

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES



REPORT SUBMITTED ON 28TH APRIL

In 2018 EROSKI unveiled its 10 Commitments to Health and Sustainability, following an exhaustive listening and participation of all its stakeholders. Each commitment includes multiple lines of action, with specific objectives and KPIs and are aligned with the Sustainable Development Goals, the Farm to Fork Strategy of the EU Green Pact and the EU Code of Conduct. Detailed reporting on the different lines of action and their contribution to those different schemes is presented in the annual non-financial information report, available since the 3rd of May at <https://corporativo.eroski.es/en/memoria-2022/>. A summary of that information is included in this document.

Type of business/sector: retail

Sustainability dimension	Code aspirational objective (1-7)	Individual commitments with baseline	Progress on KPIs (in 2022) and goals (qualitative and/or quantitative)	Additional information (optional) <i>(E.g. partnerships, geographical coverage, sharing best practices, links with other COM initiatives, with other reporting initiatives)</i>	Comments (optional) <i>(E.g. enablers, ideas on how to improve)</i>
Environmental/Health	1	To provide more sustainably produced food products EROSKI is committed to promote organic products , specially through its Bio, Natur Bio and Eco own-brands.	→ No. organic products: 1,401 (-11% vs 2021; +26% vs 2020) → No. organic own-brand products: 105 (+10% vs 2021)		
Environmental	1,6	Consistent with its commitment to provide more sustainable food, EROSKI commits to make advances and improvements in the Animal Welfare	→ Animal Welfare™ label incorporated in the following own-brand products:		

		<p>standards of the products sold. It has the following specific commitments:</p> <p>- All eggs sold by 2024 will be from cage-free hens.</p> <p>- Eggs used as ingredient in products of its own brand will be from cage-free hens by 2025.</p> <p>- European Chicken Commitment (ECC): voluntary agreement promoted by 36 organizations organizations from 19 countries that drive the improvement of broiler chicken welfare standards. It requires compliance (related to stocking density, choice of slow-growing species, lighting and air quality, among others) by 2026, which go beyond the current minimum requirements set by legislation.</p>	<p>-All own-brand white meat</p> <p>-EROSKI Natur pork meat</p> <p>-EROSKI Natur veal from Aragón, Pyrenees and Balearic Islands</p> <p>-EROSKI Natur Provedella beef from Catalonia</p> <p>-Local milk from Basque Country, Navarra, Galicia and Balearic Islands</p> <p>- 100% of the farms that supply eggs to EROSKI</p> <p>→ 100% free-range hens' eggs in CAPRABO stores</p> <p>→ 59% cage-free hens' eggs sales in EROSKI stores (+5% vs 2021)</p> <p>→ 49% cage-free hens' eggs dozens in EROSKI stores (+18% vs 2021)</p> <p>→ 100% of the chickens comply with all EU animal welfare laws and regulations</p> <p>→ 100% of our chickens meet all EU animal welfare laws and regulations.</p> <p>→ 25.9% of own-brand chicken sales meet 100% of the CCP requirements, except for the external audit criterion which we continue to work on.</p>		
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			<p>→ 29.1% of sales are of animals with a density of less than 30 kg/m2.</p> <ul style="list-style-type: none"> - 29.1% of sales are from slow-growing pedigree animals. - 25.9% of sales are from animals are reared with improved environmental standards. - 81.4% of sales are made with atmospherically stunned animals. 		
Environmental/Social	1,3,5	In 2022, EROSKI launched its new brand "EROSKI Veggie" promoting the consumption of more sustainable foods.	→ 17 EROSKI Veggie food products		
Environmental	1,6	Progress in transparency and environmental communication to our clients.	→ Planet-Score on a dozen food products in our shops.	This labelling seeks to communicate in a simple way the overall impact of the food on the environment, in order to provide consumers with useful information for a more responsible purchasing decision.	
Environmental/Social	1,6,7	<p>Keep working for the conservation of biodiversity in the seas and oceans through a rational use of marine resources.</p> <p>EROSKI selects fishing supplier companies that comply with and respect the fundamental rights of workers according to the OIT 188 convention.</p>	<p>→ First retailer in Spain certified in chain of custody of MSC and GlobalG.A.P. aquaculture (GGN): 441 fish counters and 8 fishing logistic platforms certified</p> <p>→ 5.959 tons of fish with sustainable certification (MSC, GGN and APR) (+7.5% vs 2021)</p> <p>→ 100% of our canned tuna complies with ISSF principles</p> <p>→ 85% of the volume of canned tuna caught for EROSKI's preserves come from more responsible fishing</p>	EROSKI has a Sustainable Fisheries Policy that is articulated in twelve principles that encompass both the good practices already in place and the challenges we set for the future. The Policy includes the selection of suppliers that comply with and respect the fundamental rights of workers under ILO Convention 188 on work in fisheries.	

			methods (cane fishing, RCT, without FAD, MSC and FIP) (+10% vs 2021)		
Health	1	<p>To improve the nutritional composition, EROSKI will keep working in the reformulation of its own branded products.</p> <p>EROSKI reduces the presence of nutrients related to the most widespread pathologies in our society (cardiovascular diseases and obesity).</p> <p>To provide transparent information, EROSKI is also committed to improve the information offered through Nutri-Score and encourage sales of own branded products with higher nutritional quality.</p>	<p>→ 100% of our own-brand products are palm oil-free</p> <p>→ 1,883 own-brand products with A, B or C Nutri-score</p> <p>→ 70% own-brand products with Nutri-Score A, B or C (+2 percentage points vs 2021).</p> <p>→ Nutri-Score A, B and C products accounted for 80,7% of the units sold and 73% of total product sales with Nutri-Score (+0,94 and 1,32 pp vs. 2021, respectively).</p>		
Health	1	<p>EROSKI works so that people with specific nutritional needs find everything they need for their nutrition at its stores, broadening the diversity of its offer and offering alternatives such as its order service or its online store.</p>	<p>→ 2,350 gluten-free products at our stores, more than 550 of our private label.</p> <p>→ 2,602 members of the Celiac Associations of the Basque Country, Navarre, Catalonia, La Rioja, and Balearic Islands benefited from a 20% discount in 200 specific gluten-free products (+16% vs. 2021).</p>	In 2022, EROSKI renewed its Collaboration Agreements with the celiac associations of the Basque Country, La Rioja, Catalonia and Navarre and Balearic Islands was included.	
Health/Social	1	<p>To promote consumer awareness, EROSKI commits to keep supporting its outreach programs for a healthy diet.</p> <p>-Offering free personalized information and incentives for a healthier and more balanced diet and shopping to all EROSKI Club members (Ekilibria program).</p> <p>- Educating and informing consumers in order to facilitate a healthy and sustainable life, through truthful, independent, practical and entertaining</p>	<p>→ 32,734 users in EKILIBRIA program. (+10% vs 2021)</p> <p>→ EROSKI CONSUMER's printed magazine for consumers: 310,239 readers per month</p> <p>→ EROSKI CONSUMER's digital magazine for consumers: 38 million of visits in the year</p>	-EKILIBRIA offers a detailed and personalized analysis of how household purchases are adjusted to the recommendations of the Mediterranean diet. Its purpose is to guide the client on the foods, quantities and frequency of consumption that he/she and other members of the household need to maintain a balanced diet. This initiative received the NAOS Strategy Award for Business Initiative in 2019.	

		<p>information (EROSKI Group's Healthy Eating and Habits Education Programmes and EROSKI CONSUMER informative project).</p> <p>- Being a meeting point for health and education professionals, parents, schoolchildren and other citizens committed to improving their diet and lifestyle.</p>	<p>→ 159,442 schoolchildren and 1,853 schools participating EROSKI's Healthy Eating and Habits Education Programmes</p> <p>→ New education program launched in 2022 consisting of 7 webinars given throughout the year with more than 1.600 participants and views</p>	<p>-The EROSKI Group develops different educational programmes through all Spain that seek to foster a healthy diet and promote healthy lifestyle habits among all people, paying special attention to the youngest children.</p> <p>- EROSKI CONSUMER is the EROSKI Foundation's informative project through which EROSKI wants to educate and inform consumers in order to ensure they have a healthy and sustainable life through informative, truthful, independent, practical and user-friendly informative products. Through this publication, available in printed magazine and digital information portal both in Spanish, Catalan, Basque and Galician, EROSKI addresses topics related to nutrition, food safety and health, but also other topics of interest to our consumers: environment, solidarity, pets, babies and savings and home economics. To prepare their contents, EROSKI has the collaboration of different expert professionals and various companies such as the Federation of Spanish Diabetics (FEDE), the Spanish Cancer Society (AECC), the National Cyber Security Institute (INCIBE), UNICEF and WWF.</p>	
Environmental/ Health/Social	1	To apply responsible food marketing and advertising practices, EROSKI will keep working to improve the information contained in brochures, shop signs and website.	EROSKI has adapted its advertising on children's products to the Code of Co-Regulation of Advertising for Food Products and Beverages Directed to Children and Prevention of Obesity and Health (PAOS Code).	The PAOS Code is included in the NAOS strategy of the Spanish Agency for Food Safety and Nutrition.	
Health	1	To Integrate health in the workplace, EROSKI commits to maintain its current programs to train	→ 748 participants		

		employees both from Central office and from supermarkets.	→ 404 hours of training		
Environmental	1,4	<p>To improve the environmental footprint EROSKI works to optimize both its own-brand packaging and the bags and packaging used in the stores, through the prevention and then the improvement of the materials used. EROSKI set the following specific commitments:</p> <ul style="list-style-type: none"> - To reduce by 21% the tonnes of conventional plastic of its fresh products packaged in-store in 2021 (already accomplished). - To reduce by 20% the tonnes of conventional plastic used in own brand packaging by 2025. - To eco-design of its own-brand packaging to make them fully recyclable by 2025. 	<p>→ 23% reduction in tons of checkout bags in stores vs 2018. 60% of materials used for the bags are renewable or recycled</p> <p>→ 55% in-store packaging reduction vs 2018</p> <p>→ 10% reduction in tons of own-brand packaging vs 2021</p> <p>→ 69% recyclability of our own brand packaging</p> <p>→ 188 eco-designed own-brand packagings in 2022 (307 packagings since 2020) that avoided 966 plastic tonnes in the market</p>		
Health/ Social	1,2	<p>To support local actions to enhance the availability of/access to healthy and sustainable diets for all, EROSKI will keep working in different programs and collaborating with different associations.</p> <ul style="list-style-type: none"> - Zero Waste Program - Collect for the Food Bank - Purchase card for social purposes 	<p>→ 23 million euros for social welfare purposes in 2022.</p> <p>→ 5,116 tonnes of food and basic products were donated to the most disadvantaged collectives through a hundred social welfare organizations thanks to EROSKI's Zero Waste Program.</p> <p>→ 146 public and social welfare organizations used EROSKI's charge card for social purposes to facilitate the channelling of their welfare aid to people in a vulnerable situation.</p>	<p>In 2022 we have made a special effort to minimise the impact of inflation and rising raw material costs on the purchase price of our customers through a reduction of the organisation's profit margins and a promotional activity in which 370 million euros have been invested.</p>	

			→ 11.2 million basic meals donated for the most vulnerable groups thanks to in-store campaigns with local Food Banks.		
Economic/ Environmental	2	<p>Develop different actions to reduce by 50% the food waste that can be generated in our activity:</p> <ul style="list-style-type: none"> - Sensitization campaigns selling ugly fruits and vegetables against food waste - Promotion of foods close to their best-before or best date. - Donation of food through the Zero Waste Program. - Recycling and recovery of organic waste. <p>Regarding other types of waste:</p> <ul style="list-style-type: none"> - Eco-design of own-brand products - Promotion of the reuse of packaging among the customers or the use of digital tickets. - Recycling of inorganic waste generated in the stores. 	<p>→ 18% reduction of total waste generated vs 2021.</p> <p>→ 35,880 tonnes of waste for recycling (68% of total waste) or other recovery treatments (29% of total waste). The additional 3% is managed for final disposal in landfill or other destinations.</p> <p>→ 5,116 tonnes of food and basic products were donated for the most disadvantaged collectives through a hundred social welfare organizations thanks to EROSKI's Zero Waste Program.</p> <p>→ 46,170,167 reused logistic containers.</p>		
Economic/ Environmental	2,5	<p>EROSKI is committed to participate in innovative projects to minimize waste and improve competitiveness.</p>	<p>Some of the innovative projects regarding to Sustainability in which EROSKI participated in 2022:</p> <ul style="list-style-type: none"> -FUSILLI: Horizon 2020 project to drive the transformation of urban food systems through the implementation of innovation living labs. - FoodRUs: Horizon 2020 project to reduce waste and loss in the agri-food chain 		

			<p>through an innovative collaborative circular system.</p> <ul style="list-style-type: none"> - SISTERS: Green Deal project to improve the sustainability of packaging used to preserve food and reduce its negative impacts. - ZeroW: Green Deal project to implement nine Systemic Innovation Living Labs (SILLs) in the value chain to achieve long-term environmental and economic sustainability. - REDYSING: Horizon Europe project that seeks to promote efficient and innovative processes in the use of resources for the production and circularity of wooden packaging for fresh food. - BOTTLE4FLEX: Development of a flexible sustainable film. - ToNoWaste: Horizon Europe project aimed to promote a new zero food waste mentality based on a holistic approach. - ZEROWASTE: Developed by <i>Tecnalia Envases</i> and focusing on the use of artificial vision technologies to reduce food waste. 		
Environmental	3,4	Commitment to become carbon neutral by 2050 .	<p>→ Carbon footprint of EROSKI Group: 242,158 t CO₂ eq (-42% vs 2017)</p>	<p>In 2022, a new platform in Galicia features eco-efficient and environmentally friendly technologies, such as the transcritical CO₂ refrigeration system as a substitute for freon. In addition, the installations include the automation of part of the processes, which will benefit the treatment of the fresh products that</p>	

			<p>→ Carbon footprint specific to the logistic activity: 75,650 t CO₂ eq (-1% vs 2021; -6% vs 2020)</p>	<p>arrives at the supermarkets and will improve human labor conditions.</p> <p>Also, remodeling of the platform in San Agustín de Guadalix (Madrid) has been carried out. The improvements make it more energy efficient, with measures such as the use of LED lighting. In addition, we have implemented a photovoltaic system, for self-generation of energy to move towards the use of 100% renewable electricity.</p> <p>The abovementioned improvements are added to the ones developed the previous year: 3 eco-efficient distribution centers, some including LEED Gold label.</p> <p>→ Second Lean&Green star for reducing 32% the logistic activity carbon footprint since 2015.</p>	
Social	5	To support a skilled workforce, EROSKI is committed to the development of its professionals , whether in stores, offices and warehouses or other diversified businesses.	<p>→ Total of 242,445 hours of professional trainings (+38% vs 2021).</p> <p>→ 1,642,499 € were allocated to training programmes.</p>		
Social	5	To strengthen diversity and equality, EROSKI will keep being focus on its equality plan .	<p>→ 77% of workers are women</p> <p>→ 74% of senior management positions are held by them.</p> <p>→ Since 2022, the CEO of EROSKI is a woman, Rosa Carabel.</p>	The Equality Commission works in 6 areas: use of language, elimination of physical and health barriers, elimination of social barriers, personal and professional development, and work-life balance. In this regard, EROSKI has additional permissions to those established by legislation and promotes working environments and hours that enable work/life balance.	
Social	5	To improve working conditions and prevent occupational hazards for the workforce, EROSKI acts in the areas of prevention, training and health promotion, to continuously improve its occupational	→ Rate of recordable occupational accidents (minor and serious) with sick leave	- EROSKI has its own joint Occupational Risk Prevention Service for all of the Group's companies. Its specialities are: occupational safety,	

		risk prevention systems and integrate them into the overall management of the company.	<p>per million hours worked: 24.4, (-6% vs 2021).</p> <p>→ Occupational illnesses with sick leave per million hours worked: 0.9, (-27% vs 2021).</p> <p>→ Absenteeism rate (percentage of hours absent due to illness, occupational disease and occupational accident/theoretical working hours): 8.7% (+0.5 pp vs 2021; +0.3 pp vs 2020)</p>	<p>industrial hygiene and ergonomics and applied psychosociology.</p> <p>-Health surveillance arranged with an external prevention service in charge of different medical examinations.</p> <p>-Review and coordination with the mutual insurance company of all cases considered as occupational diseases.</p>	
Social	7	To promote decent working conditions, EROSKI requires compliance of its Code of Conduct .	→ Last revision done in 2022	<p>EROSKI demands to its value chain the fulfilment of the main labour and human rights principles, based on the requirements of the International Labour Organisation and the Principles of the United Nations Global Compact, to which EROSKI belongs since 2002. Therefore, all EROSKI's suppliers and franchisees are subject to these requirements and its commercial relationship therewith is conditional upon their fulfilment of human and labour rights.</p>	
Economical	1,4,5,6,7	EROSKI is committed with supporting local agricultural suppliers and in 2022 launched the Local Supplier Support Programme in the Basque Country.	→ 85 participating companies active in the Local Supplier Support Programme in the Basque Country	<p>Objectives:</p> <ul style="list-style-type: none"> - Greater knowledge of and commitment to EROSKI's local supplier companies and their environment. - Provide training and support for continuous improvement. - Accompanying and guiding towards higher product quality. - Encourage better environmental and social behaviour. - Achieve greater transparency in the supply chain. 	