





















## Key figures

Sales area (m<sup>2</sup>)

	2004	2005	ADVANCE 2005	2006	ADVANCE 2006
Sales area (m <sup>2</sup> )	1.312.652	1.381.445	5,2%	1.442.828	4,4%

## Commercial network 2006

	OPENINGS	TOTAL
EROSKI	5	84
EROSKI/center	22	481
EROSKI/city	2	65
EROSKI service stations and Super service stations	4	48
EROSKI/travel (includes Travel Air)	17	257
Forum Sport	4	42
If perfumeries	31	227
Abac	-	2
CASH RECORD	-	19
Food Service	-	3
Total in Spain	85	1.228
France	-	37
Total own network	85	1.265
Aliprox and other franchises	3	572
Total GROUP	88	1.837

## Development of shopping centres and malls

	OPENINGS	2005	2006
No. own commercial outlets	5		20
Commercial surface area of 100% own shopping malls (m <sup>2</sup> )		153.269	98.555,50
Available premises		390	587

## The challenges of a different kind of company

# 1.2 Economic value, generated and distributed

### 1.2.2 Creating wealth

Our role as a driving force for development is clear in the way we create jobs, promote ancillary activities arising from our work with suppliers and subcontractors, pay taxes and provide remuneration for those who have entrusted their investments to our organisation.

Additionally, at least 10% of net surpluses is allocated to the Education and Cooperative Promotion Fund (FEPC), a part of the equity that is non-distributable and non-attachable (except for certain debt), whose allocation is approved by the General Assembly and which is managed by the Board of Governors. This money is used to promote training and consumer information initiatives, as well as for charitable and environmental protection work.

The presence of our outlets provides a stimulus for the socio-economic development of the community of which we form part, due to the knock-on effect involved in the appearance of substructures to supply our network. The following points are worthy of especial note:

- Our shopping park and centre development activities provided work for an annual average of 1,700 people in the building of the five that were opened in 2005. 390 premises were also made available to retailers
- Our international alliance, Alidis, has opened the doors of the German market to our preferential suppliers, with the incorporation of Edeka.
- Our own-brand quality goals lead us to implement partnerships with suppliers which are indefinite in duration and subject to lasting agreements that ensure sustainable custom for the farmer.
- The permanent promotion of local and regional produce represents a great opportunity for the area's entrepreneurs. The initiatives and results of this are summarised in Chapter 5.

The presence of our centres provides a stimulus for the socio-economic development of the communities of which we form part.

In 2005 we paid over interest totalling 15.47 million euros at a rate of 5.337% (Euribor + 3%) to holders of Eroski "Contributions". For 2006, the rate was fixed at 5.890%.  
In 2005, we workers allocated ourselves 57.5 million euros of the group's profits.

Cash flow for 2006 totalled 403,247 thousand euros and investments grew more than 100% over the 2005-2006 period.

### Distribution of wealth (in million euros)

	2005	2006
Sales	6.414.517	6.005.658
VAT	8,81	8,79
Purchases	67,64	67,97
Capital remuneration	1,08	0,82
Depreciations	3,31	3,36
External services	8,77	8,42
Tax	0,32	0,34
Personnel	9,75	9,73
Members	2,67	2,73
Permanent	5,28	5,01

Temporary	1,80	1,99
Results	1,70	1,41
Reserves	1,35	1,05
Returns	0,35	0,36
Education	0,19	0,16

### Investing in Eroski

To invest in Eroski it to invest in a solid, dynamic, growing company. With its Subordinated Financial Contributions, Eroski offers investors an attractive rate of return by adding an additional 3% to the yearly Euribor rate, established at 29 January 2003. The contributions are regularly and consistently listed on the AIAF market at above 100%.

Given that this was a closed issue, the possibility of obtaining in Eroski Subordinated Financial Contributions depends on their availability in the banking network.

**2002:** 1st issue totalling 90 million euros, with excess demand that totalled 122.86 million euros.

**2003:** 2nd issue, for the purchase of the Balearic Islands-based supermarket company Mercat, in which Eroski already had a significant stake.

**2004:** 3rd issue to finance our hypermarket and supermarket expansion plans, with a total subscription value of 125 million euros.

The beginning of 2007 saw a new launch at 5.89% APR in January and EURIBOR + 3% from 1 February on.

## The challenges of a different kind of company

### 1.3 Company governance

#### 1.3.1 Structure and functions

Our cooperative is structured into two communities: the consumer members and the worker members. Both are organised internally in accordance with the Internal Cooperative System Regulations. The former are organised into **Local Consumer Committees**, whose chairpersons make up the Consumer Committee, a consultative and advisory body for the governing body. For its part, system governing the employment of worker members is approved by the **Board of Governors**.

#### Company bodies

##### The General Assembly

Made up of Delegates representing the members, this is the supreme representative body expressing the will of the owners. There are a maximum of 500 delegates, 50% representing consumer members and the other 50% worker members. We also have implemented preparatory meetings to be able to guarantee better forms of member participation, and whose duties include that of choosing delegates.

##### The Board of Governors

This is the cooperative company's governing, management and representative body. Its Chairperson is also that of the Cooperative itself. It is made up of 12 members, who are elected by the Assembly for a four-year term of office, with both consumer and worker members being represented equally. It may appoint from amongst its members a Permanent Committee, which may, like the Board of Governors itself, be attended, with the right to speak but not to vote, by the Director-General, the Management Council and other technical management members.

##### The Board of Members

A body made up of worker members whose role it is to contribute to the proper management of matters concerning them as workers. It is made up of a maximum of 16 and a minimum of 12 elected workers' representatives, in addition to the Chairperson of the Board of Governors and the Members' Director (with the right to speak but not to vote). To better achieve its goals, the Members' Council is provided with Delegate Committees for each region.



This is our Cooperative Company's governing, management and representative body. It is made up of 12 members elected by the assembly.

##### The Board of Consumer

A consultative and advisory body to the Board of Governors on consumer-related matters. In response to issues peculiar to each location, Local Consumer Committees have been constituted.

##### The Monitoring Commission

The three members of this Commission (two consumers' and one workers') are appointed by the

Assembly by secret ballot. It has the duty of overseeing the workings of company bodies, audits and the cooperative's other control systems.

### The Appeals Committee

This deliberates and issues rulings upon appeals lodged by members. It is made up of five members, three workers and two consumers, chosen by the Assembly by secret ballot. Membership is incompatible with any of the Cooperative's elected offices or labour relationship. Its meetings are attended by the Chairperson of the Board of Governors. Any members with a blood or second-degree or closer family tie, links of subordination, close friendship or clear enmity with respect to the affected member may not take part in the associated deliberations or rulings.

### The CECOSA GESTIÓN, S.A. Board of Directors

This is made up of 21 Directors, including all the members of the Board of Governors, and its Chairperson is that of the Grupo Eroski. It has, by delegation of the holding company, the duties of appointing senior management, formulating and approving plans and establishing the management strategies and budgets for the range of companies making up the Grupo Eroski.

## Structure of government and functions

	2004	2005	2006
Number of participant partners of consumption in meetings	7.727	5.837	60.25
Number of participant partners of work in meetings	6.864	5.427	5.497

### GOVERNING ADVICE

Six advisory partners of work and six advisory partners of consumption. Half of them it must renew every two years.

- Monthly meetings with the Main directorate and the Direction of Consumption.
- **Functions:**
  - Election of the President of the Cooperative.
  - Annual ratification of the Chief of a main directorate.
  - Presidency of the General Assembly.
  - Fixation of the Regulation of Internal Regime.
  - Representation and exercise of rights before courts, courts and organisms of the State.
  - Investment of bottoms available and subscriptions of contributions and bond emissions and obligations.

### GENERAL ASSEMBLY

- Sovereign organ presided over by the Governing Council.
- Annual assembly for approval of accounts, plan of management, presentation of is two and ratifi cación from the components proposed for the Governing Council

### PREPARATORY MEETINGS

- Informative annual assemblies of workers and consumers for election of delegates of the General Assembly.

### GENERAL ADVICE \*

### CONSUMERISTA ADVICE

- Consultative organ of the Governing Council with respect to workers.
- Elect presidents of each Delegated Commission.
- Six advisors propose to the Assembly to conform 50% of the Governing Council.
- They participate with voice, but without vote, the President of the Cooperative and the Social Director.

- Consultative organ of the Governing Council with respect to consumers.
- Elect presidents of each Local Committee.
- Six advisors propose to the Assembly to conform 50% of the Governing Council.
- They participate with voice, but without vote, the President of the Cooperative and the Director of Consumption.

### DELEGATED COMMISSIONS

### LOCAL COMMITTEES

- Organized by regions.
- Delegates chosen by the work partners.
- They choose to the members of the Social Council.

- Organized by regions.
- Delegates chosen by the consumption partners.
- They choose to the members of the Consumerista Council.

**WORK PARTNERS****CONSUMPTION PARTNERS**

<ul style="list-style-type: none"><li>• 12.298 proprietary workers.</li></ul>	<ul style="list-style-type: none"><li>• 356.590 consuming partners.</li></ul>
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\* According to one takes shelter in Art. 59 of the Statute, the Social Council is the competent organ to contribute to a suitable management of the matters related to the work partners. **It has its tasks:**

- To elaborate the annual labor norms
- To preside over the Preparatory Meeting of the work partners.
- To develop the advisory and informative functions of the Governing Council

## The challenges of a different kind of company

### 1.3 Company governance

#### 1.3.2 Good governance

Our corporate governance system guides the operations of the different corporate bodies, and sets out the rights and codes of conduct for Directors and other members of senior management. It also ensures transparent, ethical management and compliance control mechanisms.

There are three codes of conduct: the Director's and Governor's Statute, the Internal Conduct Regulations and the Internal Board of Directors and Board of Governors Regulations. These codes are applicable in all our companies.

Some good governance measures are worth highlighting:

- **Remuneration:** no Director receives any remuneration whatsoever for carrying out office. The carrying out of office on the Monitoring Commission also gives no right to remuneration, with only associated expenses being reimbursed.
- The Chairperson of the governing body is the Chairperson of the Cooperative, and a consumer.
- Only two of the 21 members of the CECOSA GESTIÓN, S.A. Board of Directors are executives.
- **Share capital:** no member may own more than 25% of the cooperative's share capital.
- **Conflicts of interest:** the authorisation of the Assembly is required for the cooperative to enter into undertakings with any member of the Board of Governors, Monitoring Commission, or for members of senior management to do so with their relatives up to second level of consanguinity or affinity. This is also applicable when debt assumption, guarantee, warranty, loan provision, etc., transactions are carried out to the company's credit and in favour of the aforementioned persons. Additionally, the persons affected by this situation may not take part in the voting.
- **External auditing of accounts:** under no circumstances may this be carried out by those occupying, now or in the last five years, senior management positions or advisory duties in the cooperative.

#### Where to find more information

Eroski S.Coop. has, since 2003, published an annual Corporate Governance Report, which can be viewed on our web site ([www.eroski.es](http://www.eroski.es)) and which contains more detailed information on our ownership structure, corporate governance and decision-making processes.

## The challenges of a different kind of company

### 1.4 Eroski's challenges

#### 1.4.1 Stakeholder communications and expectations

Our relationship with stakeholders has changed in line with the development of the organisations themselves and the environment in which we work. This change is seen in the expectations of us held by society, the local community, suppliers, our team, investors, governments and customers.



#### Main mechanisms of communication

Employees	<ul style="list-style-type: none"> <li>• Publications: <i>Nexo</i>, <i>Sede</i>, <i>Aduna</i>, <i>Prisma</i> (Intranet), minutes, noticeboards, evaluation interviews, improvements, welcome manual.</li> <li>• Corporate activities.</li> <li>• Voluntary work.</li> <li>• Audits (Code of Ethics and SA8000).</li> <li>• Solidarity Vote.</li> <li>• Employee climate survey</li> </ul>
Investors and managers	<ul style="list-style-type: none"> <li>• Website</li> <li>• Corporate Report</li> <li>• Press conference</li> <li>• Corporate Governance Report</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• EROSKI Healthy Ideas: magazine, studies, forums, stands, mailings, campaigns and the Observatory.</li> <li>• Corporate Report</li> <li>• Focus group</li> <li>• Customer Service (in-store, helpline and website)</li> <li>• Solidarity Vote</li> <li>• Consumer Arbitration System</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>• Corporate activities</li> <li>• Consumer groups</li> <li>• <i>Eroski Consumer</i></li> <li>• Informative websites: EROSKI FOUNDATION, Consumer.es and Consumaseguridad.es</li> <li>• Consumer Barometer and the Frescómetro</li> <li>• Solidarity Vote</li> <li>• Meetings of partners/friends of the FOUNDATION</li> </ul>
Third sector	<ul style="list-style-type: none"> <li>• Universities: cooperation agreements, scholarships.</li> <li>• NGOs: annual call for grants, sponsorship, seminars, stands</li> <li>• Experts' Committee</li> </ul>
Suppliers and joint ventures	<ul style="list-style-type: none"> <li>• Cooperation agreements</li> <li>• Audits</li> <li>• Permanent and occasional forums</li> </ul>
Governments	<ul style="list-style-type: none"> <li>• Agreements and pacts</li> <li>• Sponsorship and cooperation</li> </ul>

## Employee climate

	2004	2005	2006
Points (out of 5)	3,34	*	3,35

\* Biennial survey.

### Our workers

Worker participation is achieved, fundamentally, through three mechanisms: the company's activities, the labour climate survey and, finally, permanent and temporary suggestion gathering tools.

Via his or her right to speak and vote at delegate committees, meetings and assemblies, the worker/owner enjoys direct participation in the company's decision-making process. There are more than a dozen bottom-up and top-down channels whose mission it is to guarantee members' (both workers and consumers) right to information. These are periodic written and oral channels with a specific indicator: complaints dealt with, a figure which must stand at 100%.

Information flows on both a company-wide scale, finalising in the Assembly and the Board of Governors, as well as on an executive level, with the role that must be played by management in transmitting required information. Logically, certain executive information is reserved for senior management only (strategies, company growth, future transactions, etc.).



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Eroski's commitment to **creating stable, quality jobs** is measured throughout the organisation by means of satisfaction surveys. Every two years, these scrutinise matters such as remuneration and recognition, the workplace environment, environmental policy and integration in the company. In 2006, 16,878 questionnaires were submitted, implying a participation of 66.37%.

Workers' opinions are also gathered through audits and initiatives such as the vote for solidarity.

### Investors and advisors

The opinions of the investor community are channelled through our permanent relationship with it.

### Customers

The use of mechanisms that allow it to detect the concerns and needs of its customer base lies at the heart of improving any business. Our market research and complaint and suggestion handling procedures allow us to deliver the right solutions.

The inclusion of the customer hotline on the products themselves and its more widespread promotion has led to an increase in the number of complaints handled.

### Customer Service

	2005	2006
No. of customers dealt with	81.472	94.246
No. of complaints and claims	14.486	18.293

One important step forward has been to convert our customer help (in-store, by telephone and via our web site) into an integrated service that automatically transfers queries to the relevant person, thus providing an immediate response. The existence of an internal forum that brings together different players in the organisation allows us to better understand and deal with the comments we receive.

The inclusion of the customer help hotline on the products themselves and its greater promotion magazines has led to an increase in the number of complaints handled.

## Consumers

As a consumer association, under Spain's General Consumers' and Users' Defence Act 1984, the Eroski cooperative has as its mission the defence of consumers' rights and interests. We are thus registered with Arbitration Tribunals, both in our role as an association and in that of a company.

The main means for complying with this particular mission is the company's activities themselves, by means of the participation of our consumer members. This is reinforced by the peculiarity of having a consumer as Chairperson. The means for accessing information and participating in the management of the company are similar to those for workers detailed above.

Additionally, the figure of **Fundación Eroski Member-Friend** was created to provide consumers with representation in those areas where consumer members do not exist. The Fundación Eroski member-friend encounters allow us to detect early in the game signals that will guide purchasing decisions in the short and medium term.

## Consumer participation

	2005	2006
No. of participants in Friends of the EROSKI FOUNDATION meetings	250	220
No. of participants in consumer groups	*	17.858

\* The Consumer Groups were started in 2006

One innovation worth highlighting is the start-up in May of the **First Consumer Participation Focuser**. These were created as a response to the need to integrate and involve consumers based on a greater closeness and understanding of their day-to-day interests in matters on which they may have an influence and, therefore, an opinion. **17,000 people** were surveyed at the stands and the dissemination of the conclusions and responses took place over the course of a number of events, involving a total of **2,500 hours dealing with the public**.



May 2006 saw the start-up of the first Consumer Participation Forums. 17,000 people were surveyed at stands.

With regard to our informational work, in 2005 we were awarded the prize for the best online report on biodiversity in [Consumer.es](#). (by Fundación Biodiversidad), the best dieticians of the year for the contributors to the *magazine Consumer* and the acknowledgement of the SND (the Society for News Design) for the informational graphics of [Consumer.es](#).

## The Tertiary Sector

The news this year is our approach to work on designing the contents of this report. As detailed in the "Preparation Principles" section, we have benefited from the collaboration of a committee of independent experts chaired by **Transparency International in Spain** and made up of representatives from [WWF/Adena](#), the [World Bank Institute](#), the [Fundación Economistas sin Fronteras](#) and the

Fundación Ecología y Desarrollo. This makes Eroski the first consumer and distribution group in Spain to carry out this kind of initiative.

The main concerns voiced focused around the information we provide consumers on our products, policies to incentivise sales of ecological and fair trade products and incidents of failing to meet commitments.

## Governments

New in this period with regard to our participation in public policies is the signature of a voluntary agreement with Spain's Environment Ministry on the reduction of emissions of greenhouse gases from our logistics and transportation activities.

### Initiatives we adhere to

Since 2002, we have subscribed to the 10 principles of the United Nations Global Compact with regard to respect for human rights, the dignity of labour, environmental protection and the fight against corruption.

## Expectations

CHANNEL	MAIN CONCERNS	RESPONSE FROM EROSKI
Experts' Committee	Environmental incidents	Delay in opening a rented establishment because of a request to double-check the water piping. The town council guaranteed this would be done for the planned opening date.
	Product incidents	The Customer Service department deals with complaints and claims, which are transferred from the shops to our central departments and involve the Quality Control Department. We are registered with Arbitration Councils in both of our roles, as an association and as a company.
	Product characteristics and consumer information	Our safety controls guarantee the origin and flavour of EROSKI Natur products, as well as the absence of transgenic substances and the environmental features of our own brand (e.g.: FSC in EROSKI Garden). With regard to fair trade and socially responsible practices, our marketing conditions are set by our supplier (Intermón-Oxfam). All this information is conveyed to consumers on the product label, and occasionally reinforced with leaflets and informative campaigns.
	Climate change	The environmental improvement of our logistics activities obviously focuses on taking measures to mitigate climate change.
	Corruption	This is regarded as a serious infraction and our Internal Conduct Regulations require the dismissal of any employee involved.
	Accessibility	We have improved the accessibility of our car parks, sales outlets and the corporate headquarters through initiatives controlled by SA8000 auditing and pre-auditing in line with DALCO criteria.
	Human Rights	Our ethical management system, in line with SA8000, includes measures for protecting human rights both in our own processes and in our supply chain.
	Urban pressure and biodiversity	We comply with current legislation in our own developments.

## The challenges of a different kind of company

### 1.4 Eroski's challenges

#### 1.4.2 Awards and recognition

In 2005, Eroski was included in the listing of one of the top 25 companies by the **Spanish Corporate Reputation Monitor MERCO**, and the second in the distribution sector ranking. For its part, in its ranking of leading senior managers of the companies with the best reputation, Grupo Eroski Chairman Constan Dacosta held the 32nd spot, a significant improvement on the previous report.

2005 also saw us receiving the prize for corporate social responsibility at the second **Conética Awards**. This is awarded in recognition of work on developing policies in support of protecting and defending consumer interests, workers' welfare and quality of life, the preservation of the environment and aid for the most disadvantaged members of society, as well as the encouragement of economically responsible, transparent, job-creating and quality policies.

Once again, the **European Business Environment Awards** (this time in their 2005-2006 edition), granted every two years by the Fundación Entorno, in collaboration with Spain's Industry and Environment Ministries, went to Eroski. At this, the tenth edition of the prizes, we received a Second Prize in Sustainable Development Communication for the publication of the Grupo Eroski 2004 Annual Sustainability Report.

#### Prizes and awards received

- Eroski one of the top 25 companies in the MERCO ranking.
- CSR Prize at the second Conética Awards.
- Second Prize in Sustainable Development Communication at the 10th European Environment Awards.



## The challenges of a different kind of company

### 1.4 Eroski's challenges

#### 1.4.3 Aliances and forums

We are a founder member of the **Fundación Entorno-BCSD España**, with which we work on the promotion of business sustainability. We are a founder partner of **ASEPAM**, the association of all the Spanish organisations adhering to the UN Global Compact. We also form part, as an organisational stakeholder, of the **GRI (Global Reporting Initiative)**, an international organisation which has developed the leading reference material on the drawing up of annual sustainability reports. We are also a member of the commission that is drawing up the conceptual framework for social responsibility in Spain, promoted by **AECA**, the Spanish Accounting and Business Administration Association.

Through forums and workshops, as well our collaboration with the media, we at Eroski are able to bring our experience in corporate social responsibility to a wider audience. In 2005, we took part in the **Spanish parliament's Forum of Experts on Corporate Social Responsibility**, to work on the definition of the social responsibility of businesses. Eroski was also one of the companies to participate in the seminar **Communicating Corporate Social Responsibility: what does it bring to my business?**, held as part of Valencia's Business Campus 2005 and organised by the Directorate-General of Environmental Quality of the Community of Valencia, in collaboration with the **Fundación Entorno-BCSD España**. We also participated with a talk on accessibility and responsibility in the **XVI Congress on Progress Factors and Environment**, a senior management encounter to promote a paradigm of business progress.

We are a founder partner of **ASEPAM**, an association bringing together all the Spanish organisations adhering to the UN Global Compact.

Some examples from 2006 are the **II Course on Consumer Protection and Business Social Responsibility**, organised by the University of Murcia and the Institute of Lawyers; sponsorship of the **I Murcia CSR Workshops**, as part of **MUEMPLEO**, organised by the University of Murcia, and our participation in the **II Congress on Health Culture** and the **I Ibero-American Encounter** under the slogan "Health Education: Working in Networks".

#### Organisations of which we are members

- Member of the **Fundación Entorno-BCSD España**.
- Founder partner of **ASEPAM**.
- Organisational stakeholder of the **GRI**.
- Members of the commission drawing up the conceptual framework for social responsibility in Spain, promoted by the **AECA**.
- Commission of experts on social responsibility of the Spanish Ministry of Employment and Social Affairs.

## The challenges of a different kind of company

### CASE STUDY: Code of conduct

Our ethical management system is based on the values contained in our code of conduct and shared by the entire organisation.

#### Cooperation: owners and protagonists

The principle of ownership by the members of the organisation is both a duty and a right. Our members are like shareholders, and assume all the responsibilities arising from the ownership of capital.

We encourage equality of opportunity amongst all those forming part of our business project, as well as the permanent integrated training of our people, boosting both their professional potential and their personal development. We also provide a healthy, safe workplace for all.



#### Participation: commitment in management

We place especial emphasis on the essential, differentiating element of the cooperative socio-business model with the participation of our members in three areas: capital, results and management, stressing satisfaction and a sense of belonging amongst our people and promoting the creation of quality jobs.

Participation takes place in three areas:

- **Management:** all members take part in the annual planning of own, business unit and global company goals.
- **Results:** we assume our responsibilities arising from the management of the business, including the economic consequences of the financial results achieved by the company, which impact upon the capital contributed by the members.
- **Capital:** the contribution of venture capital by members makes possible and justifies their full integration in the management of the business through their participation in its management bodies.

#### Social responsibility

This means solidarity in the creation of jobs wherever the Group operates, solidarity-based distribution of wealth and involvement in our surroundings.

We foster equality amongst all those forming part of our business, as well integrated, permanent training.

- We promote a culture that acknowledges the importance of the social environment for the achievement of business goals and that therefore develops its commitments on a coherent basis.
- We make business efficiency and sustainable development compatible, taking into account the interactions of our products, services and/or activities with all stakeholders: this includes the people amongst whom and the environment in which we operate.
- Improvement of and respect for the environment is another facet of our social commitment, which requires making business development compatible with protection of the environment.
- Transparency as a commitment and a permanent criteria in communications.

#### Innovation and permanent renewal

All of this falls within a framework of ethical management subject to continuous improvements, promoting participation, the commitment and support of workers, consumers and our surrounding environment.

#### Consumer value

This is included in the everyday management of the defence of consumers' health and safety by offering healthy, safe products with transparent, useful and comprehensive information.

Therefore, Grupo Eroski is committed to:

- Complying with applicable legislation and employment and cooperative-related regulations, as well as all those undertakings made by the Group.
- Implementing and maintaining an effective ethical management system to provide an integrative boost to the organisation's management.
- Continually improving the organisation's ethical behaviour.
- Developing a culture of social responsibility amongst all those forming part of Grupo Eroski's project and in its surrounding environment.
- Supporting and respecting the protection of internationally-proclaimed human rights.

Grupo Eroski has taken the measures required to achieve the above goals:

- Including ethical management amongst senior management's core goals.
- Assuming and contributing to continuous improvements in levels of social responsibility included in legislation.
- Verifying, through the use of indicators, the ethical conduct of the organisation, to identify areas of activity requiring improvement.
- Establishing targets for improvements in ethical management and drawing up and implement plans to achieve them.
- Properly training and informing everyone involved in the application of the management system and promoting the adoption of good social responsibility practices.
- Properly informing suppliers and subcontractors of our code of conduct, creating mechanisms for the transfer of social responsibility know-how.
- Providing a response to those parties (consumers, neighbourhood associations, public administrations, customers, suppliers, etc.) showing an interest in our social conduct.
- Communicating throughout the company, openly and efficiently, its code, regulations and compliance with its goals.

Improvement of and respect for the environment calls for making business development compatible with protection of our surroundings.

## 2005-2006: Highlights

### 2.1 Improving our product choice and our presence

Product innovation was focused around food and services for immigrants, functional foods and the extension of *Eroski* own-brand goods to textiles and articles for the home.

New types of stores making buying easier.

We strengthened our presence throughout Spain with the opening of more than 230 new establishments.

Significant investments to reduce waiting times at the fish and cold meats and cheese counters and the remodelling and guaranteeing of the cold chain.

In 2005, the Eroski own brand was ranked as the most competitive in the sector, with average savings of 7% in comparison with market prices.



## 2005-2006: Highlights

### 2.2 Social and employment

Over the course of the last two years, we have created 2,550 new jobs.

In 2006, Eroski supermarkets signed the first national collective bargaining agreement for all our companies with the CCOO, UGT and FETICO unions.

2005. Extension and new types of personal leave.

The creation of the Equality Observatory has allowed us to carry out a diagnosis of the real situation of organisation workers and to design an action plan for which we have received recognition as an EMAKUNDE Equal Opportunities collaborating entity.

## 2005-2006: Highlights

### 2.3 More caring

2005. The launch of "socially responsible" toys.

In 2005 we began implementation of the Corporate Voluntary Work Plan, aimed at workers and member-friends of Fundación Eroski committed to solving social and environmental problems.

We carried on a stable commercial relationship with a number of Special Employment Centres, increasing our contracted amount by 80% over that for 2004.

Our centres are disabled-friendly.

Our fair trade products sales efforts led to an 65% increase in their sales in 2006.



The action plan developed thanks to the Equality Observatory has received the EMAKUNDE Equality of Opportunities collaborator mark.

## 2005-2006: Highlights

### 2.4 Communications with consumers

2005. Best dieticians of the year for Consumer magazine contributors.

In 2005, we started up the Eroski Healthy Idea Observatory, which studies consumer lifestyles to adapt the products we offer in line with them.

Since 2005, all our products include not only information on suppliers and specific details, but also allergenic ingredients.

Mayo 2006. The Consumer Forums represent a new participative process to understand our customers' needs.

The unchallenged leadership of the Eroski Consumer.es website on everyday-life subjects is consolidated.

## 2005-2006: Highlights

### 2.5 Integrated environmental management

June 2006. The Ecogourmet Prize for the large retail outlet with the best range and display of organic food.

Thanks to our customers, our reusable shopping bag continues to protect the environment.

2006. Signature of an agreement with the Ministry of the Environment in which we undertake to reduce CO2 emissions in our installations and distribution and transportation mechanisms.

2006. Startup of the Green Transport Forum which, with expert advice, implements measures to minimise CO2 emissions from our logistics and transportation activities.

Our policy of incorporating responsible products has led us to sell garden furniture with sustainable forestry certification.

## Our vocation: you

### 3.1 The Eroski shopping experience. We want to be your favourite shop

We want to be our customers' favourite store and work to meet their demands by offering value solutions and understanding their needs. Our efforts in this area are focused on developing our brand, approachability and innovation in stores and products.

Given the importance of the five core values around which we have built the Eroski shopping experience, we have, since 2004, carried out a monthly audit of items weighted to reflect the importance given to each of them in our points of sale. This provides us with our **Shopping Experience Indicator (IEC)** which allows us to improve service quality.

The sample is chosen on the basis of a representative selection from each region of a number of shops in proportion to the total number. To detect opportunities for individual or structural improvement, we evaluate results from five areas (general appearance, food produce, fresh food, checkouts, control, and customer service) in six sections (meats, fish, cold meat and cheeses, bakery, fruits and prepared food).

2006 saw a radical change in the audit approach, such that there is no point in making comparisons with prior years. Future reports will be able to show the progress made.

Improvement actions include the optimisation of waiting times in queues, a change in computer systems and supports and a broadening of the range of products on offer, as noted in further detail in the store and product innovations sections.

#### Shopping Experience Indicator (SEI) 2006

SEI	EROSKI/CENTER
Overall national rating (out of a max. of 10)	8,62

#### Added services

**The Eroski Red Card.** To help with the planning and organisation of family finances, we offer the free Eroski Red card, which allows users to defer payment or obtain credit. Furthermore, its more than one million cardholders can obtain discounts and free financing.

**The Travel Club Card.** The free Travel Club Card allows holders to accumulate points that can be exchanged for gifts or trips, information that it has been possible to consult on the internet since 2005. Our customers can earn points in our food shops, petrol stations and travel offices.

**The If Perfumeries Card.** Additionally, customers of our If Perfumeries have their own card which allows them to benefit from significant discounts (10% on premium ranges and special offers on mass market products). More than 510,000 people benefited from this card in 2006.

#### The Eroski shopping experience 5 core promises

- Speed
- Quality
- Image
- Customer service
- Filling

We want to be our customers' favourite store and work to meet their demands by offering value solutions and understanding their needs.



To help with organising the family's finances, the free Eroski Red Card allows holders to defer payment or obtain credit. It already has more than one million cardholders.

This project has involved the conversion of the Eroski Red Card into the Eroski Red VISA card, which allows holders to make purchases not only in Eroski establishments but also in the more than 20 million establishments worldwide that accept the Visa card, in addition to being able to withdraw cash from ATMs.

The Eroski Red VISA Card provides added value for holders, in addition to existing features. As well as being a universally-usable card, the Eroski card:

- Will remain free of charge to holders (with no initial or annual fees) with free payment by direct debit.
- Cardholders will enjoy both an internal credit limit (within the Grupo Eroski) and another external one to facilitate deferred payments in other establishments.
- In addition to the current payment methods for purchases within the Grupo Eroski, for external purchases, cardholders may choose between immediate, monthly or instalment payments.
- Cardholders enjoy permanent insurance against accidents when travelling by public or private transport.

After its general launch in the second half of 2006, cardholders have given this initiative a warm welcome, with a large number of them activating the new card and using it in their day-to-day shopping.

## Promotions

2005 and 2006 saw the carrying out of a considerable number of transversal promotions involving joint actions by our Eroski hypermarkets and Eroski/center and Eroski/city supermarkets.

In parallel to our advertising campaigns, the "Products at 1, 2 and 3 euros" and the "second at half price" promotions had a great impact in 2005. Innovative actions included the summer "free ball" promotion in supermarkets and the "your purchase has a gift" campaign carried out in hypermarkets. Other point of sale promotional activities were also carried out, including product tasting and the handing out of discount vouchers.

2006 saw Eroski hypermarkets repeating on four occasions one of the promotions most appreciated by consumers: the "three for the price of two" offer. In our supermarkets, worthy of especial note was the sales action carried out in the summer under the Verano Redondo slogan. This consisted in rewarding customers making purchases in our supermarkets over the summer with prizes -Benetton suitcases and travel bags. By purchasing fresh and other food, customers received stamps, certain numbers of which could be exchanged for prizes. They had ten weeks to fill up their album and win one or more items (the campaign ran from the middle of July to the end of September). This promotion was carried out in the Eroski/center supermarkets, the Eroski/city self-service stores and the Aliprox franchise with great results in terms of participation and sales.



### **The Idea Sana Eroski (Eroski Healthy Idea)**

Our commitment to consumer welfare can be seen in the Eroski Healthy Idea programme. In a friendly, approachable way, our points of sale provide expert knowledge with schools, campaigns, specialist advice and training activities covering health, leisure, food, physical exercise, wellbeing, the environment and solidarity. The following activities are worthy of especial note:

- **Idea Sana Eroski (Eroski Healthy Idea) Magazine.** A monthly publication with a circulation of 500,000 copies per issue since September 2006, this magazine benefits from contributions from experts in each field and serves as a showcase for the activities, solutions and news that we wish to inform our customers of. It is available free of charge at our outlets.
- **The Eroski Healthy Idea School.** These hour-long encounters in our chain of stores allow us to provide personalised, up-close information for small groups (15 people) on food and nutrition, food handling, free time and leisure, sport and health, our natural and domestic environment, etc. 2005 saw coverage of 67 different subjects

provided to 24,350 consumers. In 2006 this was expanded to 70 subjects, with greater participation than in the previous year.

- **Eroski Healthy Ideas Forums.** 2005 witnessed the giving of 11 talks to the company by professional experts, providing advice on health and wellness-related matters.
- **Eroski Healthy Idea Information Campaigns.** As in previous years, our Christmas Campaign has benefited from the participation of teaching experts and psychologists, who provide information on the most suitable toys. In 2005, we reached one million consumers, advised by a team of 150 professionals. These campaigns are supported with stands, collectables and leaflets.
- **The Eroski Healthy Idea Observatory.** Created in 2005 due to society's increasing demand for information, with this project we study consumers' lifestyle to allow us to take actions that will allow Eroski to improve their quality of life. Specifically, it issues regular reports, which in 2005 dealt with toy consumption. In 2006, the following reports were issued: *Child feeding habits, Child breakfasting habits, Physical exercise and leisure habits amongst the child population, Meat consumption habits amongst families and Toy consumption habits.*

## Innovation in stores

We are committed to providing our customers with a convenient, satisfactory shopping experience. To this end, in collaboration with our leading suppliers, we study purchasing habits, listen to their needs and organise, in accordance with their priorities, more welcoming and attractive presentations to create a world that both provides an easier shopping experience and saves time.

In 2005, we improved supply processes to **hypermarkets**, ensuring that consumers can find their favourite products and implementing an automated fresh produce order system to ensure that the selection offered is in optimal conditions. We have also installed new wireless ordering terminals and twin-lane checkouts to serve two customers at once in all our newly-opened outlets.

We are committed to providing our customers with a convenient, satisfactory shopping experience. We study purchasing habits and listen to their needs.

In **supermarkets**, 2005 witnessed the prioritisation of actions towards changing the existing network into line with the new model, with a broader range of food and new parking features. We have redesigned the arrangement of stores to provide more space for food and a self-service meats section. We have improved our internal processes to reduce waiting times at fish and cold meats/cheese sections and made significant investments in cold chain remodelling and safety, as detailed in Chapter 4.

The search for a more attractive environment has led us to renovate our **Eroski/viajes and Forum Sport** store types, with greater customer participation and more innovative products on offer. In 2006 Forum Sport implemented its new store concept, which is noteworthy for the physical separation of fashions in line with different technological universes (extreme, cycling, snow, etc.). This new store layout more efficiently conveys brand positioning, technology and price.

The new store model launched in 2005 has turned our **If Perfumeries** into elegant, welcoming havens tuned to customer requirements, offering a wide selection of prestigious brands. Personalised attention and additional services (beauty treatments, etc.) that some are beginning to offer are further factors that have helped the success of this promising business.

In 2006, we started on a new stage for **Abac** with the reopening of our store at the Boulevard Shopping Centre in Vitoria. This has served as test establishment to define its store model. Abac is a self-service establishment, but offers advice from specialist sales staff on the different product ranges available.

## Product innovation

Our international alliance, Alidis, was strengthened in 2005 with the joining of Edeka, Germany's leading food distributor, and this has allowed us to offer an enriched range of products.

Increasing interest in prepared food led us to launch new products in 2005, including Eroski gnocchi and dressed salads. 2006 saw the addition of prepared dishes such as sautéed beans with broccoli and ready-to-eat soups under

In 2005, innovation took the form of paying special **attention to immigrants**, who were offered a

the Listo label.

Our functional food line, such as dairy products with Omega 3, the flakes range, wheat germ, royal jellies, nutritional yeasts, soy and wheat biscuits, are evidence of our brand's response to customers concerned with their health.

new money remittance service and a wide range of foods from their home countries, from Mexican cuisine to halal ranges for our Muslim customers.

Shampoo and hair conditioners under the Solutions brand, isotonic drinks and luxury ice creams provide examples of new products aimed at discerning consumers.

The Eroski own-brand fresh produce range has been expanded with our authentic minced meat, free from preservatives or colorants. Also worth highlighting is the extension of Eroski Natur meat products to our establishments in Galicia and the Balearic islands, thereby completing the extension of this premium meat range to all of Spain.

The growing interest in prepared food led us to launch nine new products in 2005, including Eroski gnocchi, dressed salads and the Eroski Listo line.

The last months of 2006 saw the incorporation of the first Eroski/SeleQtia luxury products, such as *foie mi-cuit*, cured ham and pork shoulder.

The technological range of Eroski Thorn electrical tools provides customers with the latest advances at the best prices.

Additionally, worthy of note is the extension of the Eroski own-brand range to textiles and household goods.

Our vocation: you

## 3.2 Diversity, approachability and growth

### 3.2.1 Eroski's activities

Our main activity is the distribution of products and services, meeting customer needs with a multi-format network of 1,790 stores and a wide product range that is adapted in line with consumer habits and lifestyles.

Thus it is that recent years have seen us develop businesses that complement food distribution, such as travel agencies, recreational and sports shops, perfume shops, petrol stations, opticians, property, insurance and financial product sales, a money transfer service (Espacio Soluciones) and leisure and culture stores.

Enseñas de GRUPO EROSKI



- **Food distribution:** our establishments' different formats (hypermarkets, supermarkets and franchised self-service stores) offer a highly-diverse product range and allow us to be present in shopping centres, small and large city centres and medium-sized towns.
- **Diversification businesses:** in response to new trends and consumer needs, Grupo Eroski has taken a position in lines of businesses such as holidays (Eroski/viajes), perfumes (If), sports (Forum), leisure and culture (Abac), hotel, restaurant and catering product distributions (ServiHostel), property (Eroski/inmobiliaria), petrol stations (Eroski gasolinera), opticians (Eroski/óptica), financial and insurance products (Espacio Soluciones). The latter four are for large retail outlet customers.
- **Logistics platforms:** our own distribution centres.
- **Shopping centre developments:** We carry out the design, construction and promotion of shopping parks and centres.

Our vocation: you

## 3.2 Diversity, approachability and growth

### 3.2.2 Maintaining expansion rates

In line with its goal to further strengthen its presence, Eroski plans to continue with its expansion, chiefly by developing its hypermarkets and supermarkets throughout the length and breadth of Spain. At the same time, new businesses such as travel agents, sports and perfume stores are also growing.

#### Shopping centres

Over the course of our more than ten years' experience in the promotion and development of shopping centres, we at Grupo Eroski have started up more than 35 such centres, which make us one of Spain's most dynamic sales facilities investors and developers.

The stars for 2006 were the Caudalia de Mieres (Asturias), Nueva Condomina (Murcia) Espacio and Torreldones (Madrid) shopping centres, all boasting modern architecture and a comprehensive, attractive range of shopping options. All three are home to an Eroski hypermarket which acts as the driving force behind the centres.

Eroski plans to continue with its expansion, chiefly by developing its hypermarkets and supermarkets throughout the length and breadth of Spain.

Our work in developing shopping centres was once again recognised in 2006. Luz del Tajo (Toledo) received the 2006 Best Large Shopping Centre and Ribera del Xúquer, Carcaixent (Valencia) the 2006 Best Small Shopping Centre awards, both granted by AECC, the Spanish Shopping Centres Association.

#### Hypermarkets

Over the course of 2006, Grupo Eroski added six new Eroski hypermarkets to its chain, in Mieres (Asturias), Argeles sur Mer (France), Chiclana de la Frontera (Cadiz), Ceuta, Murcia and Torreldones (Madrid).

#### Self-service stores

In 2006, we completed and gave final approval to our Eroski/city self-service store model. This meant the start the expansion of the brand in large cities meeting the plan's definition (Madrid, Bilbao and San Sebastián). Two new openings, an expansion, three complete and seven partial conversions were carried out, in which we implemented the model's specifications. This gave rise to very healthy increases in sales.

#### Supermarkets

In 2005, we opened 15 new-format supermarkets and, in 2006, 27 Eroski/center and Eroski/city supermarkets, involving the adding of more than 30,000 new square metres of neighbourhood stores and 1,600 customer parking places to our network. Their distribution by Autonomous Community was as follows: five establishments in Andalucía, eight in Galicia, three in the Balearic Islands, five in the Basque Country, two in Castilla-León and four in the Community of Madrid. These openings consolidate the Grupo Eroski strategy for this local store format, which now totals more than 600 establishments throughout Spain. Additionally, 2006 also saw us renovating a further 16 supermarkets, expanding their facilities and adding more than one hundred parking places.

The 15 supermarkets in 2005 and the 27 Eroski/center and Eroski/city supermarkets in 2006 mean more than 30,000 new square metres of neighbourhood stores.

#### Distribution platforms and warehouses

In 2005 we added two new logistics platforms in Malaga and Azuqueca de Henares (Guadalajara) to our network. At the beginning of 2006, the new Zaragoza platform commenced receiving, preparing and delivering goods to our store network. In the summer, we started a platform in Alcalá de Henares to supply our hypermarkets with low-turnover food products, which had until then been received directly from suppliers. From this date on, we have been increasing activities with new suppliers. After an initial settling-in period, the platform has meant significant operating improvements for the

hypermarkets, which are also seeing very health growth in these products.

## Soluciones

We are continuing with the implementation our Soluciones offices, which provide a one-stop solution for taking out car, health, life and home insurance, seeking a personal loan on very favourable terms and even for purchasing a home. In 2005, they were implemented in our Abadiño (Vizcaya) and Pamplona centres. In 2006, the Soluciones stands reached our Eroski hypermarkets in Garbera (San Sebastián) and Urbil (in Usurbil, Guipúzcoa) and the Max Center hypermarket (in Barakaldo, Vizcaya).

## Eroski petrol stations

In 2005, we added seven new petrol stations, in Leioa (Vizcaya), San Javier (Murcia), Lugo, Segovia, Elche (Alicante), Antequera (Malaga) and Carcaixent (Valencia). A further four were opened in 2006, located in (Malaga), Infante (Murcia), Mieres (Asturias) and Utrera (Seville).

## Eroski/viajes

2005 witnessed the opening of 49 new offices of our travel agency. 13 more Eroski/viajes were opened in 2006, completing a network of 256 holiday offices and 28 Travel Air centres for our companies' and customers' business trips. A further innovation last year was work on designing a franchise for those looking to create their own business in the travel sector, taking advantage of the brand's great image, third-party cover and the differential offered by Eroski/viajes in comparison with other agencies.

## EROSKI/ópticas

Our opticians business took off definitively in 2006, as

In 2006, we opened 13 new Eroski/viajes travel agencies, completing a network of 256 holiday agencies and 28 Travel Air centres for business trips.

witnessed by the opening of seven establishments. The Eroski hypermarkets in Leioa (Vizcaya), Mondragón (Guipúzcoa), Zamora, Madrid Sur, San Javier (Murcia), Vélez (Malaga) and Infante (Murcia) already have a Eroski/ópticas branch.

## If Perfumeries

Whilst 2005 saw the opening of 25 new shops, 2006 can be described as a year focused upon expansion, seeing the greatest growth yet in If stores: the 32 establishments opened in the year is the greatest number of openings since If started business.

## Forum Sport

In 2005, eight shops were opened. 2006 ended with a tally of 41 stores, spread across all Spain's autonomous communities except for Galicia, Extremadura and the Canary Islands, of which 11 were of the new format.

## Abac

2006 witnessed the start of a new era for Abac with the reopening of our new store in Vitoria's Boulevard Shopping Centre.

### Property

We expanded our apartment sales business in 2005 with the opening of two estate agencies in Abadiño (Vizcaya) and Pamplona (Navarra). In 2006 housing development was limited to Portugalete and Durango (Vizcaya), following energy efficiency criteria.

## Geographic presence (2006)

Comunidad	Abac	Aliprox	Cash & Carry	EROSKI 10000	EROSKI 6000	EROSKI center	EROSKI city	Familia	Food Service	Francia	FS Forum Sport	Gasolineras EROSKI	Gasolineras Super	If	Ondia	Travelair	Vacacional	Total general
Andalucía	34			7	7	41	4				2	9		11			10	125
Aragón	192				2	36	9				2	1		30	14		17	130
Asturias		1	1	1	1	11					2	2	1	22			10	51
C. Valenciana				1	5						5	3		17			10	41
Cantabria				1	1	8	1				1	1		5			9	27
Castilla-La Mancha				4	2	10					2	5		5			3	31
Castilla y León				3	2	31	2	3			6	3		14			14	78
Cataluña				4	1				1		3			13			16	38
Ceuta					1													1
Elorrio	2																	2
Extremadura				1		10											1	12
Francia										37								37
Galicia	33	18	1	4	73	5	78					3	1	2	217		15	450
Islas Baleares	13					114					1				2		1	131
La Rioja				1	1	12	3				1	2		13			10	43
Madrid				5		19			1		5			13		1	41	85
Murcia				3	3						2	3		4			3	18
Navarra				2		21	5				2	2		16			15	63
País Vasco	108			9	11	95	36		1		8	12		62	51		81	474
Total general	2	207	19	43	41	481	65	81	3	37	42	46	2	227	284	1	256	1837

Our vocation: you

## 3.3 Access channels

### 3.3.1 Innovation: Internet

We have always adapted our different businesses in line with the emergence of new technologies, increasing the scope of online purchases of supermarket goods, insurance and travel products.

Our online supermarket offers all the advantages, price and quality without leaving home, with the possibility of returning products and choosing the delivery timeframe.

Five years of growing activities in the Basque Country, Navarra, La Rioja, Cantabria and Asturias have justified the extension of the Grupo Eroski's online shopping system to new parts of Spain. In 2005, we brought the service to Guipúzcoa, Santander, Logroño, Oviedo and Gijón.

In 2006, Mallorca's SYP Eroski/center customers and consumers in Malaga began to benefit from the advantages offered by online purchasing and to use the channel to acquire, without leaving home and in record time, all the usual products to be found in a supermarket.



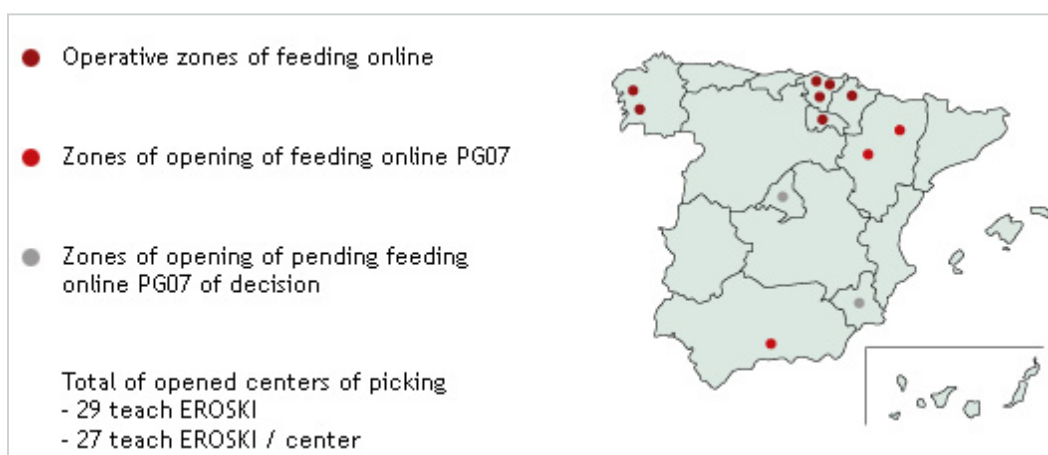
Around 7,000 articles and brands for the home are on sale on Eroski/online, a site designed to make browsing, choosing and buying products easy and intuitive. Grupo Eroski retains its bricks-and-mortar sales policy for its internet shopping channel: competitive prices and a guarantee of quality for its products and services, with special emphasis on fresh foods.

Also worthy of note is the *Ahorro Récord* (Record Savings) group of goods, basic items in anyone's shopping cart (virtual or otherwise) but always at the lowest prices on the market.

Our online supermarket offers all the advantages of price and quality without leaving home, with the possibility of returning products and choosing the delivery timeframe.

One of the Eroski online supermarket features most appreciated by our customers is that orders are not charged until the goods are delivered to their doorsteps, once they have agreed with the contents and signed their acceptance.

### Provinces with implantation of feeding online



### Cover of purchase online

	2005	2006
Zones (provinces)	7	8

Aware that many customers make queries and purchases in this way, we also offer holiday and travel suggestions via the internet. Our new travel agency model allows for interactive sales and the building of made-to-measure holiday packages. For greater convenience, we also offer the online

purchasing of insurance.

### Bussiness online>

	2005	2006	VALUATION 2006
% EROSKI/online sales (on total sales supermarkets)	1,29	1,64	+0,35%

Our vocation: you

## 3.3 Access channels

### 3.3.2 Franchises

Retail franchising first appeared in the Grupo Eroski during the seventies. From 1990 on, it was designed as a growth opportunity for business persons with an entrepreneurial spirit. Under the name of Aliprox, a system of cooperation between the two parties, based on a contract, was established for the operation of a retail formula.

Under this scheme, we provide individual retailers with the ability to improve the return on their business by benefiting from all our pricing and systems management advantages.

Retail franchising first appeared in the seventies. From 1990 on, it was designed as a growth opportunity for business persons with an entrepreneurial spirit.

#### Further information on our Aliprox franchises

[www.eroski.es](http://www.eroski.es)

Tel.: +34 946 211 217

We currently have more than 194 Aliprox and 248 Onda centres spread throughout Spain. The seven openings seen in 2005 were joined by 24 further ones in 2006. This figure also includes the franchising of four of our own stores and the 18 customers with the greatest potential have also joined the franchise.

Our vocation: you

## 3.3 Access channels

### 3.3.3 Accessibility



Our commitment to reserved spaces for the disabled in our hypermarket car parks goes beyond legal requirements (12 places), and includes an area that can only be accessed with a card designed especially for them. Efficiency, proper location, vehicle accessibility, car park signposting, shopping centre accessibility, etc. testing has been carried out with a number of disabled organisations who, together with the Development Department, evaluated and improved the pilot project.

This experience has been extended to the sales floor and our headquarters. On the sales floor, we carry out a preliminary audit in accordance with "DALCO" criteria (wandering, apprehending, locating and communicating) to analyse with the interested parties public conveniences, certain counters, shelving height, adapted trolleys, product placement (at least in the case of basic products), a special checkout and aisle widths.

As far as our headquarters are concerned, accessibility has been taken into account during its different extension stages. In fact, it is the subject of an annual external SA8000 audit.

Our vocation: you

## CASE STUDY: Eroski consumer forums

One of the goals of the Eroski 2005-2008 strategic plan is to encourage consumer participation. This calls for new relationship and communication channels in addition to those already existing, so as to reinforce and revitalise them.

With the aim of incorporating consumers' input into decisions that may affect them and, in this way, make them participants in Eroski's project and values, May and June 2006 saw us carrying out the first Participation Forums.

Dedicated to compiling information on Eroski fresh foods, three aspects were analysed, with the following opinions and responses:

### Opinions and responses concerning EROSKI fresh products

	CONSUMERS' OPINIONS	EROSKI'S RESPONSE
<b>Product variety</b>	Better variety of fresh products, especially in the EROSKI Natur line. More promotion of local products.	In 2006, EROSKI launched new EROSKI Natur fresh products in the meat, fruit and prepared meat sections. We also introduced a new range of gluten-free products for celiacs and a new selection of Solución fresh products.
<b>Sales method</b>	Better variety of packaging (sizes and types) and more attention given to product cuts, for both fish and meat	EROSKI has added new sales formats for its products, increasing the variety of portion sizes and creating a single portion size. We have also launched a new range of product cuts for both meat and fish.
<b>Product information</b>	Greater clarity on product labels, increasing their size and the amount of information they give	EROSKI has added more information to its meat labels, featuring culinary uses and defining the cuts. We are expecting to increase the label sizes in general. The patisserie product labels are already 2 cm bigger than usual.



## The best range of products

### 4.1 The savings brand

#### 4.1.1 Our own-brand range

Ever since 1977, Eroski has been Spain's pioneering seller of own-brand products. In 2005, we changed the brand's name to Eroski and its development was one of the strategies to mark the 2005-2006 period. The decision has led to the renewal of more than 3,000 permanent food and non-food products.

We stand out for our range of fresh products, which boast a quality and presentation that make us a specialist in the field. Eroski Natur offers customers meats, fruit and vegetables with a guaranteed origin and flavour, ensuring total traceability from point of origin to point of sale. Our other brands - Romester (sporting goods), Visto Bueno (textile products) and Ecron (domestic and audiovisual appliances)- are also sold exclusively at our establishments.

#### EROSKI Maestro

Eroski Maestro was created in 2005 to replace the *CONSUMER Maestros Jamoneros* brand. It covers premium-quality products within the cold meats and cheeses section, made up of improved raw materials with a more artisanal production.

The brand includes meat products such as *serrano* ham cured for 14 months, slow-cooked ham, Salamanca *chorizo*, Teruel cured pork shoulder, natural roast turkey breast and the recently-incorporated *salchichón cular* sausage. 2006 saw the adding of cheeses of a single milk type, such as log of goat cheese, semi-cured goat and semi-cured sheep's' cheeses, as well as cheeses with more qualified blends with different curing types: semi-cured, cured and aged.

#### Number of own-brand products

	2004	2005	VARIATION IN 2006
Food	865	889	2,7%
Hardware Electrical appliances Fresh products	1.972	2.262	14,7%
Textiles	934	304	-67%

## The best range of products

### 4.1 The savings brand

#### 4.1.2 The best prices

We work tirelessly to place the Eroski brand in the best pricing position, without ever forgetting quality. The Group's platforms have made a clear contribution to savings, being the main origin of the reduction in operating costs. Also, thanks to process improvements and innovations created with our suppliers, we have been able to improve the competitiveness of our customer pricing.

Our international alliance with Alidis has also made a considerable contribution to building the savings brand, since it has allowed us to agree solutions with suppliers to offer better prices.

#### Own Brand percentage of total sales

	2005	2006
% own-brand sales	37,1	38,4

Proof of acknowledgement of this position is the increase of the our own brand's share of total sales, which rose from 28% in 2005 to 29.16% in 2006. Also worth noting is the fact that the Eroski brand was, in 2005, located in the most competitive savings position in the sector, with an average savings of 7% compared to the market.

We work to situate the Eroski brand in the best pricing position. Thanks to process improvements and innovations, we have increased customer pricing competitiveness.

Our petrol stations offer lower prices than the competition and, in 2005, five of them were amongst the 20 cheapest, according to Spain's Ministry of Industry, Tourism and Trade. In line with this philosophy, in 2006 we opened petrol stations with the lowest prices in their area of influence.

#### Record savings

Since 2004, we have been working on a sales concept under a common name: Ahorro Récord (Record Savings). The aim is to provide customers with a range of products with highly competitive prices in all areas. Made up of own-brand products (supported by Eroski Ahorro) and value brands, they already include 796 food, 146 sundry and 51 domestic appliance products. In fresh food, in addition to fruit and vegetables, we shall progressively incorporate cold meats and cheeses and prepared food. We shall also be extending the concept to include our textile products.

## The best range of products

### 4.2 Quality and safety. Quality Department and laboratory (control of own-brand products)

The Eroski brand includes a double-tested guarantee of quality and food safety. What is more, our commitment to the environment and different social concerns can be seen in the wide range we offer, more details of which can be found at the end of this chapter and in the next.

To ensure this end, our Quality and Environment Department has an exhaustive assurance programme, from the farm to the point of sale. This programme is supported by our ENAC-certified laboratory and a network of both internal and external auditors.

Every year, more than 10,00 analyses and more than 1,400 inspections of more than 150 products are carried out for Consumer Eroski magazine.



To ensure that our Eroski Natur fresh products meet the most demanding quality, origin and taste standards, in 2005, our Quality Department performed a total of 1,162 audits and inspections in farms and production centres. In addition to these periodic controls, they must pass an initial approval audit to guarantee product traceability, compliance with technical and health regulations, the implementation of a natural system and other specific requirements.

#### Quality control of EROSKI Natur suppliers

		2005	2006
No. of inspections (audits and quality control)	Laboratory	268	360
	EROSKI Natur suppliers	1.162	1.147
No. of analyses	Laboratory	7.887	7.442
	EROSKI Natur suppliers	3.687	3.3374

The service our platforms provide to stores is critical to the Group. This year has seen us consolidate the guarantee of quality in two key sections -fruit and meats- which has allowed us to extend "cooperative quality", which eliminates unproductive activities in stores, in addition to improving the quality levels of the product on offer. In 2006, we have continued to tune our operating processes, information systems and cooperation with suppliers to ensure ever-greater traceability. Worthy of especial note has been the progress made in the butchers' section.

**Our Quality and Environment Department has an exhaustive assurance programme, from the farm to the point of sale.**

#### Our laboratory

Our laboratory has three analytical units dedicated to testing compliance with legal parameters and to issuing verdicts on quality. The Chemical Unit obtains data on quality and the presence of undesirable substances. The Microbiology Unit studies possible contamination by pathogens and the Genetics Unit checks aspects such as authenticity (origin) and food safety.

Their work programme focuses on three main areas: product analysis (on the launch of new products and monitoring existing ones), horizontal analyses (to check for specific types of cross-contamination) and campaigns (microbiological controls, the presence of pathogens, food authentication, gluten presence, etc.). They may also cover specific matters due to food alerts.

Its main clients are the Own-Brand Departments, who represented 73.3% of activities in 2006.

In the field of genetic research into distinguishing of species, our laboratory has agreements with the University of the Basque Country and with the Universidad Autónoma de Madrid in the case of birds. We also have an agreement with the companies Ikerlan, Gaiker and Ulma to improve meat packaging and quality control systems. We also work with the Barcelona **Food Safety Observatory** to provide consumers with information on food safety.

### Breakdown of laboratory's activities by client

CUSTOMERS	2005	2006
Own Brand fresh products	34,6 %	39,2%
Own Brand food products	37,6%	33,6%
Purchases	2,4%	11,2%
Business	17,6%	9,0%
Magazine	4,7%	3,1%
Complaints	0,9%	2,0%
Product Quality	1,5%	1,5%
Own Brand non-food products	0,6%	0,5%
Quality Systems	0,1%	
Total no. of samples analysed	7.887	7.442

### Breakdown of samples by analytic programme

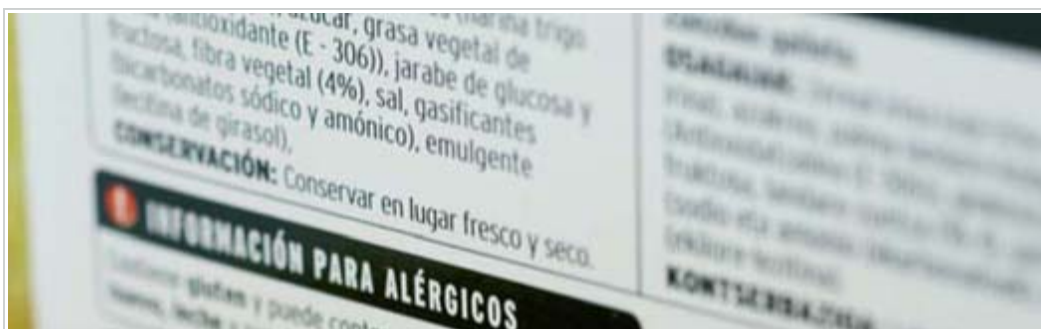
PROGRAMME	2005	2006
Own Brand monitoring	14,3%	24,1%
Freshness campaigns	33,8%	21,0%
Pathogen campaigns	15,5%	12,8%
Capacity studies	2,9%	9,8%
Launch of Own Brands	13,8%	9,7%
Allergens	0,5%	4,4%
In-store handling	0%	3,6%
Comparisons	4,8%	3,1%
Transgenics	4,0%	2,1%
Complaints	0,9%	1,9%
Local suppliers	0%	1,9%
Non-programmed	1,8%	1,0%
Hygiene of dist. centres	0,1%	1,0%
Vitamins	0,6%	0,9%
Identification of species	0,5%	0,8%
Food alerts	0%	0,6%
Inter-laboratory	0,5%	0,5%

Fibre	0,4%	0,4%
Pre-prepared food	0,3%	0,3%
Regional tenders	0,7%	0,1%
Auditor'as	0%	0,0%

### Labelling information

Information is vital for the decision-making process. Therefore, our own-brand products include their details on their containers, labels and brochures, allowing consumers to make an informed decision. Additionally all our products detail their supplier and Eroski Natur products also provide information on their origin.

One new feature in 2005 was to ensure the **identification of any allergenic ingredients in own-brand products**, with information on the label.



In 2005, the Quality Department Carried out 1,162 audits and inspections to ensure that Eroski Natur products met the most demanding quality requirements.

## The best range of products

### 4.3 Integrated production. Cold chain control

Cold monitoring is essential to guarantee that products remain within the temperature ranges required to conserve all their properties. This is based on the mechanised HACCP of points of sale, truck thermographs and platform chamber cold control systems.

#### Cold indicators\*

	2005	2006
Point of sale	68	71
Distribution centre	89	89
Transport	68	70

\* Figures refer to year-end

With the aim of rectifying problems and adjusting fresh product requirements, improving control systems and guaranteeing awareness for efficient and productive management, in 2005 we embarked upon an ambitious integrated control plan which involved investments in excess of 16 million euros in the renovation of facilities, technology and changes in working methods.

The plan focuses on four working areas: equipment, control and improvement systems, awareness and work procedures, and covers points of sale, transportation, platforms and suppliers (the latter to be included in the future).

The provision of our trucks with GPS systems improves the cold chain by having real-time control of position and temperature.

Important actions included the provision of our trucks with GPS systems for the optimisation of routes and loads, and improvements in the cold chain by having real-time control of position and temperature.

#### Investments in the cold chain

	2006	2005	INCREASE
Investments made	10.363.00 euros	6.205.7050 euros	67%

#### Transversal cold chain programme. Noteworthy achievements.

	DISTRIBUTION CENTRE	TRANSPORT	POINT OF SALE
Equipment	2005. Adjustment of cold storage temperatures. 2006. Installation of evaporators in display cabinets	2005. Meat transported exclusively at 100% of distribution centres	2005-2006. Change of furniture and improvements to machine rooms
Control systems	2005-2006. Installation of control systems in 90% of the distribution centres	2005. Temperature recorders in 100% of lorries. GPS guidance in 6 lorries. 2006. Installation of GPS in 40% of lorries	2005-2006 Installation of control systems in 85% of sales outlets. 2006. Adaptation of facilities, installation of Cold Acquisition Units (CAU) and connection to centres.
Improved knowledge	2005. Temperature measurements at the loading bays of distribution centres. 2006. Meat temperatures monitored from reception through to the shop.	2006. Meat temperature monitored at reception from the lorry through to the shop.	2006-2007. Meat temperature monitored from reception at the shop through to the display cabinet.

<b>Operatives</b>		2006. Combined transport of pre-prepared meat and fruit at 2°. 2006. Ratification of the loading, unloading, pre-chilling of meat and refrigeration processes	2005. Good Practices Manual to guarantee the cold chain. 2006. Ensure correct use of Cold Chain Manual. Verify through internal and external audits.
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## The best range of products

### CASE STUDY: Products with values

We are not only looking for a "good" price. We know that consumers have specific needs and preferences, which evolve and change over time. Different channels allow us to gauge new requirements that allow us to adapt to these new consumer needs and preferences, incorporating improvements into our product range.

For example, aware of **health** concerns, 2005 saw our Eroski product labelling include **allergy information**, a contact telephone number and an updating for nutritional information. Also, from September 2006, consumers have information on **EROSKI own-brand products suitable for celiac sufferers**, which involves permanent monitoring by Eroski to ensure the absence of gluten in products. More than 293 food, 57 fresh food and 5 prepared food products have been identified as such.

#### Labelling information

Our organic food policy received recognition in 2006 with the prestigious Ecogourmets award.

Additionally, consumers' environmental concerns have led us to broaden our range of **personal care products not tested on animals** and of **organic canned vegetables**-the latter by express request.

#### Organic products in 2006

	2006*
Own Brand	6
Fresh products	6
Food	8

\* Figures relating to year end

Our commitment to the environment is also made clear in the new Eroski Garden range of garden furniture with FSC environmental certification, which identifies products made with wood from sustainable forests (for more information, go to [www.fsc-spain.org](http://www.fsc-spain.org)). In compliance with our policy of adding responsible products to our range, our goal is for all our stationery and household goods to be sustainable in origin in 10 years.

Our Ecron brand, on sale exclusively in Eroski hypermarkets and highly attractive to consumers, includes in its range all **manner of Class A appliances** which allow users to equip their homes economically and ecologically.

The FSC (Forest Stewardship Council) promotes environmentally-responsible and economically-viable management of forests throughout the world.

Our Eroski Natur brand, in addition to guaranteeing origin and flavour, is also subject to environmental controls such as the recycling of greenhouse plastics and treatment containers, the limiting of plant health products and amounts of nitrates, and the banning of the use of medicated fodder for meat products.

#### Environmental criteria of EROSKI Natur

% OF EROSKI NATUR PRODUCTS THAT INCLUDE ENVIRONMENTAL CRITERIA	2004	2004	2006
EROSKI Natur fruit and vegetables	23,6	28,29	29,61
EROSKI Natur meat	33,8	23,52	16,60

We guarantee that the Eroski brand contains **no genetically-modified ingredients**. To ensure this undertaking is complied with, we have a work programme that controls the absence of genetically-modified organisms (GMO). Outside bodies such as the authorities and NGOs carry out blind testing of our own-brand products, which have only given a positive under a few exceptional circumstances: this allows us to state with some confidence that our controls can be seen as a deterrent that promotes the proper behaviour of the suppliers with which we work.

Furthermore, the Grupo Eroski policy with regard to other brands' products is focused on requiring that they meet the European regulations on labelling and traceability (Regulation EC no. 1830/2003).

## Transgenic control of Own Brand products

	2005	2006
No. of OGM analyses	315	155

### Fair trade and the environment

The organisation of fair trade producers ensures that its members protect the environment by means of a series of rules:

- Crop rotation.
- Choosing the crops most suited to the land.
- The use of natural fertilisers.
- The use of low-shade crops.
- The banning of planting crops in virgin jungle areas.
- Protection and maintenance of areas around water source.
- Reducing the use of synthetic, non-natural fertilisers and pesticides.
- Cutting energy use, especially from non-renewable sources.
- Conservation and boosting of the soil structure to achieve sustainable agricultural production.
- The non-use of agro-chemical products.
- The encouragement of organic farming if practical in light of the social and economic situation of producers.

An increasing number of consumers are seeking guarantees on the origin and production conditions of their purchases. The **Fairtrade mark** was created with the intention of supporting these products. For more information, go to [www.fairtrade.net](http://www.fairtrade.net). This mark is the guarantee that the item bearing it meets international fair trade criteria: fair salaries, respect for workers' rights and protection of the environment, in addition to making investments to improve social conditions in the producing organisations. Thanks to this alternative trade, millions of people in the countries of the South can live life in dignity and guarantee a future for their children. We have signed a collaboration agreement with the Fair Trade Labelling Organisation to promote the presence of the Fairtrade mark on these products, which can already be found in Eroski hypermarkets. 2006 saw the 5th campaign, which allowed us to increase sales of Fair Trade products by 65%.

### Fair Trade sales

	2005	2006
Net turnover in Fair Trade products	164.609,67 euros	271.943,98 euros
% of total net sales	0,003%	0,004%
Net turnover of Cocoa Cream	15.842,64 euros	16.156,80 euros
Net turnover of Instant Cocoa	22.728,60 euros	25.166,52 euros
Net turnover of Natural Ground Coffee 10	94.631,28 euros	202.504,56 euros
Net turnover of Mascao Organic Milk	8.075,25 euros	6.131,00 euros
Net turnover of Mascao Pure Milk	10.974,00 euros	7.502,00 euros
Net turnover of Taza Afrikao cocoa powder	12.357,90 euros	14.483,10 euros

2005 witnessed the launch of two "socially-responsible" games, specifically two EDUCA puzzles, making us the first company in Spain to create a product whose manufacturers make a commitment to the human rights of their workers: this guarantees the prohibition of child and forced labour and discrimination, in addition to making requirements in the fields of hygiene and safety, working hours and remuneration of all the suppliers involved in their production.

In addition to identifying the product as such with a mark, all this information appears on the back

and was made available to consumers in an informational campaign.

## Society and the environment in the value chain

### 5.1 Management focus

Our commitment to the environment, health and solidarity is not only applied internally. Under the umbrella of our ethical management system and ECOPLAN, we cooperate with the entire value chain through programmes aimed at consumers, customers and suppliers.

#### Internal processes

Integrated horizontally throughout the entire organisation, our environmental commitment finds material form in management programmes aimed at **reducing greenhouse emissions, consumption of resources and waste production, in addition to the conservation of biodiversity.**

Socially, internal management is aimed out our workers, focusing on **non-discrimination** policies and programmes, minority integration promotion, prevention of workplace risks, promotion of participation in the decision-making process and of employability and personal satisfaction. The results of our efforts are comprehensively covered in Chapters 6 and 7 of this report.

#### Consumers and customers

In addition to making available to them responsible products, as described in the preceding chapter, we wish to instil our values through a wide variety of activities managed by the Fundación Eroski and designed to inform, encourage healthy lifestyles, raise environmental awareness and promote solidarity.

#### Artea environmental certification

The Eroski hypermarket in Artea has had ISO 14001 environmental certification since 2000. The monitoring of information in Artea forms the basis for estimating consumption, emissions and waste disposal in other points of sale. Additionally, it has become the test bed for environmental improvements to the sales network, acting as a pilot centre for initiatives such as those described in this and previous reports.



The extension of environmental responsibility to society is channelled via activities in the points of sale themselves, such as talks by experts and campaigns supported by stands, collectables and brochures. The actions go beyond our customers to consumers at large by means of news channels on the internet and those aimed at Fundación Eroski member-friends.

The extension of environmental responsibility to society as a whole is carried out via activities in the points of sale themselves with campaigns supported by stands.

#### Our suppliers

We establish agreements with trades union and product manufacturers that **promote progress at a local and regional level.** Additionally, we have internal policies aimed at achieving socially-responsible practices designed to support **human rights, solidarity and respect for the environment.**

The requirement for certification of the legal and sustainable sourcing of products is a growing trend we share with Intercoop, the international non-food purchasing platform. Before being registered as such, suppliers are sent the code of conduct, which contains these principles and which is subject to audits. This task, designed and managed by the Ethics Committee, covers not only own-brand ranges but also the entire purchasing centre.

## Society and the environment in the value chain

### 5.2 Our environmental behaviour

#### 5.2.1 Climate change

Our most significant contribution to climate change is due to energy consumption and, to a lesser extent, leaks of cooling gases and fuel at petrol stations.

As far as electricity consumption is concerned, it can be said that this is most intensive in hypermarkets. Its monitoring at the Artea hypermarket allows for extrapolation and thus for the calculation of the total consumption of all hypermarkets. These last two years have seen an increase on the sales floor in the aim of providing greater comfort to customers.

Our commitment to the environment, health and solidarity is also applied throughout the entire value chain: consumers, customers and suppliers.

As far as the contribution from logistics activities, this is comprehensively covered in this chapter's section on our climate change commitment.

#### Electricity consumption and climate change in hypermarkets

	2005	2006	VARIACIÓN 2006
Electricity consumption (kW)*	178.158.481	199.101.601	+3,95%

\*Assuming that 1 KW = 0.0036 GJ.

## Society and the environment in the value chain

### 5.2 Our environmental behaviour

#### 5.2.2 Use of resources

The last months of 2006 saw the implementation of a new production process in the fish section of the Artea supermarket, reducing attended product sales in favour of sales of consumer-sized portions of products on trays. This measure, although increasing packaging, has led to a reduction in the amount of water used in the centre for product cleaning and preparing, as well as the amount of water used in manufacturing crushed ice for the fish counter.

#### Use of water (in Artea hypermarkets)

	2005	2006	VARIATION 2006
Water consumption (m <sup>3</sup> )	6.732	6.501	-3,43%

As has already been noted, packaging consumption has increased due to the significant implementation of the consumer-portion model in the fresh food section. Additionally, a reduction in carrier bag thickness has led to an increase in their consumption.

#### Consumption of packaging (in Artea hypermarkets)

		2005	2006	VARIATION 2006
<b>Consumption of packaging</b>	Total consumption (units)	3.381.438	3.714.624	+8,17%
<b>Consumption of T-shirt bags</b>	Total consumption of T-shirt bags (units)	6.684.000	8.447.000	+30,82%

## Society and the environment in the value chain

### 5.2 Our environmental behaviour

#### 5.2.3 Waste management

Our main actions in 2005 and 2006 have been aimed at defining and implementing collection systems that guarantee compliance with regulations on by-products of animal origin, as well as the collection and management of waste from electronic and electrical equipment (WEEE). In the case of the former, we have worked on the collection of meat waste by means of the centralisation in our platforms, from which an authorised management concern subsequently removes them for proper treatment.

With regard to WEEE, Grupo Eroski has adhered to an integrated ECOTIC management system that means we can guarantee that our customers' WEEE are handed over to an authorised waste management concern, where those components that can be recycled or reused are separated from those that must be managed as hazardous waste.

We guarantee that waste from electrical and electronic equipment is handed over to authorised management concerns that are responsible for managing the hazardous waste.

We have continued with selective separation and removal by an authorised manager, in addition to the measures of reduction at source, focused on stock management, recycling and reuse, above all of logistics packaging. No complaints of non-compliance have been received in this area.

#### Waste generation (in Artea hypermarkets)

	2005	2006	VARIATION 2006
Totals (kg)	949.006,5	908.170,5	-4,3%
HW (kg)	5.796,5	4.610,5	-20,5%
Recycled waste (kg)	543.310	548.960	+1,0%
Recycled waste (%)	56,98	59,64	+4,67%

## Society and the environment in the value chain

### 5.2 Our environmental behaviour

#### 5.2.4 Biodiversity

As noted in the preceding chapter, we contribute to preventing the loss of biodiversity by introducing sustainable agriculture practices in our own-brand fresh food and wood ranges, as well as guaranteeing that our personal care products are not tested on animals. Similarly, we do not sell own-brand products which have been genetically modified, analysis of which is rigorously carried out in our laboratory.

As far as our property development activities are concerned, both shopping centre and housing, in addition to applying energy efficiency requirements, we ensure legal compliance with protocols established for evaluating environmental impact, on the basis of the sensitivity of the environment in which building is to take place. We have received no complaints or claims regarding any breach of our commitment to conserving biodiversity.



We do not sell own-brand products which have been genetically modified and, to guarantee this, we subject them to rigorous analysis in our laboratory.

## Society and the environment in the value chain

### 5.3 Raising customer and consumer awareness

#### 5.3.1 Campaigns activities and initiatives

The direct involvement of consumers allows us to combine efforts to increase both the economic impact and the repercussion of initiatives in support of environmental protection and social progress. It is as part of this belief that, with the **Fundación Eroski**, we carry out a wide range of activities that raise customers' awareness and provide them with information at our points of sale.

#### Strengthening consumer awareness

	2005	2006
No. of participants in environmental awareness-raising activities	252.500	288.440
No. of participants in activities relating to healthy lifestyle habits	1.747.355	1.643.831

#### EROSKI Healthy Ideas Forum 2005-2006

2005	COMMENTS
How to teach children to love music	We collaborated with the Magistralla Foundation in organizing a summer camp for young musicians
Wellbeing through reading	
About citrus fruit	With the involvement of chef Manolo Rincón
A story of excellence	Featuring gymnast Gervasio Defer
Change your look, change your mood	Featuring hairdresser Lluís Llongueras
A life in sport	Featuring mountaineer Edurne Pasaban
How to prevent cholesterol	With the collaboration of the Kaiku Institute for Health

To make the advice of professional experts on health and wellness more accessible to society at large, we hold talks in points of sale as part of what we call the **Eroski Healthy Idea Forums**.

We also carry out campaigns supported by stands, collectables and leaflets on healthy lifestyles, environmental awareness and solidarity.

#### Campañas Idea Sana EROSKI 2005-2006

SUBJECT MATTER	2005	COMMENTS
Preventing obesity is an EROSKI Healthy Idea		2005-2006. As part of the campaign, in November we organized a Healthy Eating Exhibition and joined the March against Diabetes in 2005
Lamb and mutton		2005.
Eat well, eat healthily		2006. Together with the Foundation for the Development of the Mediterranean Diet (FDDM))
Promotion of reading		2005. With the collaboration of the José Manuel Lara Foundation.
Healthy Eating Exhibition, Heart Week and the World Heart Day		2006. In collaboration with the Spanish Heart Foundation (FEC).
About Plants		2005. In conjunction with the Madrid Society for the Protection of Animals and Plants.
About ice-creams		2005. In conjunction with the Spanish Association of Ice-Cream Producers.

Food and Information	About Jerte Beer	2005. With the Control Board of the Jerte Beer Protected Designation of Origin.
	Healthy Tanning	2006. With the Spanish Cancer Association (AECC), the International Optometry Centre (COI) and the first Spanish centre of Postgraduate Studies in Optometry.
	Healthy sunbathing and leisure time	2005. With the collaboration of the Spanish Cancer Association. (AECC).
	EROSKI Healthy Ideas with the Road to Santiago	2006. Free food bags were given out comprising water, nuts and raisins at various EROSKI shops along the Pilgrim's Road to Santiago.
	Todos.es, todos en Internet	2005. We support the Ministry of Industry's initiative to disseminate and promote the use of the Internet.
	Celiac disease, a life without gluten	2006. With the collaboration of the Spanish Federation of Celiac Associations (FACE).
	Promotion of Water Therapy	Together with the Spanish Water Therapy School (ENAT)
	Toy Consultancy	2005-2006
	Calcium and Health	2006. With the collaboration of the Spanish Foundation for Osteoporosis and Metabolic Bone Diseases (FHOEMO).
	Olive Oil	2006. With the Olivar Foundation.
The Environment	Eggs, a well-rounded foodstuff	2006. Together with Institute of Egg Research.
	Safe driving habits	2005. Together with the RACC.
	Cork, an organic material	2006. With the environmental organization WWF/Adena. This campaign won the Glad?or Award for raising consumers' awareness, given by EUROPA CORK.
	EROSKI reusable bags	2005-2006. This bag was given out free of charge at all EROSKI stores, and sold at 15 cents once the initial stock run of 450,000 bags had been exhausted.
	An environmentally-friendly summer	2005-2006. In conjunction with the Federation of Nature Education and Conservation Associations.
	Saving Water	2005-2006. With WWF/Adena.
	Let's stop forest fires!	2005-2006. With WWF/Adena.
	Recycling packaging	2006. With ECOEMBES
	The importance of recycling	2005. With ECOVIDRIO, WWF/Adena and Asimelec.
	In support of birds	2006. In conjunction with the Spanish Ornithological Society, SEO/Bird Life.
	Recycling Fortnight	2006. Together with Asimlec.
	Climate Change Fortnight	2006. Together with WWF/Adena.
	Solidarity	I support...
Fair Trade Fortnight		2005-2006. With Intermón-Oxfam
Get wet for Multiple Sclerosis		2005-2006. With the Spanish Multiple Sclerosis Foundation.
25 for 2005		2005-2006.. Together with UNICEF, supporting the education of young girls in 25 Third World countries.

**Fair Trade stamp**

2005. With Intermon-Oxfam. 2006 Together with the Fair Trade Stamp Association

**Just a little of your shopping means a lot**

2005-2006. Together with the Spanish Food Bank Federation (FESBAL)

In 2005, we signed an agreement with the Foundation for the Sustainable Development of the Balearic Islands to distribute the "Green Card" amongst our customers, an initiative that combines shopping discounts with protection of the islands' natural heritage. In addition to training and informing, we provide our customers to put their ideals into practise.

Grupo Eroski's membership of the ECOTIC integrated management system allows our customers to dispose of waste electronic and electrical equipment (WEEE), with the guarantee that they will be handed over to authorised waste management concerns who will separate reusable and recyclable components.

We also have the **Plan Renovar domestic appliance replacement scheme**, which has led to the renewal of more than 90,000 such devices. Growing consumer concern for energy savings has been boosted by aid granted by Spain's Ministry for Industry, Tourism and Trade and autonomous community governments. Consumers thinking of purchasing a domestic appliance and wishing to take advantage of this aid can request information at Eroski hypermarkets, where they will be informed of the implementation of the aid and the steps to be taken to obtain it.

In practice, replacing domestic appliances in the home can be highly advantageous. If a family were to replace all its Class D (conventional) appliances for new, Class A (efficient) ones, their electricity bill would be cut by 12% a year. Washing machines save not only electricity, but water: a Class A machine would save more than 35,000 litres of water over the course of its useful life.



With the Fundación Eroski, we carry out a wide range of activities to inform customers and raise their awareness of environmental protection and social progress.

Also, thanks to our customers, the reusable shopping bag continues to help the environment. Hundreds of them have joined this ecological trend and take their shopping home in one, for the modest price of 15 eurocents. With its attractive, modern, colourful design, it saves up to 15 traditional bags. The bag is also made of recyclable materials and contributes to caring for our natural environment. If the bag breaks or becomes unusable, all that has to be done is to ask for a new one at Eroski hypermarkets and it will be replaced, free of charge and as often as is required.

## Society and the environment in the value chain

### 5.3 Raising customer and consumer awareness

#### 5.3.2 Keeping consumers informed

The Eroski cooperative, in its role as a consumer association, makes great efforts via the Fundación Eroski to educate and inform consumers. This commitment finds material form in the publication *Consumer Eroski* and its electronic version, *Consumer.es Eroski*. This latter newsletter has become the eighth most popular internet communications media amongst Spanish users.

Consumer.es Eroski analyses daily life, always from the viewpoint of consumer rights, providing information that allows consumers to decide at all times what is in their best interests. Additionally, it is committed to sustainable consumption, offering information on everyday forms of reducing environmental impact. Rigour, accuracy, usefulness and clarity are its watchwords.

It is structured into five types, with complementary formats, publication intervals and contents:

- **A daily e-newsletter:** more than 30 new items of information every day on food, housing, consumer rights, travel, new technologies, the home economy, DIY, cars, education, science, the environment, health, solidarity and food safety.
- **A monthly magazine:** all the copies of today's consumer magazine, in their entirety since 1998. Also in PDF format.
- **Practical guides:** e-books providing handy tips for everyday life.
- **Online schools:** practical courses on complex everyday issues.
- **Consumaseguridad.com:** a web site specialising in food safety, seen from a consumer perspective.



Consumer.es Eroski's internet leadership on everyday life issues has been strengthened. This has been achieved by sustained growth in readership, through ongoing improvements in usability and the increasing diversity, quality and usefulness of the information it provides. According to official figures, our [consumidor.es](http://consumidor.es) site, with its **two million discreet users** every month, is Spain's eighth-most popular internet communications media.

Excellent progress continues to be made in adding new subscribers to our eight e-newsletters (the weekly summary of Consumer.es Eroski, the printed magazine, food, new technologies, consumer safety, solidarity, environment and health). By the end of 2006, we had almost **400,000 subscribers**.

We have extended and improved our Health and New Technologies thematic channels, the former aimed a traditional users and the latter designed more for those young people who are difficult to reach with printed publications. Both channels have already demonstrated their ability to awaken interest: New Technologies already has more than 25,000 subscribers and Health 17,000. Other Consumer.es Eroski channels to have received a boost in the past year have been Environment and Solidarity: the weekly Environment e-newsletter already has 11,000 subscribers and Solidarity more than 6,000.

These four new newsletters join the existing Food, Food Safety and the generic The Best of the Week and the monthly printed magazine. Every month of 2006 achieved, on average, more than 12,000 new

subscribers.

## Helping you to get it right

Once again last year, the magazine published comparative product analyses to help consumers make the right purchase and understand the main features of products. The leading examples of non-food products were snow chains, medium-level mobile phones, compact vacuum cleaners, whitening toothpastes, thermal t-shirts and recordable CDs. In food items, they were mass-produced pastries, bottled sauces, energy bars, calcium-enriched milk, strawberry jams and salt in prepared foods.

### Other printed guides

#### published in 2006

- **The Consumer Eroski Practical Guide to Meats.** Published in the last week of May, with 285 full-colour pages and a print run of 5,000 copies.
- **The Consumer Eroski Practical Guide to 39 World Heritage Sites.** Published in the middle of January 2006, with more than 350 full-colour pages and a print run of 5,000 copies.

## The quality of our informative products

To gauge the quality of our informative products, we carry out surveys, year after year, of our most regular users. The goals for these indicators are an average overall assessment grade of eight points in the survey of satisfaction of regular readers of the printed magazine and a further eight in the survey of Consumer.es.

These two years have seen the e-newsletter passing the quality threshold. The printed magazine has increased its score, coming every closer to the goal set. If 2005 was the year which saw the bolstering of the Consumer.es Eroski project on the internet, 2006 witnessed the launch of the new, upgraded *Consumer Eroski* magazine, with a significant leap forward in quality, introducing new sections and improving its paper and design. It also improved aspects such as user-friendliness, consistency, thematic diversity and visual attractiveness, changes supported by a participative committee made up of more than 20 people, two thirds of whom were not part of the magazine.



Consumer.es EROSKI analyzes the daily life from the optics of the rights of the consumer and it informs to him so that it can decide most advisable for its interests.

### New international award for our informational graphics

In March 2006, the informational graphics published as a whole in 2005 in Consumer.es Eroski received two bronze medals from the international jury of the Malofiej awards, at a ceremony during the closure of the World Infographics Summit, organised by the Spanish Chapter of the Society for News Design (SND-E) and the Communications Faculty of the University of Navarra.

## The quality of our product information

GENERAL RATING OUT OF 10	2004	2005	2006
Survey of magazine readers (print version)	7,7	7,7	7,84
Survey of subscribers to Consumer.es	8,39	8,40	8,30

## Society and the environment in the value chain

### 5.4 Working with suppliers

#### 5.4.1 Strategic suppliers approval assessment and monitoring

Our requirements and undertakings lead us to maintain strategic partnerships with suppliers of own-brand meat, fruit and vegetables. In 2005 we had 13 agreements on Eroski Natur meat products, which represented 70% of sales of this product type. In the case of fruit, 39 farms signed our Natur term sheets on farming practices and sensorial parameters, covering 48% of all the fruit and vegetables sold in our stores.

With regard to protecting the environment, in addition to controlling the environmental attributes of Eroski Natur products (see Chapter 4), environmental management also covers our supply chain through a programme of classifying suppliers based on the extent to which they implement an ISO 14001 or EMAS-compliant environmental management system. Under the "e+5" approach ([www.emas5.com](http://www.emas5.com)), 2005 saw the classifying of 39% own-brand suppliers, a figure which rose to 81% in 2006.

This approach also includes a comprehensive help and training dossier which we make available to our suppliers to help them to gradually progress to certification of their system.

We have a scoring system which we use to classify each supplier with a score that complements the e+5 classification and which is used as an indicator to monitor the level of compliance with the Management Plan.

#### Environmental performance of Own Brand product suppliers

	2005	2006
No. of e+5 evaluations made	147	241
% suppliers evaluated by e+5	39%	81%
Rating achieved	1,93	2,06
% of environmental improvement in suppliers evaluated	ND*	7%

\* This indicator is not mentioned

2006 did not see the set goals achieved, the main reason being the low level of environmental management in the agro-food sector. To correct this situation, we have taken the following measures:

- The sending of e-mails and telephone conversations between the person responsible for the specific product and the own-brand supplier, to underline the importance for the Grupo Eroski group that all its suppliers are, at least, Level 2-compliant.
- The monitoring of improvement plans to increase their level of environmental management, a task that falls to those approving producers.

Our requirements and undertakings lead us to maintain strategic partnerships with own-brand meat, fruit and vegetable suppliers.

With regard to the social management of our supply chain, and under the supervision of the Ethics Committee, the SA8000 management system covers in the purchasing centre and high-risk products: textiles, toys, electronics and sundry. These are subject to an annual audit that guarantees compliance with ILO standards on respect for human rights in the workplace, controlling the absence of child and forced labour, remuneration, training, risks, freedom of association, working hours and non-discrimination.

#### Table 11. Ethical behaviour of Own Brand product suppliers

	2004	2005	2006
No. of evaluations made	40	50	54
% of suppliers evaluated	100%	100%	100%

No. of non-compliances	2	3	NA
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## Society and the environment in the value chain

### 5.4 Working with suppliers

#### 5.4.2 Regional and local suppliers

Since 1996, we have been supporting regional and local suppliers through an initiative that is unique in the sector. This is a permanent in-store area where local producers offer their products in the network of **Regional Shops** and the local sections in Eroski hypermarkets.

For the promotion of regional products, we have signed a range of agreements with authorities and institutions. In 2005, we agreed to actively collaborate with the *Diputación de Málaga* (the Malaga provincial authorities) on the promotion and sale of products from Malaga in the province's hypermarkets. We also assisted in the promoting awareness and consumption of beef certified by the IGP (*Indicación Geográfica Protegida*, Protected Geographic Indication) of *Ternera Gallega* (Beef from Galicia). We also continued to collaborate with LANDALUZ, the Andalusian Business Association for Agro-food Quality in the Andalucía, a tradition of quality campaign.

We have signed a range of agreements with authorities and institutions on the promotion of *denominación de origen* products.

2006 saw institutional accords focusing chiefly on promoting Navarra's *denominación de origen* and other products from the region, monographic collaborations on products from Andalucía under the agreement reached with the Community's government and the promotion of artisanal products with the *Diputación de Málaga* and *Lurlan Artesanos País Vasco*, a Basque craftsmen's organisation.

With our Eroski Healthy Idea, we explained the characteristics and benefits of products such as the Jerte cherry, the Calanda peach and the Canaries banana, all covered in 2005.

## Society and the environment in the value chain

### 5.5 Helping to reduce the greenhouse effect. The logistics chain: optimisation and alternative fuels

We at Eroski are keenly aware that climate change is the most serious environmental problem faced by humanity, with far-reaching consequences for our health and for the economy. According to our risk matrix, transport, one of the core aspects of our business, is that which makes the greatest contribution to climate change. One of the key elements of the new Grupo Eroski Environmental Plan is the reduction of emissions from transport. To this end, we have, over the last two years, formed a working group made up of Consumer and Logistics staff which has studied the different alternatives for the environmental optimisation of transport, with the support of outside experts.

The mission of this Green Transport Forum is to implement measures to help minimise CO<sub>2</sub> emissions from Grupo Eroski goods transportation, working on the following pioneering initiatives:

One of the key elements of the new Grupo Eroski Environmental Plan is the reduction of emissions from transport.

- **Inverse flow logistics and eco-efficient urban distribution.** We optimise routes to fill trucks and minimise the distance they travel.
- **The use of means other than trucks.**
- **The use of additives.** 2005 saw the commencement of a project run by experts to use a vegetable-based additive in our trucks' fuel. Test results have been very positive:
  - We have achieved a significant cut in atmospheric contaminant emissions, such as those of carbon monoxide (average reduction 77%) and nitrogen oxides (with a 34% reduction).
  - We have cut fossil fuel consumption by 2.2%. During the months of the test, we reduced CO<sub>2</sub> emissions by 800 kg, the equivalent to planting 80 trees a year.
- **The use of biofuels.** We are working on the definition and design of a pilot test to allow us to use biofuels in the Group's fleet of trucks in 2007.
- **Ecological driving.** During the course of 2006, around 90 workers from the Eroski HQ received ecological driving courses organised by EVE, the Basque energy body. The 4-hour long courses contained both theoretical and practical classes, and led to an estimated 10% reduction in fuel use. More ecological driving courses are planned in 2007 for around 100 Group drivers: in this latter case, the EVE courses will be 8 hours long.
- **Guaranteeing environmental management in haulage companies.** To date, nine such companies have received ISO 14001 certification. For the other six remaining companies, we are working on the progressive implementation of the standard in accordance with the e+5 approach.

The information below on greenhouse gases is not comparable in that it is calculated on different bases (see note at foot of table).

#### Fuel consumption from logistics activities, according to source

	2004	2005*	2006*
Litres of fuel used by transport fleet	36.124.371,90 litros	47.988.410,97 litros	+32,8%

\*For 2005, data was provided by the distribution centres at Pinto, Getafe, Elorrio, Zubieta, Zorroza, Agurain, Cenco, Azuqueca, Zaragoza and Malaga. A Coruña and Sigüeiro were not included. For 2006, data was provided by the distribution centres at Getafe, Elorrio, Zubieta, Zorroza, Agurain, Cenco, Azuqueca, Zaragoza, Malaga, A Coruña and Sigüeiro; Pinto was not included

#### Direct emissions of CO<sub>2</sub> from logistics activities (t = CO<sub>2</sub>/euros)

	2005*	2006*	VARIATION IN 2006
Direct emissions**	0,032	0,039	+21,8%

\*For 2005, data was provided by the distribution centres at Pinto, Getafe, Elorrio, Zubieta, Zorroza, Agurain, Cenco, Azuqueca, Zaragoza and Malaga. A Coruña and Sigüeiro were not included. For 2006, data was provided by the distribution centres at Getafe, Elorrio, Zubieta, Zorroza, Agurain, Cenco, Azuqueca, Zaragoza, Malaga, A Coruña and Sigüeiro; Pinto was not included

\*\*Calculation method; litres of fuel x conversion factor/departures in euros

Furthermore, our commitment on climate change can be seen in our participation in a number of organisations. We have an agreement to work on improving the environmental impact of transport with the *Universidad Pública de Navarra*, as members of the Board of Management of the Basque Country Logistics and Transport Cluster, of which we are founder members and as part of which we investigate the possibilities of minimising the environmental impact of logistics activities, specifically in the design of a pilot scheme for the use of biofuels, which should allow us to optimise performance.

We are working on the definition and design of a pilot test to allow us to use biofuels in the Group's fleet of trucks in 2007.

We have worked in collaboration with the AECOC, the Spanish Commercial Codification Association, in the search for alternatives to road haulage, with very favourable results.

## Society and the environment in the value chain

# CASE STUDY: An agreement with the Ministry of the Environment

We at Eroski support compliance with the objectives of the Kyoto Accord by means of the recent signing of an agreement with the **Spanish Ministry of the Environment**, in which we undertake to reduce CO2 emissions from our facilities and our distribution and transport mechanisms, and to share the result of **Green Transport Initiatives** with other agreement signatory firms.

This agreement forms part of an initiative whereby sectors such as transport and the retail trade, not included in the Act, undertake to work together to achieve the agreement's objectives.

With this agreement, we make a commitment to carrying out specific activities aimed at reducing the demand for energy in our facilities from air conditioning, lighting and the supply of sanitary hot water, to introduce a percentage of biodiesel in our fleet's fuel supplies, to promote efficient driving and to study transport plans for employees with a view to cutting their emissions.

WWF/Adena shall be in charge of coordinating the working group made up of representatives of the signatory companies and the agreement monitoring commission, in addition to reviewing compliance with what has been agreed and disseminating the measures and results via its network.

We support compliance with the objectives of the Kyoto Protocol and undertake to reduce CO2 emissions from facilities, distribution and transportation.

## Quality jobs

### 6.1 Working in Eroski

#### 6.1.1 Workforce figures

The creation of wealth and employment is the result of the growth rate we have achieved in recent years, allowing us to be present throughout Spain and in France and making us one of organisations creating the most jobs in many Autonomous Communities.

We continued to create jobs in the 2005-2006 period, ending 2006 with a workforce of 32,651 employees, of whom 39% are worker-members.



#### Job creation

	2005	2006
Workforce variations	0,97%	2,30%

#### Geographical distribution of employees

AUTONOMOUS REGION	2005		2006	
	Members	Non-members	Members	Non-members
Andalusia	773,5	2.122,4	862,07	2.191,8
Aragon	68,579	1.129	68,282	1.319,6
Asturias	205,11	308,45	243,93	414,77
Balearic Islands	1,2492,	3.250,6	1,6667	2.921,3
Cantabria	334,07	245,76	352,13	241,78
Castile-Leon	705,11	855	736,08	835,03
Castile-La Mancha	546,62	678,79	607,63	624,14
Catalonia	353,59	505,27	347,99	571,84
Extremadura	374,76	272,86	401,52	401,8
Galicia	117,79	336,27	120,68	282,37
La Rioja	152,77	3.385,6	219,1	3.234,9
Madrid	376,2	1.828,7	416,08	1.111,9
Murcia	471,8	442,33	497,48	407,66
Ceuta and Melilla	742,68	378,97	727,5	458,15
Navarre	6.779,6	2.116	6.772,4	2.876
Basque Country	411,65	185,43	400,68	268,53
C. Valenciana	0	0	0	122,85

France	0	1.459,8	0	1592
<b>TOTAL</b>	12.415	19.501	12.775	19.876

## Quality jobs

### 6.1 Working in Eroski

#### 6.1.2 Integrating people

Our mission includes the creation of a business project and model that integrates people and boosts their personal and professional development. As a result, those of us who work at Eroski are considered the basis of the organisation.

In recent years, we have become the organisation that creates the most jobs in many Autonomous Communities.

This means that management aims to encourage participation and communication, improve professionalism and obtain high levels of employment quality. As shown in the tables below, the results of the Personal Satisfaction Survey, turnover rates and absenteeism rates all show the effectiveness of these measures.

#### Results of staff satisfaction survey

	2005	2006
Overall rating (out of 5)	*	3.35

\*Biennial survey

#### Staff turnover rate

	2005	2005
Staff turnover rate *	7.86	8.33

\* In the figures for 2005 the details for Abac, Mercat, Vegalsa and France are missing. The figures on Degasa and Udama are from October onwards only, and the figures for Supera are from January 2005

#### Absenteeism rate

	2005	2006
% general medical absenteeism (illness)	6,11	6,22
% general medical absenteeism (accident)	0,7	0,57
% general medical absenteeism (maternity)	1,55	1,47

\* These figures refer to EROSKI S. Coop. Figures from October only, and the figures for Supera are from January 2005

## Quality jobs

# 6.1 Working in Eroski

### 6.1.3 10 core values of worker members

- **Participation** in company activities, management, equity and results.
- **Personal and professional development** through improving worker member knowledge and skills to permit them progress professionally and as human beings.
- **A sense of belonging.** We are satisfied by goods results and but not by those aspects that can be improved upon.
- **A commitment to communicating with and informing** worker members, both top-down and bottom-up, to be able to gather opinions, suggestions and ideas.
- **Internal solidarity.** We place the collective above the individual and therefore assume majority decisions as our own.
- **Dynamism.** We believe that adaptation to change and innovation are the ways to guarantee compliance with the rest of our values.
- **Customer orientation.** Understanding our customers allows us to predict their needs.
- **Quality of life.** Improvements in quality of life must be made compatible with the nature of our work and be designed to achieve good employment conditions.
- **External solidarity.** We are responsible for improving the society that surrounds us.
- **Professionalisation.** Every worker member must be able to carry out their job or function at a level equivalent to the best, thereby making us competitive as a whole.

## Quality jobs

### 6.1 Working in Eroski

#### 6.1.4 Company worker relations

We enjoy a business model based on the leading role of people as worker members. This means that we participate in the capital, its results and its future progress, thus creating a strong sense of belonging that has a positive impact, in turn leading to improved customer care.

Represented by our delegates (chosen democratically) we can formulate proposals and participate with the right to speak and vote in the company's representative and participative governing bodies (the Board of Members and its Delegate Committees, the General Assemblies of Delegates and the preparatory meetings).

Management in Eroski aims to encourage participation and communication, improve professionalism and obtain high levels of employment quality.

Worker participation is promoted and monitored as part of our ethics system, in response to our commitment to freedom of association and the right to collective bargaining.

In 2006, the Eroski supermarkets signed with the CCOO, UGT and FETICO trades union the **first national collective bargaining agreement for all our companies**, except for the cooperative. Where there were previously 34 provincial agreements there is now one, which provides for a considerable improvement to working conditions and which affects around 11,000 people.

Our first collective bargaining agreement is a great step forward for our group and has also become a point of reference for the sector due to its significant social content.

#### Time set aside for social management and representation

	2005	2006
Hours of social and professional training	10.262	22.436
Hours of company meetings *	51.574,90	45.455,40

\* These figures do not include Abac, CECOSA Hypermarkets, Daprgel, Mercat, Erain, Forum Sport, France, IF perfumeries, Pa i Plats Fets, Propimat Servei y Prau, Servalhos, Tierra Dorada, Vegalsa and Welcoming Travel

One of our great beliefs is a commitment to permanent employment, with a goal of 80% for 2008. We have also formally adopted some of the social advances already existing in the Cooperative, such as quarterly calendars, restrictions on Sunday working, extended leave of absence with job protection, the accumulation of breastfeeding leave and the equivalence of common-law and legal partners.

As far as professional classifications are concerned, we have agreed on the creation of five professional groups, two functional areas and the establishment of the corresponding jobs, with functional mobility being limited to the same group and area. Geographical mobility is also limited and a promotion system has been established on the basis of knowledge and professional skills.

Other subjects included are working hours, holidays and salaries, always with the commitment not to disadvantage any grouping. We have also agreed on the creation of an Inter-Centre Work Health and Safety Committee, and agreement has been reached on the inclusion of protocols on the prevention of moral and sexual harassment, a plan for equality between men and women, a commitment to social responsibility, an undertaking to promote the full integration of men and women with disabilities, a commitment not to discriminate against immigrant and ethnic minority workers and mechanisms for the protection of workers the victim of gender violence.

## Quality jobs

### 6.1 Working in Eroski

#### 6.1.5 Job security

We at Eroski support indefinite employment contracts. Proof of this is the absence of temporary workers covering structural positions and the high percentage of permanent employees on the workforce, as indicated in the table.

Our firm commitment to the creation of stable employment can also be seen in the progressive increase in the incorporation of workers as worker members, whose number is increasing faster than that of the workforce as a whole.

In our recruitment and internal promotion processes, efforts have also been aimed at the full-time employment of temporary workers, always with regard to how their skills fit with the position to be covered and under the premise of open competition.

It should be noted that the Cooperative is bound by the inter-cooperative agreement on aid for the unemployed, regulated by Lagun-Aro, by virtue of which, in the case of structural unemployment, we would have a duty to take on members of other agreement entities or the right to relocate excess members of our own workforce.

#### Permanent staff out of total workforce

	2005	2006
% permanent staff out of total workforce	72,62	73,93

## Quality jobs

# 6.1 Working in Eroski

### 6.1.6 Solidarity in salaries

Our corporate values include the reallocation of part of the remuneration of senior positions so that those with a lower level of responsibility exceed the sector average.

The establishment of remuneration levels is the responsibility of the Evaluation Committee, appointed by the Board of Directors and the Board of Members. They are based strictly on the evaluation of tasks, abilities and the professional work performed. The valuation model is broken down by professional categories and these, in turn, by the results of the evaluation interviews.

Senior management salaries are some 70% below their market value and professional levels around 20-30% above it.

## Quality jobs

### 6.1 Working in Eroski

#### 6.1.7 Equality of opportunity and integration

In addition those regarding temporary workers, 2006 saw us focusing efforts on equality of opportunity for women and the disabled.

With regard to integrating the disabled, we have two lines of action: increasing numbers hired compared with prior years and collaborations with organisation supporting groups with social integration difficulties.

We at Eroski wish to give women a leading role, turning on its head the current trend in the labour market. We are one of the companies with the greatest proportion of women in positions of responsibility, with a representation rate of 64% in management posts.

We are one of the companies with the greatest proportion of women in positions of responsibility, with a representation rate of 64% in management posts.

As far as salaries are concerned, in accordance with the provisions of employment regulations, there is no difference at all between the salary for men and women in the same position.

Our ethical management system is responsible for overseeing this undertaking, monitoring salaries, recruitment and internal promotion processes, boosting gender equality in senior management positions and programmes for the integration of the disadvantaged.

During the 2005-2006 period, no discrimination incidents were detected, thereby meeting the goal set in the ethical management programme.

#### Women in the workforce

	2005	2006
% middle management	72	72
% senior management	34	27
% representation on the CECOSA Board of Directors	43	52
% women in management in GE	67,01	64,84

## Quality jobs

# 6.1 Working in Eroski

### 6.1.8 Human rights

With regard to corruption, our statutes regard as serious misconduct (and cause for suspension and even dismissal) the using of one's status as member to carry on speculative activities, or those against the law, and to receive remuneration, promises or favours of any kind from suppliers, customers or third parties.

## Quality jobs

# 6.2 Social benefits and reconciling private and professional lives

### 6.2.1 Advances in social benefits

We continue to strive to develop measures which meet the needs of our employees. We are the first company in Spain to provide the employment rights available to married spouses to common-law couples.



At Eroski common-law couples benefit from equal rights and we have made progress in social benefits, to the chief advantage of women.

The last two years have seen progress in social benefits, to the chief advantage of women:

- Flexible working hours to boost non-stop working.
- Action protocol for muscular-skeletal injuries.
- Permission to leave work to accompany family members to the doctor.
- Harassment: confidential, prioritised treatment based on a prevention protocol.
- Application of the law in situations of gender violence, supporting change of workplace, the processing of personal leave, justified absence and changes of jobs.

## Quality jobs

# 6.2 Social benefits and reconciling private and professional lives

## 6.2.2 Doing more to reconcile professional and private lives

We have a policy of reconciling workers' professional and private lives that gradually includes measures to optimise their satisfaction and, therefore, their performance. Access is provided irrespective of position.

As part of our plan to improve this area, in 2005 we approved a new form of voluntary leave of absence. From March 2005 on, we extended the term of maternity leave from 12 to 18 months, guaranteeing a return to position and also the accumulation of the breastfeeding leave into 14 consecutive days. We have extended the leave of absence to care for children from three to six years, with the right to request a reduction in working hours for legal stewardship up six years of age for the child or for caring for a handicapped relative.

## Quality jobs

# CASE STUDY: The Equality Observatory

Our commitment to workplace equality has led us to develop a pioneering business project for which we have been awarded the EMAKUNDE partner entity mark for equality of opportunity between men and women.

We have developed the Equality Plan with a view to benefiting our workforce and society as a whole on two levels:

- Conveying our respect for human rights and equality in the workplace to our suppliers and subcontractors, thereby providing an incentive for more than 5,800 organisations.
- Providing an example of good practices for the business world.

To monitor this, we have created the Equality Observatory, a body made up of 17 workers from different areas and representing different interests which is responsible for performing a real-world diagnosis of the situation of female workers within the organisation. This diagnosis allows for the incorporation of their demands, needs and aspirations, thus guaranteeing the effectiveness of the measures.

The actions promoted by the Observatory to date have focused upon the following areas:

- The elimination of physical obstacles, social prejudices and traditional roles that perpetuate discriminatory habits.
- The use of non-sexist language in the workplace: we have published the Guide for Equality-Based Communications in Eroski, in collaboration with the cooperative organisation HISPACOOOP, and promoted professional training and internal promotional campaigns.
- Improving working conditions affecting the health and wellness of women, providing workshops on health at work, from both a preventative and palliative point of view.
- Implementing measures that help reconcile personal and professional lives: we offer the chance to take advantage of more flexible or reduced working hours, increases in maternity leave, etc.



The Equality Observatory has been created to carry out a real-world diagnosis of the situation of female workers within the organisation.

## Equality Plan

	INDICATOR OF OBJECTIVE	ACTION
<b>ADAPTATION OF LANGUAGE</b> Staff training in the use of non-sexist language	<ul style="list-style-type: none"> <li>• External audit on the use of language in official documents, internal and external communications, presentation material, events, etc.</li> <li>• Qualitative report from the EROSKI Board of Directors on language use, with recommendations for improvement</li> </ul>	Style book on non-sexist language
		Criteria for using images and slogans in communication supports: advertising and external images
		Adaptation of the Articles of Association and Internal Regulations on the use of discriminatory language
		Adapt corporate communication supports to use non-sexist visual and written language: Nexo and Aduana, Interdog, Sede, etc.
		Introduce the male/female

		variable in applications, questionnaires and information systems
<b>REMOVAL OF PHYSICAL BARRIERS</b> Creation of optimum workplaces adapted to women's physical conditions	<ul style="list-style-type: none"> <li>Reduction of the occupational accident rate for women that relate to their jobs and working conditions</li> </ul>	<p>Evaluation of jobs and tasks when defining ergonomic criteria for protecting women at work.</p> <p>Development of occupational health and safety programmes that put a specific emphasis on women's problems</p>
<b>COMMUNICATIONS</b> Raise the awareness of the men and women working at EROSKI so their actions and decisions contribute enforcing non-discriminatory measures	<ul style="list-style-type: none"> <li>Perception of 7 on a satisfaction scale of 1-10</li> </ul>	<p>External awareness-raising campaign on discrimination</p> <p>Advertise the presence of women in management positions</p> <p>Raise awareness through the social entities</p>

## Professional development and safety

### 7.1 Training and personal development. Training plan and results

Training, as a tool to boost the employability and personal development of our workers, is a permanent priority for us.

Diagnoses of training needs and personalised training plans are carried out on the basis of a classification of job positions by the Job Evaluation Committee.

Over the 2005-2006 period, our training plans covering Prevention of Workplace Risks, Knowledge for Optimal Performance of Jobs, Corporate Training and Continuous Improvement Training prove to be a valuable tool for improving our employees' skills.

En 2005 dedicamos 343.950 horas a formación, mientras que en 2006 empleamos 367.753. Además de los manuales y el proceso de acogida para nuevas incorporaciones (que dura una semana), la inversión se orientó a mejorar los conocimientos y habilidades, tanto profesionales como personales, destacando:

In 2005, we spent 343,950 hours on training, a figure that increased to 367,753 hours in 2006. In addition to the manuals and week-long induction process for all those joining us, investments are aimed at improving knowledge and skills, both professional and personal. Worthy of especial note are the following:

In hypermarkets, 2005 saw the entire workforce embarking upon a two-year customer service training course with a total of 35,000 training hours.

- **Corporate:** more than 5,561 workers from all areas participated in the 2006 corporate programme, in addition to the 1,952 in socio-employment training.
- **Hypermarkets:** 2005 saw the entire workforce embarking upon a two-year customer service training course with a total of 35,000 training hours. This focused on the checkout area, domestic appliances, fish and cold meats and fish. In 2006, the more than 119,000 covered shelf stacking teams, both food and non-food, fruit, bakery and butchery.
- **Supermarkets:** workers spent more than 77,000 hours on customer service training projects. We also gave around 13,000 hours of socio-employment-related classes.
- **Platforms and logistics:** in 2005, 150 people with management responsibility in the Logistics Department worked at points of sale to understand customer requirements, familiarise themselves with work processes and draw up proposals for improving their service.
- **Eroski/viajes:** as part of the more than 18,000 hours spent on training, 2006 witnessed the start of the Social Project with 2,170 hours training hours being given to 272 people.

#### Our dedication to training

	2005	2006
Total hours	343.950	367.753

#### Social and occupational training

RESULTS	2006
Total hours	27.215
No. of employees trained	1.952

#### Corporate training by category

CATEGORY	RESULTS	2006
All	Total hours	58.011
	Total cost	828.234 euros
Directors and senior management	Total hours	7.838

	Total cost	224.599 euros
<b>Technicians and middle management</b>	Total hours	14.883,2
	Total cost	145.800 euros
<b>Admin and salaried staff</b>	Total hours	9.921
	Total cost	97.620 euros

Includes cost of social/occupational training

### The Leadership Programme

Our Leadership Programme arose from the need secure the direct involvement of directors and management as catalysts for personnel management policies. The Programme has focused on the consolidation of attitudes and working practices, employing tools that facilitate relations and allow for the exercising of influence without them resorting to using their professional status.

After two years of the Programme, 2005 drew to a close with results that speak for themselves: 2,219 members of management trained, 51,970 training hours given, 2,200 self-diagnoses on the state of the company, 6,000 suggestions for improvement and 60 senior and 200 middle managed assessed by their colleagues.

The Programme is currently being expanded to include travel agencies, supermarket companies, Erosmer hypermarkets, logistics platforms and the Eroski S. Coop. headquarters.

### The PARET programme

It is our belief that the effective participation of workers is the best way to ensure workplace efficiency, thereby increasing their satisfaction. Over the coming four years, we are planning to develop and generalise this participative management model in the shopping centre and supermarket business areas of Grupo Eroski. To this end, we have developed the PARET (Participación Efectiva en el Trabajo or Effective Participation at Work) Programme with the aim of bring decision-making power closer the points where the relationship with the customer actually takes place, involving POS teams in all those variables that maximise the shopping experience and which make us an acknowledged point of reference in the sector.

To make this participation structural, rather than ad-hoc, we plan to:

- Improve information systems, providing teams with the automatic information they need to take decisions.
- Modify the distribution of functions with the different roles and responsibilities to be assumed by the different job positions.
- Improve customer relations.

To date, the Programme has been implemented in six hypermarkets and 23 supermarkets. During the course of 2006, almost 1,000 people have spent nearly 7,000 hours on developing the Programme.

Our culture of internal promotion has also led us to invest in revision training processes, which as allowed us to fill more than half of our vacancies internally.

Performance evaluations have allows us to gauge the success of our training and skills improvement efforts. These are carried out annually on more than 90% of the workforce via a personalised interview that, in addition to measuring their personal and professional performance, allows us to set agreed goals and gather suggestions.

## Professional development and safety

### 7.2 Health and safety. The prevention of workplace risk programme

Within the framework of our programs of prevention of labor risks in period 2005-2006 it fits to emphasize the following activities:

#### Program of health and labor security

2005	2006
Continuation with the Plan for the evaluation of the psycho-social risk in all the businesses of the GROUP; throughout the exercise it has been carried out in the supermarkets and supermarkets of EROSKI S.Coop., in Cenco and a commercial zone of It surpasses. In addition, in Platforms it has been realizado in the CTC-Getafe, in the PPF_Pinto and the PNA-Azuqueca. The used methodology has been developed by the Navarrese Institute of Labor Health as well as the the one of the INST.	Revision of the System of Management of Prevention of Labor Risks of the GROUP.
Ergonomic studies for tasks of replacement in Feeding, box, powerboat, new cina of Trips EROSKI, Handling of traspaletas manual and mechanical and comparative model of ofi of Pickings; and several documents base for the manual manipulation of loads, weights and heights for the replacement in the feeding sections and nonfeeding or overload of muscular groups.	Ergonomic studies of replacement in bazaar and islands of congealed and charcutería; putting of fruit orders and heights of the fish market edge.
Campaign in supermarkets and supermarkets to foment the use of the Individual protective equipment (EPI).	Continuation with the accomplishment of the evaluation of the psycho-social risk in the platform of Malaga and ofi cinas of Trips EROSKI.
	Definition of a performance specifies for those positions of the GROUP in which the loss of health due to musculoesqueléticos upheavals is more accusing than in other positions (put of orders of platforms and fish market of supermarkets and supermarkets).
	Acquisition and beginning at level of Labor Health of a Computer science Tool for the Management of the Prevention.

Annual performance evaluations of more than 90% of the workforce have allows us to gauge the success of our training and skills improvement efforts.

#### Prevention of labor risks in EROSKI

	2005	2006
Inspection received*	43	32
Hours of formation	23.307	31.824
Formed people**	7.886	12.212

\* Data that correspond with them inspection of Dagesa, EROSKI S.Coop., Eisa/Equipasa, Surpass, Udama Andalusia, Trips EROSKI and Vegalsa, for 2005. In addition, they include Cenco and Dapragel for 2006.

\*\* The data talk about Dagesa, EROSKI S.Coop., Eisa/Equipasa, Surpasses, Udama Andalusia, Trips EROSKI and Vegalsa, Sport Forum, Cenco and Dapragel for 2006. This effort has taken to us to diminish the accidentalidad in more than six points with respect to 2004, so and as it is in the graphs.

**Sinisterness in EROSKI**

INDEX OF INCIDENCE*	2005	2006
TOTAL EROSKI	69	65
Hipermarkets	60,85	53
Supermarkets	75,76	72
Platforms	168,23	166
Seat	1,95	3

\*\* N.o of accidents with low x 1000/n.o workers. Data that includes the societies integrated in the Service of Joint Prevention (Cenco, Dagesa, EROSKI S. Coop., Eisa/Equifasa, Surpasses, Udama Andalusia, Velgasa).

## Professional development and safety

### CASE STUDY: Corporate voluntary work

Values education makes us grow as persons, and is a key element within Eroski's training policy. Given this, our Corporate Voluntary Work Plan, aimed at all workers and at Fundación Eroski member-friends, provides an effective solution for those committed to resolving social problems.

This initiative, promoted by the Eroski Healthy Idea and started in summer 2005, aims to become a link to establish stronger relations between customers, workers and the NGOs with which we work. Thanks to this programme, member-friends and workers so wishing can share their holidays with the most needy, visiting on-site some of the programmes of the NGOs with which we work most closely.

The Fundación Eroski assumes the cost of the trip of those selected for the voluntary work and the accommodation costs are borne by our partner NGOs.

In 2005, two workers spent their summer holidays in Peru helping the NGO Federación Niños del Mundo. In 2006, nine workers and Fundación Eroski member-friends spent three weeks of the holiday period carrying out voluntary work.



Our Corporate Voluntary Work Plan provides an effective solution for those workers and member-friends committed to resolving social problems.

From 2007, we have extended the Voluntary Work Programme to include environmental concerns. Our workers will now have the chance to work helping the conservation organisation SEO/BirdLife for one or two weeks during the Easter or summer holiday periods in natural spaces of great environmental importance:

- The Doñana National Park (Huelva).
- The Tablas de Daimiel National Park (Ciudad Real).
- The Alto Tajo Natural Park (Guadalajara).
- The Delta del Ebro Natural Park (Tarragona).
- The Santoña Marshes Nature Reserve (Santander).

## Dialogue and cooperation with the community

### 8.1 Eroski's solidarity

#### 8.1.1 Management focus

As followers of the guidelines of the **United Nations Organisation**, the Fundación Eroski Solidarity Programme falls within the framework of the former's Millennium Development Goals for 2015, proclaimed in 2000. We therefore carry out programmes aimed at ending the external debt of disadvantaged countries, organising a balanced international trade structure and providing development aid.

Diagnoses of training needs and personalised training plans are carried out on the basis of a classification of job positions by the Job Position Evaluation Committee.

The Fundación Eroski spreads its efforts in this area between:

- Social actions, via collaboration agreements with the tertiary sector.
- Awareness-raising campaigns aimed at workers, consumers and friends of the Fundación (an activity already described in earlier chapters).
- The awarding of grants and aid for research in the fields of bioethics and the company, nutrition and health and food safety.
- International cooperation aid which, in addition to the Product Donation Programme, involves making contributions for the promotion of cooperatives, fair trade and skills training for vulnerable populations. The projects may include direct involvement in poor countries or awareness-raising, mobilisation and development education in industrialised ones.

#### Development Contributions

(AMOUNTS ALLOCATED)	2005	2006
Total Social Action	1.860.317 euros	1.756.000 euros
International Development Cooperation Programmes (organised annually)	97.000 euros	62.034,50 euros
Product Contribution programme	804.247 euros	601.012 euros
Donated foods (Food Bank)	159.298 Kg.	220.275 Kg.
Amounts allocated for study scholarships and research grants (organised annually)	18.000 euros	36.000 euros

## Dialogue and cooperation with the community

### 8.1 Eroski's solidarity

#### 8.1.2 Social action

Social action includes not only solidarity but all those initiatives, partnerships and sponsorships included in the Fundación Eroski mission.

In the 2005-2006 period, Fundación Eroski signed stable medium-term collaboration agreements with a number of non-governmental organisations, including Doctors without Borders, the World Rural Form and the Spanish Food Bank Federation.

#### Agreements signed with NGOs (2005-2006)

NGO	EROSKI'S INVOLVEMENT
Médicos sin Fronteras (Doctors without Borders)	Participation in the Corporate Solidarity Circle in order to cooperate with the organization over the long-term in combating HIV and AIDS, malaria and other diseases
WWF/Adena	Organization of various joint informative campaigns (collecting ink cartridges, fire prevention, on cork and about climate change) with the aim of encouraging consumers' commitment to protecting the environment
Rural World Forum	Promoting sustainable development in rural areas through an associative, participative economy
Spanish Food Bank Federation	Organization of two annual campaigns to collect food in EROSKI hypermarkets
Intermón-Oxfam	Sponsorship of the Solidarity Festival
UNICEF	Campaigns supporting the Right to Education in the Third World
Red Cross	Donations to humanitarian emergencies.

Within the framework of these agreements, we sponsored a range of initiatives in 2005-2006, including:

- Sponsorship of the **Intermón-Oxfam Day of Hope and Solidarity Party (2005/2006)**.
- Sponsorship of the **2006 Fair Trade in Spain Annual**, in collaboration with **SETEM (2006)** and promotion of the **Fairtrade mark**, with the **Fair Trade Products Mark Association**.
- A donation of 134,000 euros to the **Red Cross** in aid of those affected by the tsunami in South-East Asia.
- The delivery of 1,462,172 kg of food to the **Spanish Food Bank Federation** during our nine years of partnership.
- A donation of €70,000 to **UNICEF** for the "25 by 2005" campaign for educating girls in the Third World, in 2005, together with the €60,000 collected in 2006, which have been used to buy school materials for 25 countries in which they are denied the right to attend school.
- Collaboration with **Save the Children** in the "Kilometres of Solidarity" event held simultaneously in hundreds of schools.
- The renewal in 2006 of the undertaking adopted by the Fundación Eroski in 2005 with the **Circle of Businesses Supporting Doctors without Borders**, providing aid in situations of natural disasters or of human origin that put at risk the health or survival of needy populations.
- Sponsorship of the **Millennium Bus**: with this display, the **Medicusmundi Federation** aims to raise public awareness of the important role it plays in promoting the right of all the world's peoples to health and development. Its purpose is to remind people of the achievement of the Millennium Development Goals for 2015.

The Fundación Eroski Solidarity Programme falls within the framework of the UNO's Millennium Development Goals for 2015, proclaimed in 2000.

## Dialogue and cooperation with the community

### 8.1 Eroski's solidarity

#### 8.1.3 Grants and aid

As part of its goals of supporting scientific and educational research, the Fundación Eroski provides annual research grants and aid for studies on the environment and sustainability, nutrition, obesity and health and food safety. Winning projects receive a grant of €6,000 for one year. For their fifth edition in 2005, we awarded three research grants for projects focusing on the environment, food safety and nutrition. These totalled €18,000, and the recipients were the Universidad Pública de Navarra, the University of Granada and the Fundación IMABIS, together with the Hospital Regional Universitario Carlos Haya, Malaga.

Over the course of nine years, the Fundación Eroski has delivered 1,462,172 kg of food to the Spanish Food Bank Federation.

In 2006, the amount for each grant rose to €12,000 with a total of €36,000 being awarded.

#### Projects in sponsored centres

CENTRE	PROJECT
IMABIS-Carlos Haya Regional University Hospital Foundation in Malaga	2005. Evolution of the size and number of adipocytes (fat cells) during childhood. Influence of fatty acids on the diet based on number of adipocytes.
University of Granada	2005. Determination, evaluation and reduction of the acrylamide content in crisps.
Public University of Navarre	2005. Organization of transport routes to minimise the environmental impact of logistics operators.
Higher Council of Scientific Research of Barcelona	2006. Development of immunosensors for analysing antibiotics in foods
Public University of Navarre	2006. Organization of transport routes to minimise the environmental impact of logistics operators.
University of Granada	2006. Determination, evaluation and reduction of the acrylamide content in crisps.

## Dialogue and cooperation with the community

### 8.1 Eroski's solidarity

#### 8.1.4 The international cooperation programme

In addition to supporting the activities of other NGOs, the Fundación Eroski carries out its own cooperation initiatives, following the guidelines laid down in the Cooperation Programme

#### Support for the International Development Cooperation

	2005	2006
Funds set aside for cooperation	272.328 euros	367.143 euros

The annual call for entries in support of **international development cooperation** financed projects submitted by **Geólogos del Mundo**, **Fundación Global Nature** and **Asociación Nuevos Caminos**. In total, these three organisations shared **€97,000**. In 2006, the three recipients of this financing were **Asociación Solidaridad con Benin**, **Fundación Ecología y Desarrollo** and **Fundación África Directo**. In the five previous editions of this aid, we financed projects in Latin America, Africa and Asia to the tune of **€633,402**.

The common denominator of all the projects selected in the previous edition was Latin America. **Fundación Global Nature** presented a project for the treatment of waste water in the municipality of Los Llanos in the Dominican Republic. **Geólogos del Mundo** took urgent action in Nicaragua to carry out a hydrogeological evaluation of the springs and rural aqueducts supplying seven communities in the municipality of Mozonte. **Asociación Nuevos Caminos** aims to improve the diet of families in Santa Cruz de la Sierra, Bolivia, by creating family allotments and starting training workshops on agriculture, nutrition and food handling. All these activities also help to boost the integration of these people into the community.

In the most recent edition, the projects supported were that submitted by **Asociación Solidaridad con Benin**, which consisted in the construction of three villages in the rural area of Bembereke to start up cooperatives processing Karité (a product similar to walnut, rich in nutrients and moisturising agents). The goal of this initiative is to promote gender equality and to secure the independence of women participants. Karité processing involves producing semi-finished goods, which means the price increases fourfold.



The sixth call of International Cooperation to the Development financed projects of Association Solidarity with Benin, Direct Africa Foundation and Foundation Ecology and Development.

**Fundación África Directo** is carrying out an education and skills programme including seven specialist courses in Sierra Leona. The aim is to provide an opportunity for the progressive development of a society led by its women and which is based on principles of peace and cooperation. With this skills training, women can start small production cooperatives that allow them to provide for their families and also recover their self-esteem.

Guaranteeing environmental stability and development in communities that need them are two of the goals covered by the aid granted to **Fundación Ecología y Desarrollo** to build a palm heart canning plant cooperative in Andresito, Argentina. Amongst the project's objectives are for sales to reach fair trade channels.

Within the Millennium Development Goals, we consider the eradication of extreme poverty and hunger to be priorities, and for this reason the Fundación Eroski has for years organised the **Product Donation Programme**, which consists of a number of campaigns (food and toy collections, etc.) that are repeated every year.

As a result of its 2005 campaign, the Fundación Eroski made the following donations of clothing and footwear, surplus to the autumn/winter and spring/summer sales campaigns, that were donated to the following bodies:

- *Niños del Mundo* received clothing and footwear to the value of €379,200, that were handed out to the most disadvantaged communities of Chile, Peru, Bolivia, Guatemala and Russia.
- *Mensajeros de la Paz*, Madrid received products to the value of €111,600, to be sent to Baghdad.
- *Cáritas*, in six towns of the province of Toledo, two more in Cáceres and one in Tarragona, received clothing to the value of €67,200.
- To the NGOs *Padre Patera*, *las Hermanas de Sor Ángela de la Cruz* and *Fundación Municipal Cultural José Luis Cano*, which act in the Andalucía region, we donated clothing and footwear to the value of €109,200 for distribution amongst poor women, children and immigrants.
- *UNICEF* in Vizcaya received toys to the value of €10.200 in July.
- In Galicia, textile products to the value of €3,600 were handed over to the NGO *Raiola*.
- Additionally, the Grupo Eroski Purchasing Centre handed over new clothing to ten local NGOs, including *Bomberos Sin Fronteras* (Firemen without Borders) who, via UNHCR, sent the winter clothing to Pakistan. The total value donated was €123,247.

During the course of 2006 and as part of this programme, 102,000 kg of clothing and footwear to the value of €601,012 were given to *Federación Niños del Mundo*, which benefited women, children and the elderly in poor communities in Chile, Peru, Guatemala, Bolivia and orphanages in Russia.

## Dialogue and cooperation with the community

### 8.1 Eroski's solidarity

#### 8.1.5 Other partnerships and sponsorship

We sponsored the UNESCO exhibition *The earth seen from the sky*-a real insight into the world's social and ecological challenges- and collaborated in the Catalan initiative ECOBICICLETA, which brings together a number of public institutions committed to introducing the world of the bicycle into Catalan schools.

We provided continuous support for the holding of the Donosti Cup 06, a football tournament involving a cultural exchange for around 4,000 youngsters of both sexes, aged between 13 and 18, from 20 different countries and with around 200 participating teams, of which 54 were from abroad and 70% male and 30% female. One of the main reasons for this continued support over time from Eroski is that we believe that this tournament, in addition to being a sporting competition which encourages a healthy lifestyle, is a charitable initiative in that it permits the integration of youngsters from schools in disadvantaged areas.

Thanks to this sponsorship, every year the tournament's organisation invites a couple of teams from developing countries to participate with all expenses paid. This year they will be the Club Menedy, with two girls' teams from Guatemala, and another team from the Academia Cantolao, in Peru.

As part of the Millennium Development Goals, the Fundación Eroski organises an annual Product Donation Programme, with a range of campaigns to collect food, toys, etc.

Eroski has for some years now been sponsor of the Vitoria-Gasteiz Toy Festival. As part of this festival and, more specifically, within the "Environmental Adventure" area, the Environmental Adventurer Game is held in the Parque de Florida. This is one of the 11 areas of the Toy Festival, which are spread around the city. This area was visited by more than 57,000 people.

As a continuation of our sponsorship of the Workshop on Responsible Consumption in Navarra, and together with the Consumer Affairs Service of the government of Navarra and the Guide to Responsible Consumption in Navarra, this year will see us continuing to collaborate with the Navarra Centre for Environmental Resources to promote awareness raising campaigns on responsible consumption (the best example of this being the Forum for Responsible Consumption), in addition to the carrying out of The Young and Consumption Project, also sponsored by the government of Navarra.

In 2005, we sponsored the III Environmental Congress for Children, held in Cáceres and organised by the government of Extremadura. This was attended by more than 1,000 schoolchildren who presented projects they had developed themselves.

Promoting equality is another of the goals to be achieved by 2015. To this end, we at Eroski have continued partnerships with and sponsorship of different organisations helping with the integration of the disabled:

Eroski sponsored the activities of the Mójate-05 campaign in support of the Multiple Sclerosis Foundation.

- Collaboration with ONCE Day.
- Collaboration with APACE in Burgos.
- Sponsorship for initiatives coinciding with the International Day of Disabled Persons in Vizcaya.
- Sponsorship of the activities of the campaign Mójate-05 in support of the Multiple Sclerosis Foundation, held in Madrid and a number of other towns and cities in Spain.
- The ASPANIAS (Associations of Persons with Mental Handicap) Burgos March: collaboration with this popular annual walking and cycling event which aims raising public awareness of the problems of the mentally handicapped. At the institutional ceremony held on 12 June, Eroski received recognition as a collaborating entity.
- The Fundación Eroski has, for a further year, supported the Cyclists' Ride for Solidarity, held in Madrid on 22 May. This is an initiative in support of the Madrid Association in Aid of the Mentally Handicapped and organised by the Daganzo Cycling Club. More than 500 cyclists take part, with the Spanish capital's Casa de Campo being the point of encounter.
- Collaboration in the publication of literature by the Disabled Persons' Coordinators of Asturias, Cantabria, Andalucía and COCEMFE.

Over the course of 2005 and 2006 we had a stable commercial relationship with a number of Special Employment Centres, with a turnover last year in excess of €188,000.

### Special job centre serviceso

	2005	2006
Amounts contracted	173.350,20 euros	188.261,35 euros

## Dialogue and cooperation with the community

### 8.2 Alliances and agreements

Participation in forums to which we contribute our know-how and experience in solidarity-related matters is a constant Fundación Eroski activity.

We participate in conferences and seminars such as the *Feria de Solidaridad 2006* (2006 Solidarity Fair) which, as part of the *Oportunidades del Mundo* (World Opportunities) Programme, benefited from our sponsorship and participation, and aims to be the largest gathering of organisations, institutions and businesses committed to charitable undertakings.



The *Feria de Solidaridad* aims to be the largest gathering of organisations, institutions and businesses committed to charitable undertakings.

## Dialogue and cooperation with the community

### CASE STUDY: A vote for solidarity

We at Eroski look to share the social concerns of those that surround us. To this end, we have developed a pioneering initiative in the distribution sector that allows all our customers, friends and workers to decide upon the project to be financed by the Fundación Eroski.

This initiative has reached 16,567 customers, workers and friends of the Fundación Eroski, who cast their vote for solidarity and chose the project to be financed by Eroski: a UNICEF project to start up 26 maternity homes in Cuba.

One innovation in 2006 was Fundación Eroski commencing the You decide ecological vote campaign, by means of which consumers, workers and friends of the Fundación Eroski have been able to choose the environmental project to be supported by the foundations. A total of 15,984 participants chose a project fighting against climate change, CeroCO2, an initiative to care for the climate, of the Fundación Ecología y Desarrollo.

In the Ecological Vote campaign, 15,984 participants chose the project to be financed by Eroski. The most popular project, CeroCO2, involved the fight against climate change.

#### Involvement in financing decisions

	2005	2006
Amounts allocated to the Solidarity Vote	-	26.567 euros
Amounts allocated to the Environmental Vote	-	25.984 euros

## Concluding information and reports

### ANNEX I: EROSKI in figures

Cash flow in 2006 reach a total of 403,247 thousand euros and investments grew by more than 100% over the 2005-2006 period.

#### Financial figures

FINANCIAL FIGURES	2005	2006	VARIATION
Consolidated sales (in thousands of euros)	6.005.658	6.414.517	+6,08%
% own-brand sales	28%	29,16%	105%
% ERSKI/on-line sales*	1,29	1,64	+0.35%
Consolidated results (in thousands of euros)	143.374	190.655	+32.98%
Net investments (in thousands of euros)	297.977	611.603	+105.25%
Cash Flow (in thousands of euros)	345.329	403.247	+6.77%
Equity (in thousands of euros)	1.104.500	1.211.903	+9.72%
Profits for member-employees (in millions of euros)	57,5		
Interest for Achegas EROSKI holders (in millions of euros)	15,47		
Contributions to Development (amounts for social action in euros)	1.860.317	1.756.000	-5.6%
Special job centres (amount contracted in euros)	173.350,20	188.261,35	+8,6%

\* Of the total sales in shops with an online service

A total of people 32,651 work at Eroski.

#### Employees

EMPLOYEES	2005	2006	VARIATION
No. of member-employees	12.415	12.775	+ 2,8%
No. of non-member employees	19.501	19.876	+ 1,9%
TOTAL employees	31.916	32.651	+ 2,3%
% permanent staff out of the total workforce	72,62%	73.93	1 31%
% employees with a disability out of the total workforce	0,27	0,52	+ 92,6%
% women in management positions (GRUPO EROSKI)	67,01	64.84	- 0,83%
Incidence rate*	69	65	-5 8%
Hours of social and professional training	10.262	22.436	+ 118,63%

\*No. of accidents involving sick leave per 1000 employees. This figure encompasses the companies making up the Joint Health and Safety Service. (Cenco, Dagesa, EROSKI S. Coop. Eisa/Equifase, Supera, Udama Andalucía, Velgasa).

There are now a total of 548,189 consumer members and friends of the Fundación Eroski.

#### Consumer-members

CONSUMER-MEMBERS	2005	2006	VARIATION
Members and friends of the EROSKI FOUNDATION	515.226	548.189	6,4%

The cooperative is structured into two communities: consumer members and worker members.

## Involvement of society

CONSUMER-MEMBERS	2005	2006	VARIATION
No. of consumer-members taking part in meetings	5.837	6.025	3,2%
No. of member-employees taking part in meetings	5.427	5.497	1,3%

We have once again outstripped our competitors and achieved record levels in our portfolio of supermarket projects.

## Operating Figures

OPERATING FIGURES	2005	2006	VARIATION
<b>COMMERCIAL NETWORK</b>			
Sales area (m <sup>2</sup> )	1.381.445	1.442.828	+4,4%
Commercial network (no. of GRUPO EROSKI openings)	140	88	-37,1%
Development of business parks and shopping centres (no. of available premises open)	390	587	+50,5%
<b>CUSTOMERS</b>			
Customers (in millions of shopping visits)	2352		
Customer Service (no. of customers dealt with)	81.472	94.246	+15,7%
<b>OWN BRAND (OB)</b>			
No. of permanent OB products	1.994	2.380	+19,4%
<b>QUALITY CONTROL</b>			
Quality control of EROSKI Natur suppliers (no. of inspections and analyses)	4.849	4.521	-6,8%
Improvements to the cold chain (investment in euros)	6.205.750	10.363.000	+67%
<b>ADDED-VALUE PRODUCTS</b>			
Environmental criteria for EROSKI Natur fruit and vegetables (% of total)	28,29%	29,61%	
Environmental criteria for EROSKI Natur meat products (% of total)	23,52%	16,60%	
Transgenic control of OB products. (no. analyses)	315	155	-50,8%
Fair Trade (net turnover in euros)	164.609,67	271.943,98	+65,2%
<b>ENVIRONMENTAL MANAGEMENT</b>			
Electricity consumption of hypermarkets (kW)	178.158.481	199.101.601	+3,95%
Water consumption (m <sup>3</sup> only in Artea hypermarket)	6.732	6.501	-3,43%
Packaging consumption (by unit, only in Artea hypermarket)	3.381.438	3.714.624	+8,17%
Consumption of T-shirt bags (by unit, only in Artea hypermarket)	6.684.000	8.448.000	+30,82%
Waste generation (in kg., only in Artea hypermarket)	949.006,5	908.170,5	-4,3%
Environmental performance of OB suppliers (no. of e+5 evaluations made)	147	241	+63,3%
Direct emissions of CO <sub>2</sub> from logistics activities (t = CO <sub>2</sub> /euros)	*0,032	0,039	+21,8%
<b>ETHICAL MANAGEMENT</b>			
Ethical behaviour of OB suppliers (no. of analyses)	50	54	+8%
<b>CONSUMER INFORMATION</b>			
No. of consumers taking part in environmental awareness-raising			


activities	252.500	288.440	+14,2%
<b>No. of consumers taking part in activities relating to healthy lifestyle habits</b>	1.747.355	1.643.831	-5,9%
<b>Rating of Consumer.es by its subscribers (out of 10)</b>	8,4	8.30	-1,25%

\* For 2005, data was provided from the distribution centres at Pinto, Getafe, Elorrio, Zubieta, Zorroza, Agurain, Cenco, Azuqueca, Zaragoza and Malaga; A Coruña and Sigüeiro were not included. For 2006, figures are provided from the distribution centres at Getafe, Elorrio, Zubieta, Zorroza, Agurain, Cenco, Azuqueca, Zaragoza, Malaga, A Coruña and Sigüeiro; Pinto is not included.  
Calculation method: litres of fuel x conversion factor/departures in euros

## Concluding information and reports

# ANNEX II: Verification letter

(Letter's reproduction only in Spanish)



**KPMG Asesores S.L.**  
Edificio Torre Europa  
Paseo de la Castellana, 95  
28048 Madrid

**Informe de Verificación**

A los lectores de este Informe

**Introducción**

Hemos sido requeridos por EROSKI para revisar la información contenida en su Memoria de Sostenibilidad 2005-2006 (en adelante la Memoria), cuya elaboración, incluida la decisión acerca de los asuntos que trata, es responsabilidad de la Dirección de EROSKI.

**Alcance**

En la Memoria se describen los esfuerzos y avances realizados por EROSKI en la consecución de un desarrollo más sostenible. Nuestra responsabilidad ha sido la de revisar la información contenida en la mencionada memoria la de comprobar la aplicación de la norma AA1000 Assurance Standard (AA1000 AS) y de la Guía de Global Reporting Initiative Versión 3 (GRI G3) de acuerdo al nivel de autodeclaración de la compañía y la de ofrecer a los lectores de la misma un nivel de aseguramiento limitado de acuerdo con lo establecido por la norma ISAE 3000 (International Standard for Assurance Engagements) sobre:

- Que las informaciones cuantitativas y cualitativas, incluidas las respuestas a las preguntas realizadas por el Comité de Expertos Independientes, identificadas dentro del informe de manera específica se encuentran adecuadamente soportadas por documentación interna o de terceros y se han obtenido de manera fiable conforme a la sistemática establecida por EROSKI para ello.
- La aplicación de la Norma AA1000 AS y de la Guía de GRI G3 de acuerdo a la autodeclaración realizada por EROSKI (nivel de aplicación A+).
- El nivel de riesgo correspondiente a los puntos anteriores es inferior al nivel de aseguramiento razonable debido a la naturaleza y el alcance más limitado de los procedimientos que hemos llevado a cabo para la obtención de evidencias.

La revisión de la información indicada anteriormente no ha incluido la verificación de los datos cuantitativos correspondientes a los estudios de caso incluidos en el Informe.

**Criterios para realizar la revisión**

Hemos realizado nuestro trabajo de acuerdo con la norma ISAE 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, desarrollada por International Auditing and Assurance Standards Board (IAASB). Entre otras cuestiones esta norma requiere que:

- El equipo que realiza el trabajo posea conocimientos específicos, habilidades y competencias profesionales necesarias para entender y revisar la información incluida en la Memoria, y que los miembros del mismo cumplan los requerimientos del Código de Ética Profesional de la Federación Internacional de Expertos Contables (IFAC) para asegurar su independencia.
- Cuando se provea de un aseguramiento limitado de la información, que es de un nivel de profundidad menor que el aseguramiento razonable, se utilice una conclusión limitada al trabajo realizado.

KPMG Asesores S.L. - Inmatriculada en el Registro Mercantil de Madrid  
C.I.F. M-07042-0001

Reg. No. Merc. 14.872 - 4.º D.  
Soc. S. en L. 042.000.14872-4  
C.I.F. B-42139812

En nuestra revisión se han seguido los principios y criterios de verificación de la información incluidos en la norma AA1000 AS y la Guía de GRI G3 por ser los aplicados por EROSKI y cuyo entendimiento y aplicación se hallan descritos en el capítulo denominado "Principios para la elaboración de esta Memoria".

### **Trabajo realizado**

#### ***a) Verificación de datos cuantitativos y otras informaciones de carácter cualitativo contenidas en la Memoria***

Hemos revisado la información cuantitativa y cualitativa, incluidas las respuestas a las preguntas realizadas por el Comité de Expertos Independientes con las que EROSKI da respuesta a las preguntas realizadas por el Comité de Expertos Independientes, de acuerdo con el alcance descrito y basándonos en la realización de las siguientes actividades:

- Entrevistas con los responsables que proveen la información incluida en la Memoria.
- Entendimiento de los sistemas utilizados para generar, agregar y facilitar los datos.
- Análisis del alcance y presentación de la información que se ofrece.
- Revisión por muestreo de los cálculos realizados a nivel de grupo.
- Revisión de que la información cualitativa (respuestas al Comité de Expertos Independientes y otras informaciones contenidas en la Memoria) se encuentran adecuadamente soportadas por documentos internos o de terceros.

#### ***b) Revisión limitada del alineamiento de los criterios y principios para la definición del contenido de la Memoria y su alcance según GRI G3 y AA1000 AS***

Se han revisado documentalmente los criterios y procedimientos utilizados para definir los contenidos de la Memoria de conformidad con el alcance descrito.

Estos criterios de presentación de la citada información en cuanto a alcance, incluyendo las eventuales limitaciones al mismo, definición de contenidos, importancia, métodos de integración y agregación de los datos, se hallan descritos principalmente en el capítulo "Principios para la elaboración de esta Memoria".

### **Conclusiones**

Basados en los trabajos descritos anteriormente, no hemos observado circunstancias que nos indiquen que los datos recogidos en la Memoria no hayan sido obtenidos de manera fiable, que la información no se presente de manera adecuada, ni que existan desviaciones ni omisiones significativas.

KPMG ASESORES, S.L.



Julián Martín Blasco

27 de abril de 2007

## Concluding information and reports

# ANNEX III: Expert Committee letter

(Letter's reproduction only in Spanish)

### Comité independiente de expertos Informe de conclusiones

#### Presidente

Jesús Lizcano Álvarez

Transparencia Internacional-España  
y Catedrático de la Universidad Autónoma de Madrid

#### Expertos

Juan Carlos del Olmo Castillejo

WWF Adena

María González de Asís

Banco Mundial (WBI)

Beatriz Fernández Olit

Fundación Economistas sin Fronteras

Eva Ramos Pérez-Torreblanca

Fundación Ecología y Desarrollo

Hemos sido requeridos por EROSKI, con el fin de conocer si, en opinión de las personas que componen este Comité, la Memoria de Sostenibilidad y el Código Ético de esta entidad contienen información adecuada sobre los asuntos de mayor relevancia para sus stakeholders y otros agentes sociales, y en qué medida refleja un entendimiento de sus expectativas y da respuesta a las mismas.

Para ello hemos realizado de forma independiente y siguiendo nuestro propio criterio las siguientes preguntas a la Dirección de la compañía.

#### Preguntas formuladas por el Comité a la Dirección de EROSKI

1. *En relación con la Gestión Ambiental, ¿Ha recibido EROSKI alguna queja o demanda por incumplimiento de buenas prácticas en este sentido? Si este fuera el caso, ¿cuál fue el contenido y la resolución de la misma?*
2. *Eroski ha adquirido el compromiso de comercializar productos sin transgénicos para su marca Eroski (página 33 memoria de sostenibilidad). ¿Cuál es la política respecto a otros productos no pertenecientes a su marca? ¿En caso de comercializar productos con transgénicos de otras marcas, se obliga al proveedor a que lo explicita en su etiquetado?*
3. *En relación a la marca de productos EROSKI y EROSKI Natur (Marcas Blancas) ¿Se especifica claramente en los envases de estos productos el fabricante y origen de los mismos? ¿Cuando se produce un cambio de fabricante para un producto concreto se informa al consumidor del mismo?*
4. *¿Dispone Eroski de una política de compra responsable de productos forestales? ¿Qué porcentaje de los productos de madera comercializados están certificados por FSC? ¿Conoce Eroski el origen del papel tisú que comercializa y exige certificados de procedencia legal y sostenible?*
5. *Aunque en su memoria de sostenibilidad (pág. 66) la empresa tiene un apartado en el que identifica qué actividades contribuyen al cambio climático y las acciones realizadas para mitigarlo, la empresa no ofrece datos sobre sus emisiones directas o indirectas de gases de efecto invernadero e incluso especifica en el anexo I (pág. 88) que la "actividad Eroski no supone emisiones de gas efecto invernadero" lo que parece una incongruencia. Explícite si su posición respecto al cambio climático es que su actividad no tiene un impacto relevante y que por tanto no es necesario informar sobre este aspecto. En caso contrario, ¿tienen previsto reportar sus emisiones de gases de efecto invernadero en su siguiente memoria?*
6. *En relación a la Transparencia y el Acceso a la Información, ¿Qué medidas específicas se han implementado desde EROSKI para facilitar el acceso a la información tanto por parte de los "trabajadores propietarios" y los "consumidores socios"? ¿Existe alguna limitación de acceso al contenido?*
7. *La empresa explicita (anexo III) que fomenta las prácticas éticas y transparentes en todos los niveles jerárquicos de la organización. Teniendo en cuenta que el sector inmobiliario es un sector sensible respecto a los aspectos de corrupción y soborno, ¿Cuáles son las medidas específicas llevadas a cabo por la compañía para luchar contra la corrupción y el soborno? ¿Se ha visto la compañía involucrada en algún caso de corrupción y soborno, y en caso afirmativo, cuáles fueron las medidas adoptadas?*
8. *En la elaboración de las políticas de accesibilidad (barreras arquitectónicas) que afectan a las instalaciones del grupo, ¿participan en su diseño colectivos directamente afectados u organizaciones civiles expertas en la materia?*

9. En relación al Código Ético ¿De qué manera queda el empleado vinculado a estos "principios" y qué medidas específicas desarrolla EROSKI para garantizar su cumplimiento?
10. Respecto a la gestión de los Derechos Humanos por parte del Grupo Eroski, ¿existen documentos específicos (a parte de su adhesión al Pacto Mundial y el código ético) que desarrollen tanto la política como el sistema de gestión de los DD.HH.? ¿Cómo se asegura el cumplimiento por parte de los suministradores? ¿Quiénes son los responsables de la gestión de DD.HH. y qué vías de reclamación/denuncia se han habilitado? ¿Cuáles son los resultados de las evaluaciones, en caso de haber sido realizadas?
11. ¿Qué política está llevando a cabo Eroski para fomentar el incremento de productos ecológicos o de comercio justo, tanto de marca propia como ajena, en sus lineales? ¿Qué porcentaje del total de productos ofertados son productos ecológicos o de comercio justo?
12. La Formación impartida en materia de Prevención de Riesgos Laborales, Conocimientos para el Desarrollo Óptimo del Puesto de Trabajo, Formación Corporativa y Formación para la Mejora Continua (página 62 y 63), ¿se podría desglosar por número y % de empleados que han recibido dicha formación según temática (medio ambiente/ seguridad laboral/ formación), áreas operativas y tipo de relación contractual (fija, temporal)? ¿Qué intensidad de formación de los empleados en estos ámbitos se impone a los contratistas?
13. ¿Podrían aportar información cuantitativa y cualitativa acerca de las quejas y reclamaciones de los clientes y consumidores? ¿Qué porcentaje de dichas reclamaciones ha sido resuelto a través del Sistema de Arbitraje de Consumo?
14. ¿Dispone Eroski de criterios o de una política para garantizar que sus supermercados se construyen en lugares donde no se daña el entorno y el paisaje?. ¿Realiza un estudio de impacto ambiental de sus nuevos centros comerciales?
15. Siendo la presión urbanística sobre el territorio y en particular sobre la costa uno de las principales causas de pérdida de biodiversidad y de degradación del medio natural, ¿que criterios sigue Eroski Inmobiliaria para garantizar que sus operaciones no dañan al medio ambiente?. ¿Dónde se sitúan las promociones en Costa de Andalucía, Costa Mediterránea, o Costa Dorada que comenica en su memoria?, ¿Qué criterios de sostenibilidad en la construcción o promoción sigue Eroski Inmobiliaria?

Después de haber considerado las respuestas de EROSKI a nuestras preguntas y de haber estudiado el contenido de la información pública de esta entidad, a continuación damos nuestra opinión sobre el modo en el que han sido tratados los temas anteriormente referidos en forma de preguntas. Esta opinión en ningún caso forma parte del proceso de verificación externa del Informe llevado a cabo por un verificador externo independiente.

#### Conclusiones del Informe

*La función de este Comité es evaluar los diversos aspectos de carácter social, ético, medioambiental y laboral de esta entidad con mayor relevancia para sus stakeholders y otros agentes sociales, y su tratamiento en la Memoria de Sostenibilidad y el Código Ético, con ánimo de poner de manifiesto aquellos aspectos positivos, por una parte, así como los inconvenientes, insuficiencias o cuestiones que resulten mejorables en la situación y en las actividades de esta empresa en el ámbito citado. En función de ello, este Comité pasa a realizar las siguientes manifestaciones:*

*De las respuestas y contenidos informativos analizados en referencia a nuestras quince preguntas anteriormente formuladas, hemos de distinguir tres grupos o niveles de adecuación en las respuestas a lo requerido por este Comité:*

*Por una parte, hay un grupo de preguntas a las que se nos ha respondido de una forma ciertamente adecuada y coherente con lo preguntado, manifestando las respuestas un alto nivel de calidad, así como la información relacionada y aportada complementariamente con las mismas. Son las diez preguntas siguientes: nº 1, 2, 5, 6, 7, 8, 9, 10, 11 y 12. En todo caso, y a pesar de este nivel de calidad o adecuación, los miembros del Comité creen adecuado realizar algunas indicaciones específicas sobre dos de ellas.*

*En lo relativo a la pregunta n° 2, aunque la respuesta relativa a la política de actuación y llevadas a cabo en los productos marca EROSKI es muy amplia y detallada, se recomienda que la información relativa al control de aquellos productos no pertenecientes a dicha marcha sea más amplia, ya que resulta algo escasa.*

*En referencia, por otra parte, a la pregunta n° 5 se valora muy positivamente la respuesta y la información que se proporciona respecto a las iniciativas en marcha en el campo de la reducción de las emisiones en las actividades de transporte; sin embargo, se recomienda que se aporte un mayor nivel de información en cuanto a las emisiones en sus centros comerciales, centros de producción, etc. de cara a poder tener una opinión más completa sobre este importante aspecto de la política ambiental.*

*Existe, por otra parte, un segundo grupo de preguntas para las cuales las respuestas y/o la información aportada tiene, en nuestra opinión, un cierto nivel de insuficiencia, y a tal efecto formulamos algunas recomendaciones. Se trata de las preguntas n° 3, 13 y 14.*

*En cuanto a la pregunta n° 3, cabe señalar que aunque se responde adecuadamente a la primera parte de la pregunta, no se llega a responder a la segunda parte de la misma, relativa a la información que la empresa aporta en los posibles cambios de fabricantes de un producto concreto, con lo que puede suponerse que no se informa al público sobre este aspecto, o en todo caso si se hiciese, no se nos responde sobre esta materia.*

*En lo referente a la pregunta n° 13, aunque se responde muy adecuadamente a la primera parte de la pregunta, no se responde a su segunda parte, esto es, al porcentaje o proporción de las reclamaciones recibidas por clientes o consumidores que ha sido resuelto a través de un sistema de Arbitraje de consumo. Este Comité entiende que es una información interesante para los usuarios de los informes de sostenibilidad de esta empresa, y por tanto se recomienda que en ulteriores informes se incluya este tipo de datos.*

*En lo relativo finalmente a la pregunta n° 14, la respuesta aportada por la empresa es demasiado escueta, y no proporciona información sobre los criterios o la política que en su caso posee esta empresa para evitar la ubicación de centros comerciales en los entornos naturales, por lo que se recomienda que se incluya esta información, dado que ello está relacionado con uno de los mayores impactos de las grandes superficies comerciales, y por tanto tiene un carácter sustantivo en empresas como EROSKI.*

*Finalmente hay un tercer grupo de preguntas para las cuales las respuestas y/o la información aportada es, en nuestra opinión, claramente insuficiente, por las razones que se señalan seguidamente: Son las n° 4 y 15.*

*En lo relativo a la pregunta n° 4, que hace referencia a las políticas de compras responsables en el ámbito forestal, la empresa no aporta apenas información relevante sobre el objeto de la pregunta, centrándose la respuesta en información sobre sus esfuerzos en la comercialización de productos de comercio justo, y aunque hace referencia a un "plan de trabajo de diez años...", no hace referencia a sus características. Por otra parte, de la escasa información aportada por la empresa sobre la compra de productos TSC (los únicos que garantizan la gestión sostenible de los bosques) pudiera suponerse que la empresa carece de una política concreta a este respecto, y por tanto, no queda claro que pueda garantizar que los productos que comercializa provienen de la corta legal y la gestión sostenible del bosque; se recomienda, por tanto, ampliar y concretar esta información en años sucesivos.*

*En lo relativo finalmente a la pregunta n° 15, la empresa responde parcialmente en lo que respecta a las promociones de viviendas propias; hubiese sido deseable una mayor información sobre los criterios de sostenibilidad utilizados en su construcción (eficiencia energética, uso de materiales no contaminantes, ocupación de territorios, etc.) ya que no los contempla expresamente en su respuesta. Por otra parte, con respecto a la comercialización de viviendas construidas por terceros, aunque la empresa responde sobre la ubicación geográfica de las mismas, se recomienda que incluya información que garantice, en su caso, que está comercializando viviendas construidas respetando el medio ambiente y la integridad de la costa.*

*Aparte de las opiniones, insuficiencias y recomendaciones señaladas anteriormente, este Comité valora positivamente que una empresa como la evaluada, se haya mostrado dispuesta a ser objeto de un examen detallado, crítico, y con preguntas en muchos casos exigentes, por parte de un Comité de expertos independientes como éste, integrado por miembros de entidades de carácter no lucrativo, académico o supranacional, que no hacen sino representar de alguna manera a la sociedad civil en su conjunto, que cada vez actúa más como instrumento de vigilancia y de garantía del cumplimiento de las normas éticas, sociales y medioambientales por parte de las empresas. Entendemos, además, que esta disposición a la apertura informativa que muestran algunas empresas, puede servir como referente para otras compañías en aras de la mayor transparencia socioeconómica que demanda una sociedad moderna como la actual.*

Y por ello firma su Presidente a 18 de Abril de 2007



Fdo. Jesús Lizcano Alvarez



Los textos señalados contienen las respuestas a las preguntas formuladas por el Comité de expertos en la Carta de verificación. Estas respuestas se encuentran a lo largo de toda la memoria. Asimismo, el número que acompaña al texto señalado indica el número de la pregunta en cuestión.

## Concluding information and reports

### ANNEX IV: GRI / UNGC contents

#### Principles

- Companies must support and respect the protection of international human rights.
- They must refuse to participate in or condone human rights abuses.
- To respect freedom of association and the recognition of the right to collective bargaining.
- To eliminate all forms of forced and compulsory labour.
- To abolish child labour.
- To eliminate discrimination in employment and occupation.
- To support the application of a precautionary criteria on environmental issues.
- To adopt initiatives promoting greater environment responsibility.
- To encourage the development and diffusion of environmentally-friendly technologies.
- Companies must work to counter all forms of corruption, including extortion and bribery.

The Gri table/World-wide Pact is available in its [spanish' pdf version](#)

Concluding information and reports

## Emissions' compensation certificate

(Only in spanish)

