitating access to products with high environmental standards and local products.

The year 2021 is already well under way, and EROSKI has taken steps at the corporate and organisational level to adapt its structure to the new reality. Rosa Carabel is the new CEO of the group and will head a Board of Directors which is expanding to incorporate areas that will be fundamental in the near future, such as innovation and development.

Nor do we forget the roadmap set out in the 17 Sustainable Development Goals (SDGs) of the United Nations, to which we want to contribute decisively through our adherence to the Global Compact in 2002 and which we endorse annually by updating our Health and Sustainability commitments.

Agustín Markaide
Chairman of the EROSKI Group

Milestones in the response to

COVID-19

Now more than ever,
"with you"



Customer

Human team

Quality and safe shopping

Supply chain

Environment

Society



Reinforcement of the online and home delivery service and more secure protocols.



Implementation of preferential timetables for priority groups.



Collaboration to facilitate shopping for the elderly.



Reinforced communication on recommendations and store influx.



Effort and determination of employees. Our pride and joy!



Reinforcement and store teams.



Implementation of security protocols and 4,000 protective screens.



Reinforcement of disinfection work with 26,000 additional cleaning hours.



Free telephone counselling service.



Bureau Veritas Clean Site certification in all stores.



Capacity control systems and store influx by time slots.



Commercialisation of the first mask that inactivates the COVID-19 virus.



Lower face mask prices.



Prevention by avoiding handling of products during bagging.



Speed in adapting to the specific needs of each store.



Adaptation of our range to new customer shopping habits.



Support for local producers by promoting local and proximity products.



Fight against food waste by placing our stores at the disposal of local producers who have lost their usual marketing channels.



By using the EROSKI App we avoid paper receipts and personal contact.



Information for properly separating new waste.



Commitment to the most vulnerable through special campaigns with the Red Cross and Food Banks.



6.5 million meals and 1 million face masks donated to vulnerable people.



Collaboration with local trade and the catering sector with discounts for our Client Partners.

A unique business model

We are the leading co-operative retail distribution group of consumer goods and services in Spain and the second-largest food distributor in the north (from Galicia to the Balearic Islands).



The co-operative nature of our parent, EROSKI S.Coop., composed of Consumer and Employee Partners, implies a three-pronged approach to our activity as a distribution company, consumer organisation and co-operative project.

Our company object and business characteristics allow us to implement a unique business model in which we prioritise quality and the best service to our customers, with the commitment to promote the practice of sustainable consumption.

We are a multi-format company that responds to the different needs of our customers. To this end, we have a wide variety of brands that range from our core business, food, to travel agencies, petrol stations, sports shops, opticians and insurance.



5.377
million in revenue



4.807
million in net sales in distribution



1,4
million earmarked for R&D projects



72
new openings



1.624
establishments

1.348
food establishments

268
diversified business
establishments

1.066
EROSKI-owned stores

558
franchised stores



"With you"

model

Quality, service, health and sustainability.

Our "with you" business model places customers and their needs at the heart of our strategy.



Differential commercial appeal, to promote healthy and sustainable food

- Breadth of range
- Savings
- Especialistas en frescos
- Local production

✓ More than 5,000

own-brand products, with 251 new launches

✓ More than €326

million in savings transferred to our customers

- ✓ Our regular customers save

more than €600

per year and take advantage of all the benefits



Next-generation stores, to become the store of choice because of its solutions for customers

- Openings and transformations
- Multi-format
- Self-management model
- Efficiency

✓ 92

transformed establishments, accounting for 70% of the food business

✓ 34%

more downloads of the EROSKI App

✓ 82%

of growth of the online business in the north of Spain



Relationship with Member-Customers

- EROSKI Club
- Personalised attention
- Participation
- Customer information and active listening

✓ More than 6

million Client Partners

✓ 720.990

queries handled by our Customer Care Department

✓ 64.200

participants in listening processes

To our teams:

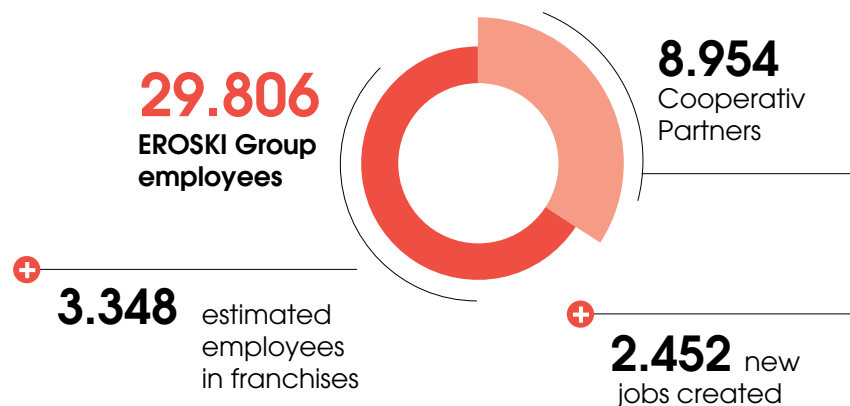
THANK YOU!

This year the spotlight is on the people who make up EROSKI through their dedication and self-improvement. They have all given their best and have put themselves at the service of the collective.



We cannot fail to thank EROSKI's employees for their dedication and effort during this pandemic. They continued to demonstrate their professionalism and passion for good practices even in the most difficult times.

People management in our organisation is characterised by the particularity that we are employees, but also owners: 30% of the staff are Employee Partners and participate in the co-operative management of the company.



The jobs we create follow our management model and our commitment to our teams, our customers and to society itself, which is why we strive to ensure that they are stable and of high quality.

■ The cornerstones of our quality employment

- **Stability**
More than 74% of employees with permanent contracts
- **Pay solidarity**
8,43 salary range at the co-operative
- **Equality**
73% people took a reduction in working hours or leave of absence
- **Work/life balance**
4.268 people took a reduction in working hours or leave of absence
- **Health and safety of our employees**
32.804 hours of occupational risk prevention training
- **Professional development**
892.000 earmarked for training programmes
- **Job placement and social innovation**
924 people in job placement programmes in collaboration with 142 entities

Safe and healthy

eating

At EROSKI we are committed to a commercial offering based on products that facilitate a balanced and safe diet, and which also cover the nutritional requirements of groups with specific needs, such as people with coeliac disease.



We actively listen to their needs and carry out various actions to ensure the quality of all our products, inform them of their nutritional profile and educate them on the prevention of certain health problems linked to eating habits.



Safe and quality eating

1.236

audits on points-of-sale and suppliers

15.427

analytical control samples



Healthy and balanced eating

183

own-brand products reformulated to improve their nutritional profile

100%

own-brand foods in stores with Nutri-Score, more than 1,700 on packaging



Prevention of child obesity

126.002

schoolchildren trained under the Food and Healthy Habits Education programme

1.019

participating schools



Attention to special needs

3.000

gluten-free products in the range, including 530 own-brand products

1.600

members of coeliac associations with additional discounts



Consumer information

1.372.409

printed copies of CONSUMER EROSKI magazine

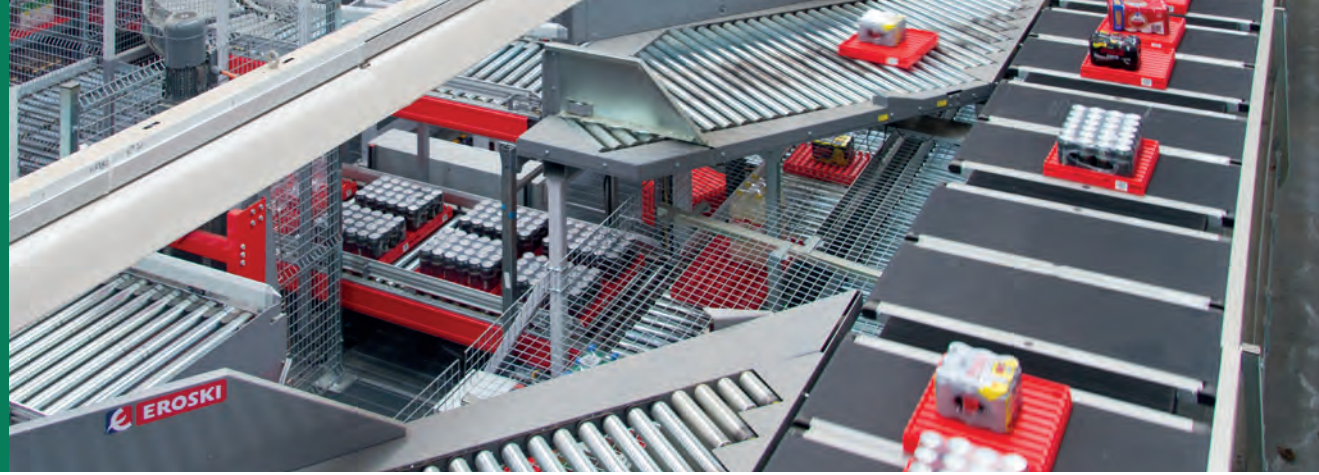
48

million visits to www.consumer.es in 2020



A strengthened
**value
chain**

Widespread uncertainty and concern at the onset of the COVID-19 crisis led to high increases in demand for certain basic necessities.



In order to better respond to these circumstances, we increased our logistics capacity and reinforced our teams and stock in our stores.

We are especially grateful for the enormous effort made by all the companies and individuals who form part of our agri-food chain and which have contributed to guaranteeing the best solution for a society to which we owe more than ever.

Our commercial policy maximises the potential of local economies, creating wealth in the surrounding area and contributing to agri-food, economic and social development. That is why this year we wanted to stand by the local producers who have been affected by the closure of the catering industry. Thus, we carried out special collaboration actions with them for COVID-19 in the Basque Country, Navarre, Catalonia, the Balearic Islands and Galicia.

✓ **10.394**

commercial and service provider companies

✓ **98%**

of spending in companies located in Spain

✓ **2.404**

local commercial suppliers, 59% of the total

✓ **1.974**

new additions of local/regional references, representing more than €20 million in sales

✓ **New eco-efficient platforms**

in Vitoria-Gasteiz and Barcelona, with LEED Gold certification

Commitment to

sustainable development

At EROSKI, our commitment to environmental sustainability is integrated throughout the organisation through an Environmental Policy that aligns respect for the environment and social welfare with our strategic objectives.



More sustainable products with a guarantee of certified responsible origin

✓ More than 1,100

organic products, 68 of our new EROSKI Bio, EROSKI Natur Bio and EROSKI Eco brands

✓ 3.600

tonnes of fish purchases with sustainability certification

✓ 100%

own-brand chicken with animal welfare certification



Eco-designed containers and packaging to make them 100% recyclable and reduce the tonnes of plastic sold by 20%

✓ 145

eco-design actions for our own-brand packaging since 2018

✓ More than 30%

reduction of conventional plastic used for in-store fresh produce packaging, exceeding the target of 21% by 2021

✓ 100%

elimination of conventional plastic bags in stores



Eco-efficient shops to reduce greenhouse gas emissions by 25% by 2025

✓ 8%

reduction in energy consumption

✓ 9%

reduction in CO₂ emissions

✓ Lean&Green Star

for reducing CO₂ emissions by more than 20%.

We have exceeded 25% and in just four years.



Circular waste management to achieve zero waste

✓ 40.017

tonnes of recycled waste

✓ More than 84

tonnes of recycled customers' coffee capsules

✓ 11%

reduction in paper purchase receipts thanks to the EROSKI App

Support for and
solidarity
with our local community

At EROSKI, since our origins, we have developed diversified social action to effectively contribute to making a more just and caring society possible.



This year, the social and health crisis unleashed by COVID-19 has aggravated the situation of need of the most vulnerable. For this reason, in addition to maintaining the usual collaborations with hundreds of social entities and those supporting culture and the local community, we strengthened our solidarity initiatives in order to meet the basic nutritional and hygiene needs of the people most affected by the crisis.

✓ More than €14 million

were earmarked for social purposes (88%), consumer education and information (8%) and the promotion of sustainability (4%)

✓ 70%

of the contributions to social actions were made by EROSKI and 30% by our customers



Special solidarity actions for COVID-19

✓ More than 6.5

million meals donated to Food Banks to feed 2,400 families for one year

✓ 1 million

face masks donated through municipal councils and social entities

✓ 15.000

Solidarity Cards generated to channel assistance to vulnerable people



New Solidarity Cents Programme

✓ €1 million

channelled to different causes

✓ €7 million

in donations made by our customersnuestros clientes



Zero Waste Programme

✓ 9

million meals donated to people at risk of social exclusion

✓ More than 4,600

tonnes of food not wasted



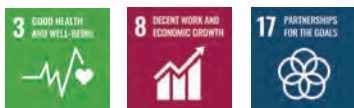
Support to families

✓ 12.000

large families have benefited from savings of more than €1.4 million



1 We are committed to food safety



2 We promote a balanced diet



3 We prevent child obesity



4 We meet specific nutritional needs



5 We favour responsible consumption



6 We offer more local products



7 We make eating well at affordable prices possible



8 We act by listening, with clarity and transparency



9 We take care of ourselves as employees



10 We promote a healthier lifestyle





Click here to view our 2020
report and statement of
non-financial information:
memoria.eroski.es

