

Casino Group and the United Nations Global Compact

Communication on Progress Report 2012



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Chairman and Chief Executive Officer, Casino Group

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Statement by Jean-Charles Naouri, *Chairman and Chief Executive Officer, Casino Group*

In a reaffirmation of its commitment to responsible retailing in every country in which it operates, Casino Group signed up to the United Nations Global Compact on 19 October 2009.

One of the highlights of 2011 was the establishment of a Group-wide CSR continuous improvement programme, consisting of 16 priorities. This “CSR Spirit” provides a common frame of reference for all our banners and aims to take into account the key social, societal and environmental issues of our business, while respecting local specificities. It is also intended to strengthen the consistency and impact of our CSR initiatives in the Group’s eight host countries.

Indeed, with its 307,000 employees and a presence in high-growth markets serving over 400 million people, the Group is aware that it needs to be unstinting in its efforts to improve the social and environmental impact of its activities and to promote the 10 principles of the United Nations Global Compact in its sphere of influence. Mainstreaming CSR throughout the Group is a driver of innovation and improves economic performance.

Numerous awards this year – including the ESSEC Grand Prize for Responsible Distribution; the Human Capital Trophy, in recognition of our social innovation policy; and the Building Energy Management prize, awarded to our Big C Vietnam subsidiary – attest to our genuine commitment and are a recognition of the effort made by the men and women of the Group to embed the CSR approach in their daily working lives, as well encouraging them to pursue their efforts unstintingly.

This report reaffirms our commitment to our continuous improvement programme within the framework of the Global Compact, which we were keen to join.

Jean-Charles Naouri

The Group's CSR approach

Strategy, governance and commitments

Since signing the Global Compact in 2009, the Casino Group's Corporate Social Responsibility approach has moved up a gear with the establishment of a CSR Department, tasked with ensuring better mainstreaming and management of CSR issues in all the Group's activities and in all the countries where it operates.

■ ■ ■ The “CSR Spirit”: the Group’s continuous improvement programme

In 2011, Casino Group devised a continuous improvement programme for 2012-2014, based on an analysis of the challenges ahead and on the 10 principles of the United Nations Global Compact and the guidelines of the ISO 26000 standard. The programme covers 16 priorities focusing on five responsibilities and is updated annually in the light of progress made.

Committed employer

- ▶ Help young people enter the workforce
- ▶ Promote diversity
- ▶ Provide growth opportunities for employees

Responsible retailer

- ▶ Act in the interest of consumers’ health
- ▶ Encourage environmentally – friendly consumption

Trusted partner

- ▶ Strengthen ethical social compliance
- ▶ Support local production channels
- ▶ Promote the CSR initiatives of SMEs

Engaged local corporate citizen

- ▶ Develop solidarity partnerships
- ▶ Increase local solidarity actions
- ▶ Promote the revitalisation of town centres and rural areas
- ▶ Develop solidarity partnerships

Environmentally-proactive Group

- ▶ Increase energy efficiency
- ▶ Reduce and recover waste
- ▶ Promote biodiversity
- ▶ Reduce greenhouse gas emissions

This CSR continuous improvement programme has been designed to dovetail perfectly with the nine commitments of the Group’s Ethics Charter, which refers explicitly to the principles enshrined in the Universal Declaration of Human Rights and the Fundamental Conventions of the ILO.

➡ For further information: <http://www.groupe-casino.fr/en/THE-CSR-continuous-improvement.html>

■ ■ ■ Organisation – involving all levels of the company

In 2002, Casino Group's commitment to sustainable development prompted it to set up a dedicated organisational framework. Signing up to the Global Compact gave fresh impetus to the Group's historical approach, with the establishment of a more robust organisational structure that would enable it to involve the whole company, regardless of position or level.

In order to roll out and provide guidance for its CSR continuous improvement programme across all its subsidiaries in France and abroad, a **Group CSR Department** was set up in 2010 with the aim of speeding up implementation of Casino's CSR commitments in all its subsidiaries.

At the highest level, the **Strategic CSR Committee** is made up of seven members, including three from the Executive Committee. The Strategic CSR Committee is tasked with approving the Group's main areas of commitment with due regard for the principles of the Global Compact and the scope of the ISO 26000 standard, as well as monitoring their implementation across the business base. It met four times in 2011.

Casino Group has established a **network of CSR correspondents** in France and a CSR team in each of its international subsidiaries. The teams are led by CSR Group management and the CSR/sustainable development committees, which meet regularly. In France, a network of environmental experts and "**diversity**" correspondents has also been set up in all subsidiaries. These networks meet 3-4 times per year.

Finally, the CSR Department is also assisted by the following committees:

➤ **The Human Resources Steering Committee:** monitors implementation and deployment of CSR human resources priorities in France and internationally.

➤ **The Scientific Committee on Nutrition and Health:** set up in March 2010 to define Group policy and priorities in these areas, it comprises eminent scientists and an acclaimed chef. It discusses issues in a number of priority areas such as trans fatty acids and endocrine disruptors that are present in some types of food packaging.

➤ **The Quality Committee for France:** provides a forum for all the Quality Directors of the Group's various French operations to meet every two months.

➤ **International careers seminars,** during which sustainable development issues and the Group's CSR policy are discussed.

■ ■ ■ ➤ **FOR FURTHER INFORMATION: <http://www.groupe-casino.fr/en/Organisation,3025.html>**

Dialogue with stakeholders

Dialogue with stakeholders is a key part of the Casino Group's CSR approach.

For many years now, the Group has striven to maintain regular, productive dialogue with local and national stakeholders in all the countries where it is present. The focus is on open, productive dialogue, with a view to developing or jointly establishing projects or innovative partnerships. This helps to improve the effectiveness of the CSR programme by identifying those players with whom dialogue should be developed, and by improving synergies with existing partners.

In every country, Casino Group participates in various CSR-related discussion groups and professional associations such as the Social Clause Initiative, the Global Social Compliance Programme, "Entreprises pour les Droits de l'Homme" (Businesses for Human Rights) and the ILO's Global Business and Disability Network, of which the Group is a founding member.

In France, the Group is a member of various specialist associations such as ORSE (Observatory for Corporate Social Responsibility); AFOIT (the French Association for the ILO); the Parenthood Observatory; and the National Network of Enterprises for Equality of Opportunity in Education. It also works alongside non-governmental environmental associations and bodies such as Eco-Systèmes, Perifem, Eco-Emballage, Corepile and Recylum.

Casino gives about forty talks a year in French *grandes écoles* and universities, thus helping to alert the decision-makers of tomorrow to sustainable development issues.

The dialogue process with stakeholders in France

Stakeholders	Key dialogue modes	Examples of action in France in 2011/2012
EMPLOYEES	<p>"Regards" – quarterly newsletter; "Casweb" intranet;</p> <p>Counselling and mediation unit;</p> <p>In-house opinion surveys;</p> <p>"Directors and managers" monthly meetings;</p> <p>"Young Talent" annual forum.</p>	<p>50 regional workplace health and safety liaison officers trained;</p> <p>Executive commitment survey;</p> <p>CSR-themed store visits involving "Young Talent" programme participants and store managers.</p>

The dialogue process with stakeholders in France

Stakeholders	Key dialogue modes	Examples of action in France in 2011/2012
SOCIAL PARTNERS	Continuous dialogue as part of the collective bargaining process.	14,000 meetings in 2011 with staff representatives in France; 6 new social agreements signed at Casino France.
SHAREHOLDERS, INVESTORS AND RATING AGENCIES	“Finance” portal on www.groupe-casino.fr website; Annual Report and Registration Document; Letter to shareholders; Shareholder hotline; General meeting open to all shareholders regardless of number of shares held.	14 road shows and 6 conferences for investors and ratings agencies in 2011; 2 non-financial road shows to present the Group’s CSR strategy to SRI and non-financial ratings agencies.
CUSTOMERS	Websites www.groupe-casino.fr , www.produits-casino.fr , www.casino.fr ; Facebook Fanpage; CVous community website; Casino Customer Service; In-store meetings with consumers; Consumer surveys (Panels); Regular meetings with consumer associations.	Launch of the new “CVous.com” community website for consumers who wish to have their say about products and everyday services; More than 30,000 cases handled by Customer Service; Two customer meetings per year held in every Casino store.
STUDENTS AND YOUNG GRADUATES	Website groupe-casino.fr , « 35 000 êtreshumains.com », « Mon tuteur et moi.com »; Facebook Fanpage; Partnerships with schools; Founding member of the International Eco-design Centre, Saint-Étienne.	Participation in 32 job fairs and 133 visits to secondary schools and colleges, apprentice training centres and universities in 2012; Organisation of a “Casino Outlook” Day for Group interns and work/study trainees; Partnerships with 17 schools (from CAP to Bac +5 level).

The dialogue process with stakeholders in France

Stakeholders	Key dialogue modes	Examples of action in France in 2011/2012
SUPPLIERS	<p>SME Relations Officer (since 2000):</p> <ul style="list-style-type: none"> • preferred gateway for SMEs, • supports SME development, • mediator in case of problems between SMEs and Group entities. <p>SME Forum.</p>	<p>Under the “Focus on Growth” programme, designed to support development of international SME suppliers, Casino has organised three speed dating innovation events since September 2010, with over 200 SMEs consulted;</p> <p>Support for local supply chains: roll-out of the “Meilleur d’Ici” (the Best of Here) concept;</p> <p>Created in 2010, it brings together some 20 high-level SME managers and the Group’s senior management team; the aim is to leave aside all commercial considerations and discuss the major consumer issues of the next three years.</p>
PUBLIC AND LOCAL AUTHORITIES	<p>Organisation of store visits for national and local politicians;</p> <p>Longstanding partnerships with several ministries and national governmental agencies (Ministries for Urban Planning and Equal Opportunities, Employment Agency ...) and support for several CSR-related national initiatives (Plan Espoir Banlieues, Talents des cités ...);</p>	<p>Signature in March 2011 of the Civic Service Promotion Charter;</p> <p>Charter signed in 2011 with the Minister of Employment and Health, whose brief includes Apprenticeships and Vocational Training, and the Missions Locales network, to promote work placement schemes in deprived urban areas;</p> <p>January 2012 – signed up to the national corporate commitment to employ people from priority neighbourhoods, aiming to recruit at least 850 people in 2012, 500 interns and 150 people on work placement programmes;</p>

The dialogue process with stakeholders in France

Stakeholders	Key dialogue modes	Examples of action in France in 2011/2012
PUBLIC AND LOCAL AUTHORITIES (CONTINUED)	Continuous dialogue with chambers of commerce.	<p>Agreement signed in 2012 with ACSE (National Agency for Social Cohesion and Equal Opportunities) as part of the Casino campaign to recruit 500 food profession work/study trainees;</p> <p>Partnership signed in 2012 between Casino Group and the Association of Mayors of Major French Cities (AMGVF) - Casino takes part in the working group set up to discuss “Cities and local shopping”.</p>
ONG AND ASSOCIATIONS	Casino Corporate Foundation and CSR management engaged in continuous dialogue with local, national and international associations (responding to requests, meetings with NGOs). Every year the Foundation provides support for several associations and NGOs that run solidarity programmes at local, national or international level.	<p>New partnership signed in 2011 with the Good Planet Foundation;</p> <p>Support for SOS Sahel;</p> <p>A new “Artists at School” programme launched by the Casino Foundation;</p> <p>More than 500 local solidarity projects carried out in 2011, thanks to the involvement of employees in France;</p> <p>Partnership with Food Banks since 2009;</p> <p>Founding member in 1993 of Fondation Agir Contre l’Exclusion (FACE), which works to combat exclusion;</p> <p>Subsidiary partnerships with various associations such as the Red Cross, Emmaus, Christophe Tiozzo Academy...;</p> <p>Group businesses provide local outreach support.</p>

Key Group CSR achievements in 2011/2012

Global Compact Advanced Criteria

Key achievements

Criterion 1

High-level discussion of the company's strategy for implementing the principles of the Global Compact

4 Strategic CSR committee meetings in 2011.

For further information: www.groupe-casino.fr/en/THE-CSR-continuous-improvement.html

Criterion 2

Establish effective decision-making processes and systems of governance for corporate sustainability

Establishment of a more robust organisational structure for CSR with a strategic CSR committee to complement Group CSR management and the CSR correspondent and environment network.

For further information: www.groupe-casino.fr/en/Organisation,3025.html

Criterion 3

Engage with all important stakeholders

In France:

- New partnerships signed in France with the Secretariat for Youth and Associations; the Civic Service Agency; and the National Agency for Social Cohesion and Equal Opportunities (ACSE).
- Renewal of commitments made to the Government under the "Plan Espoir Banlieue" and signature in 2012 of the national corporate commitment to employ people from priority neighbourhoods with the Ministry of Urban Affairs and the Ministry for Employment and Health.
- Launch in 2012 of a new project to strengthen dialogue with stakeholders in France.

For further information: www.groupe-casino.fr/en/Dialogue-with-stakeholders.html

In Brazil: in 2011 Pão de Açúcar Group (GPA) established an ambitious scheme to involve its stakeholders in prioritising CSR issues and defining the content of the CSR report, using a "materiality matrix" tool. Three types of stakeholders were asked to complete questionnaires: representatives of customers, suppliers and employees. The questionnaire was drawn up in accordance with GRI guidelines and Global Compact principles.

For further information: www.gpari.com.br

In Colombia: Éxito Group also sent a questionnaire to representatives of its internal and external stakeholders in order to assess the importance of various sustainability issues. The results were used to construct a CSR materiality matrix.

For further information: www.grupoexito.com.co/index.php/en/sustainability

Key Group CSR achievements in 2011/2012

Global Compact Advanced Criteria

Key achievements

Criterion 4

Action taken in support of broader UN goals and issues

In addition to its work in the field of human rights (see p.15), labour standards (p. 17), the fight against corruption (p. 23), the fight against climate change (p. 20) and the protection of biodiversity (p. 20), every year Casino Group, in particular through its Casino Foundation, takes part in a number of local, national and international level solidarity initiatives that are consistent with the causes supported by the UN, such as the fight against poverty and malnutrition or access to food and education for disadvantaged children.

In Argentina, Libertad supports the humanitarian association “Un techo para mi país” (A roof for my country), which works to build emergency accommodation. Libertad staff have also helped to educate and train 425 young children living in poverty.

In Brazil, more than 6,000 tonnes of goods were collected and redistributed by Grupo Pão de Açúcar (GPA) in 2011.

In Colombia, Éxito is also a very active Food Bank partner, with more than 3,000 tonnes of goods collected in 2011. The expertise which the Éxito Foundation has brought to the fight against child malnutrition over the years was recognised when the President of the Republic of Colombia launched a new national programme for early childhood: “from zero to forever”. More specifically, in 2011 actions focused on co-financing a healthy diet for children and mothers from disadvantaged backgrounds (more than 33,000 children and 190 mothers), educational outreach programmes advocating better nutrition (21,000 children) and the promotion of reading (344 children) and music appreciation (703 children).

In France, more than 2,500 tonnes of products were donated to Food Banks in 2011, equivalent to 5 million meals and a 50% increase in donations. In addition, more than 1,800 tonnes were collected through customer donations. In recognition of its commitment, the Federation of Food Banks awarded Casino Group the “Social Enterprise” label in 2011.

In Mauritius, 9 needy families each received a new house from the Vindemia Group.

 **Key Group CSR achievements in 2011/2012****Global Compact
Advanced Criteria****Main achievements**

Criterion 4 (continued)

In Thailand, Big C runs the “Happy Rice” project with a local foundation to help rice growers affected by the floods of 2010 and 2011. The Big C Foundation, which is deeply committed to aid for education, has provided 3,375 scholarships to young students and built 29 schools to date. The support programme for local communities has also, with the help of Big C’s customers and business partners, collected 9 million baht to finance the construction of a hospital in a remote area.

In Vietnam, Big C employees are coming together for the “Big Community” competition. In 2011, eight projects were launched (filtering drinking water, setting up a massage school for the blind, sale corner for handicrafts made by the disabled ...).

For further information:

www.groupe-casino.fr/en/National-commitments.html

www.groupe-casino.fr/en/The-actions-of-the-Casino-banners.html

www.groupe-casino.fr/en/The-Casino-Group-Corporate,3058.html



Principles in Action

The Group's CSR initiatives are fully consistent with the 10 principles of the Global Compact. The goal is to more effectively align our actions in all our host countries, while ensuring that local issues and challenges are adequately addressed. The following pages provide an overview of the main progress that has been made since our last Communication on Progress Report in 2011.

Respect for Human Rights

Principles of the Global

- 1 Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence ;
- 2 and make sure that they are not complicit in human rights abuses.

The Group's approach

Human resources guidelines and policies in all Casino Group subsidiaries comply with international conventions on human rights. Given the nature of the Group's activities, the main risks of a human rights breach are to be found in the supply chain.

The Group supports the Global Social Compliance Programme (GSCP) and has been **a member, since its launch**, of the Social Clause Initiative sponsored by France's Retail Trades Federation (FCD). Every year, **Casino Group's CSR Department** conducts social audits of suppliers at risk in emerging markets to ensure they meet the requirements of its supplier ethics charter, which refers explicitly to the principles of the Universal Declaration of Human Rights and the core conventions of the International Labour Organisation (see p. 20).

The Group is a founding member of Entreprises pour les Droits de l'Homme (EDH), which aims to help companies to implement the Universal Declaration of Human Rights and **raise staff awareness of human rights issues in the workplace**.

The Group's various foundations are involved in programmes designed to help disadvantaged people to improve their lives, especially underprivileged children and disaffected youth.

Key achievements in 2011/2012

Global Compact Advanced Criteria

Key achievements in 2011-12

Critère 5

Develop robust commitments, strategies or policies in the area of human rights

In 2011, Casino Group adopted an Ethics Charter for all its subsidiaries in France and abroad.

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 5 (continued)

In 9 commitments, the Group reaffirmed its respect for the principles contained in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic and Social Rights, and the eight Core Conventions of the International Labour Organisation (ILO).

For further information:

www.groupe-casino.fr/en/Human-Rights-in-the-Workplace.html

Criterion 6

Establish effective management systems to integrate human rights principles

A founding member of “Entreprises pour les Droits de l’Homme” (EDH - Companies for Human Rights), since 2010 the Group has been actively involved in designing a training module on “human rights in the workplace”, which is now routinely offered to Group executives in three sessions per year.

Casino Group is using the module to design a training course for roll-out at the end of 2012 and plans to conduct a human rights risk assessment in the countries in which it operates.

For further information:

www.groupe-casino.fr/en/Human-Rights-in-the-Workplace.html

Criterion 7

Establish effective monitoring and evaluation mechanisms of human rights integration

The social compliance audit of suppliers of Casino products includes an early warning system that takes account of the extent of non-compliance. It also provides for monitoring of the audited suppliers and of the action plans (see p. 15).

For further information:

www.groupe-casino.fr/en/Social-ethics-policy.html

In France, on the domestic front, an anti-discrimination early warning procedure was set up after Casino was awarded the Diversity Label. A helpline and mediation service ensures that actual or alleged discrimination against Group employees can be traced, thus ensuring any such incidents can be dealt with according to the proper procedures.

For further information:

www.groupe-casino.fr/en/Capitalising-on-the-rich-diversity,3032.html

Criterion 8

Key outcomes of human rights integration

Given the nature of its activities, Casino Group has established performance indicators on respect for human rights in its supply chain (see p. 15).

On the domestic front, the helpline and mediation service set up by Casino France to combat discrimination dealt with 4 cases in 2011, 2 of which concerned another matter.

The other two were managed in accordance with established procedure, involving management and human resources departments.

Labour Standards

Principles of the Global

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 elimination of all forms of forced or compulsory labour;
- 5 effective abolition of child labour;
- 6 and eliminate discrimination in respect of employment and occupation.

The Group's approach

The Group has formalised a policy for respecting fundamental rights in the workplace. The policy echoes commitments 1 and 4 of the Group's Ethics Charter. It is also included in the suppliers' ethics charter as well as in the contract itself.

The Group subscribes to the principles contained in the texts referred to below, which it recognises as representing absolute minimum standards in human rights:

- **The Universal Declaration of Human Rights**, adopted by the General Assembly of the United Nations in resolution 217 A (III) of 10 December 1948;
- **The Convention on the Rights of the Child**, adopted by the General Assembly of the United Nations in resolution 44/25 of 20 November 1989;
- **The Declaration of the International Labour Organisation (ILO)**, adopted in June 1998, on fundamental principles and rights at work, namely:
 - › Freedom of association and effective recognition of collective bargaining,
 - › Elimination of all forms of forced or compulsory labour,
 - › The effective abolition of child labour,
 - › The elimination of discrimination in respect of employment and occupation.

Given the nature of the Group's activities, risks relating to child labour or forced or compulsory labour are limited and are mainly to be found in the supply chain (see p. 24).

Key achievements in 2011/2012

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 9

Establish robust commitments, strategies or policies in the area of labour

In 2011, Casino Group adopted an Ethics Charter for all its subsidiaries in France and abroad.

In 9 commitments, the Group reaffirmed its respect for the principles contained in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic and Social Rights, and the eight Core Conventions of the International Labour Organisation (ILO).

For further information:

www.groupe-casino.fr/en/Human-Rights-in-the-Workplace.html

Criterion 10

Establish effective management systems to integrate the labour principles

In all its subsidiaries, the Group encourages staff representation and arrangements for constructive social dialogue with employees and their representatives. At Casino in France, this dialogue led to the signing of six new labour agreements in 2011.

For further information:

www.groupe-casino.fr/en/High-quality-employee-relations,3037.html

The Group has put in place effective management systems to prevent health and safety risks in the workplace and promote diversity and equality of opportunity.

In France, the Group is committed to its “Cap Prevention” listening approach to preventing occupational risks. This flagship measure is used to mainstream workplace health and safety management in all the company’s operations and thus prevent occupational risks at the earliest possible stage.

In 2011, 30% of hypermarkets, 100% of supermarkets and warehouses in France, as well as Cdiscount warehouses, were covered by the “Cap Prevention” scheme. A procedure for preventing psychosocial risks has also been deployed since 2011, focusing on a Group France action plan based on 4 common themes:

- Management and Professional Development,
- Listening, Relay and Support,
- Communication and Information,
- Work/life balance.

For further information:

www.groupe-casino.fr/en/Health-and-Safety-in-the-Workplace.html

Key achievements in 2011/2012

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 10 (continued)

With regards to the fight against discrimination and promotion of diversity, Casino continued its historical approach in 2011 with a heightened awareness campaign in conjunction with the distribution of the Group Ethics Charter in all subsidiaries in France and abroad. The Charter restates the Group's intention to promote equal opportunities in access to employment, training and career development. It is included in the training programmes on the Managerial Attitudes and Behaviours (MAB) expected of new employees. In 2011, the Group helped to set up the ILO Global Business and Disability Network of businesses working to integrate people with disabilities.

All subsidiaries have a policy for the integration of disabled persons. Big C Vietnam is committed to recruiting disabled workers in every one of its stores and, in Argentina, Libertad is recognised as a pioneer in the field. In Brazil, GPA has launched a new internal campaign to promote diversity and for several years it has been running its "GPA for all" programme to promote the integration of persons with disabilities. In Colombia, Éxito runs a specific programme for vulnerable people.

New agreements on gender equality in the workplace have also been signed by Casino France, Franprix-Leader Price (integrated stores) and Cdiscount.

For further information:

www.groupe-casino.fr/en/Capitalising-on-the-rich-diversity,3032.html
www.businessanddisability.org

Criterion 11

Establish effective monitoring and evaluation mechanisms of labour principles integration

In 2011, executive commitment surveys were carried out in France, Colombia and Argentina, with high take-up rates.

Pursuant to the Diversity Label, awarded in 2009 and successfully renewed in May 2012, Casino France has set up an anti-discrimination helpline that can be used by all employees.

For further information:

www.groupe-casino.fr/en/Capitalising-on-the-rich-diversity,3032.html

In 2011, Casino France also carried out another "voluntary testing" exercise to assess the impact of a candidate's background in its recruitment procedures. This second testing exercise, the results of which were made public in 2012, shows that the risk of discrimination during recruitment has been reduced since the first testing exercise in 2007.

For further information:

www.groupe-casino.fr/en/Capitalising-on-the-rich-diversity,3032.html

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 11 (continued)

Finally, in Colombia, Éxito has set up a procedure for employees to file complaints or claims, which are then managed by the human resources department.

For further information:

www.grupoexito.com.co/index.php/en/sustainability
(p. 131 of the 2011 report)

Criterion 12

Key outcomes of integration of the labour principles

Casino Group has established annual reporting procedures to track the key social data of its subsidiaries in France and abroad. The Group's social performance indicators can be found on its website.

For further information:

www.groupe-casino.fr/en/Performance-Indicator-and-Roadmap.html

Every year, Éxito and GPA publish annual reports in GRI format, as well as a Communication on Progress report.

Environment

Principles of the Global

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility;
- 9 and encourage the development and diffusion of environmentally friendly technologies.

The Group's approach

In all its host countries, Casino Group deploys locally-adapted environmental protection policies by taking part in initiatives to combat global warming or protect biodiversity.

The Group set out its sustainable development commitments in early 2003. These commitments, which were reaffirmed when it signed up to the United Nations Global Compact in 2009, also cover environmental issues and apply by default to all Group businesses. By exchanging best practice and harmonising actions that respect local conditions, options can be identified for Group-wide implementation.

A Group Director for the Environment was appointed in 2001, tasked with coordinating the environmental action of all business units.

He is assisted by his many contacts in the various Group businesses and reports to the Department of Corporate Social Responsibility, which was created in 2010 to develop and coordinate more effectively the Group's CSR policy in France and abroad.

In France, the Group's environment policy is based on an action programme known as "green excellence" and is part of the drive to cut the GHG emission rate by a factor of 4, in accordance with the objectives of the Grenelle Environment Round Table. The plan covers all environmental aspects of the Group's activities (energy, waste, transport, fluids, sustainable construction, eco-design etc...)

Key achievements in 2011/2012

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 13

Develop robust commitments, strategies or policies in the area of environmental stewardship

The Group's commitment to the environment was reaffirmed with the inclusion of a commitment to the protection of biodiversity in the Group Ethics Charter.

The Group also lent its support to several major initiatives:

- A pioneer of carbon labelling on its own-brand products, in 2011 Casino Group responded to a call from the Ministry of Ecology and Sustainable Development to develop a new environmental label in partnership with ADEME and AFNOR. By the end of 2011, the packaging of 84 Casino products, 37 Monoprix products and 14 national brand products displayed the new environmental index;
- Casino continued its commitment to remove palm oil from all its Casino-branded food products and to only use certified palm oil for its non-food products. By the end of 2011, 312 Casino foodstuffs no longer contained palm oil. Casino also joined the Roundtable for Sustainable Palm Oil (RSPO) in March 2011;
- As part of the International Year of Forests, Casino Group renewed a campaign with SOS Sahel and the Danone Group to plant 1 million trees in Burkina Faso and Niger;
- In June 2011 in Brazil, GPA published its Pact for Nature, which sets out its goals for 2012 around six areas of commitment (for further details, see p. 88 of GPA's Annual and Sustainability Report), www.gpari.com.br;
- Libertad is the first Argentine retailer to take part in "Dejá tu Huella" (leave your footprint), a programme launched by mineral water company Villavivencio and NGO Banco de Bosques (Forest Bank);

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 13 (continued)

- In Thailand, Big C worked in partnership with Tetra Pak Thailand and Fiber Pattana to launch the “Green Roof Project” – a national programme for recycling cardboard cartons to make insulating green roofs. In 2011, Big C also organised a “Go-Go Green Marathon” for reforestation projects.

For further information:

www.groupe-casino.fr/en/Reducing-greenhouse-gas-GHG.html

Registration Document 2011, pp. 54-57

www.groupe-casino.fr/IMG/pdf/RegistrationDocument2011.pdf

Annual and CSR Performance Reports of Casino Group, Éxito (pp.88-100), GPA (pp.88-97) and Big C Thailand (pp.188-190).

→ www.bigc.co/en/about/Bigc

→ www.grupoexito.com.co/index.php/en/sustainability

→ www.gpa-ri.com.br

Criterion 14

Implement effective management systems to integrate the environmental principles

Environmental management is an integral part of the Group’s “CSR Spirit” continuous improvement programme.

An analysis of the risks and challenges conducted in 2011 identified four environmental priorities for the period 2012-2014: support biodiversity; optimise waste management; improve energy efficiency; and reduce greenhouse gas emissions.

The Group’s CSR policy is implemented throughout the Group’s business units.

In line with Group policy, Éxito carried out a study of its environmental risks – this matrix is published in Éxito’s 2011 report.

→ Link: www.grupoexito.com.co/index.../annual-reports

For further information:

www.groupe-casino.fr/en/Supporting-biodiversity.html

www.groupe-casino.fr/en/Reducing-greenhouse-gas-GHG.html

www.groupe-casino.fr/en/From-energy-efficiency-to.html

www.groupe-casino.fr/en/Waste-management-and-recycling.html

Criterion 15

Establish effective monitoring and evaluation mechanisms for environmental stewardship

Annual monitoring of action plans and environmental indicators is carried out in France and abroad using environmental roadmaps, which can be found on the Group’s website.

For further information:

Roadmaps for France and abroad downloadable at:

www.groupe-casino.fr/fr/Reduire-les-emissions-de-gaz-a

→ 2011 Annual and CSR Performance Report of Casino Group and its main subsidiaries (Monoprix, GPA, Éxito)

www.monoprix.fr/developpement-durable/nos.../rapport-activite.html

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 16

Key outcomes of integration of the environmental principles

For almost 10 years now, Casino Group has been using an annual reporting procedure to monitor the main impacts and environmental progress of its subsidiaries. The Group's environmental performance indicators can be found on the Group's website and in its Annual and CSR Performance Report.

For further information:

www.groupe-casino.fr/en/Performance-indicators.html

Anti-corruption

Anti-corruption

10

Businesses should work against corruption in all its forms, including extortion and bribery

The Group's approach

In joining the Global Compact in 2009, Casino Group reaffirmed its commitment to combating corruption. The Group's anti-corruption programme is the responsibility of the managing director of each of the Group's business units.

The Group Internal Audit Department conducts awareness campaigns in all Group business units and is available to assist them in their discussions surrounding the definition and implementation of their anti-corruption action plan. It also publishes a monthly newsletter that is distributed to Group managers in 3 languages in order to inform and alert them to internal audit and risk management issues, including the fight against corruption.

Key achievements in 2011/2012

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 17

Develop robust commitments, strategies or policies in the area of anti-corruption

The fight against corruption is explicitly mentioned in the Group Ethics Charter, which was translated into four languages and distributed to subsidiaries in France and abroad in 2011.

For further information, see: Registration Document 2011, p. 64 www.groupe-casino.fr/IMG/pdf/RegistrationDocument2011.pdf

In addition, the Group's business units implement their own ethics charters or codes of conduct locally.

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 18

Implement effective management systems to integrate the anti-corruption principle

A guide to good practice in the fight against corruption was distributed to subsidiaries in France and abroad by the Internal Audit Department in the second half of 2012.

Actions implemented by subsidiaries include, for example, Éxito's major "transparency" campaign, which it rolled out across the company to raise awareness of the messages contained in its ethics charter and in the Handbook for managing conflicts of interest. An ethics committee was also set up and a red flag escalation procedure made available both internally and externally. Similarly, Brazilian subsidiary Grupo Pão de Açúcar adopts the same approach by instructing all its employees about the code of conduct contained in its Ethics Code and the early warning device, which was also used to deal with 38 complaints in 2011.

Criterion 19

Establish effective monitoring and evaluation mechanisms for the integration of anti-corruption

The Guide to Good Practice that was distributed in the second half of 2012 was accompanied by a four-part questionnaire (raising employee awareness; preventing corruption; detecting and responding to corruption situations; and improving procedures) to pave the way for a Group-level state of play report.

Criterion 20

Key outcomes of integration of the anti-corruption principle

Following distribution of the Guide to Good Practice, subsidiaries in France and abroad were asked to provide input for new specific action plans to maintain and improve anti-corruption procedures.

Implementation of the principles in the value chain

The Group's approach

Given its retail distribution activities, Casino Group is aware that its CSR approach to corporate social responsibility cannot be confined to the Group alone, but must also take account of the risks and issues associated with its supply chain. Since 2002, the Group has adopted a social ethics policy with its suppliers and manufacturers in order to help improve the social conditions associated with the production of the products distributed by the Group. This approach, which is currently led by Casino Group CSR Department, is underpinned by four complementary components:

- › **The supplier ethics charter:** signing up to the ethics charter is a non-negotiable step in the supplier onboarding process. In signing the charter (which refers to the Group Ethics Charter), suppliers state that they acknowledge the primacy of the principles enshrined in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and agree to comply with national and local social legislation relating to minimum employment age, forced labour or abusive disciplinary practices, non-discrimination, freedom of association and the right to collective bargaining, working hours, remuneration and health and safety. It also means that they accept that their compliance with these commitments can be verified.
- › **An annual social audit campaign:** every year, a hundred production sites are audited to ensure proper compliance with the criteria established by the supplier ethics charter. Planned and monitored by the Group social ethics officer, the audit campaign primarily targets countries that are likely to pose human rights and labour standards infringement risks, with regular audits being carried out in China, India and Bangladesh. The audits are conducted by independent specialist firms according to the standards required by the French Social Clause Initiative (ICS), of which Casino Group has been a member since 2000. Production sites are rated on a six-level scale. The red level corresponds to the lowest rating and leads to a cessation of relations with Casino Group. In addition to these annual audits, the Group acts on specific risks, as was the case with manual sandblasting of jeans (see below).
- › **Drawing up corrective action plans with suppliers:** following a production site audit, an audit report is produced and, where necessary, a corrective action plan is drawn up, which the factories concerned commit to implementing within a specific timeframe, failing which their rating is downgraded. Follow-up audits help to ensure that the corrective actions contained in the plan have been properly implemented.
- › **Audit campaign analysis and follow-up:** carried out by the social ethics officer, this approach uses specific social ethics indicators and involves a debriefing with suppliers whose production facilities have been audited.

Successful deployment of this approach is complemented by regular Group awareness-raising initiatives, both for its employees (purchasing teams) and its suppliers. Every year, the CSR Department alerts purchasing departments to the issues and the ethical procedure.

Alerting suppliers to the issues is also crucial to the proper performance of the social audit programme. The Group's local offices play a vital role in helping factories to better understand the expectations of the Group and in implementing any corrective action plans.

Key achievements in 2011/2012

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 21

Implementation of the Global Compact principles in the value chain

In 2011, 103 social audits were carried out on suppliers based in risk countries (including 65 in China and 14 in Bangladesh). A specific audit programme was launched for the denim sector (8 garment factories and 6 washing/bleaching factories audited in 2011) to ensure that manual sandblasting is not being carried out.

13 factories already assessed in 2010 were audited again by external auditors to ensure that the corrective action plans drawn up after the initial audits had been implemented properly.

For further information:

www.groupe-casino.fr/en/Social-ethics-policy.html

In Brazil, Pão de Açúcar Group also conducts on-site inspections to ensure local suppliers are complying with labour standards and that there is no use of child labour or forced labour. In 2011, 549 suppliers were audited.

For further information: www.gpari.com.br

Transparency and verification

The Group's approach

Since 2002, Casino Group has published an annual sustainable development progress report. Initially published as a separate document, the report has been incorporated in the Group's Annual Report since 2008.

Since signing up to the UN Global Compact in October 2009, the Group has also published an annual Communication on Progress (COP) report. These reports can be viewed on our website at www.groupe-casino.fr/en/Reports.html

Several subsidiaries such as Monoprix in France, GPA in Brazil, Éxito in Colombia and Big C in Thailand include their CSR work in their annual reports.

The information and indicators published in these reports is collected through a structured reporting procedure, led by the Group CSR Department.

The procedures for collecting, calculating and consolidating sustainable development indicators were formalised in 2003 and a measuring and reporting protocol distributed in French, English and Spanish to everyone involved in the reporting procedure in France and in foreign subsidiaries. A complete overhaul of the protocol was carried out in 2010, in order to:

- › secure a more exhaustive reporting procedure based on the guidelines of the Global Reporting Initiative (GRI) and the principles of the UN Global Compact;
- › harmonise calculation methods across Group subsidiaries in France and abroad.

In addition, the key CSR performance indicators of Casino France are verified annually by a Group auditor. Some Group subsidiaries such as Monoprix in France or Pão de Açúcar Group in Brazil also have some of their CSR data audited by an independent firm.

Key achievements in 2011/2012

Global Compact Advanced Criteria

Achievements in 2011-12

Criterion 22

Information on the company's profile and context of operation

The 2011 Annual and CSR Performance Report and the Group's website provide detailed information on:

- the legal and ownership structure of the Group (pp.18-19 and p.108 of the report);
- the main host countries and markets served (pp. 1-7);
- the Group's key brands, products and services (pp. 8-9);
- the direct and indirect economic benefit generated for the various stakeholders (p. 69).

Criterion 23

The COP incorporates high standards of transparency and disclosure

The key progress and achievements listed in the COP 2012 report are taken from the CSR roadmaps and other information contained in the 2011 reports of some subsidiaries.

The information was collected and reviewed centrally by the Group CSR Department using the CSR reporting protocol that takes on board the principles established under the GRI 3.1 guidelines.

For further information: the reporting methodology is available at www.groupe-casino.fr/en/Our-commitments.html

Éxito's 2011 Sustainable Development Report complies with the advanced criteria of the Global Compact (COP advanced) and was given a GRI A+ rating.

For further information: www.grupoexito.com.co/

The GPA 2011 report was given a GRI B+ rating.

For further information: www.gpari.com.br

Criterion 24

The COP is independently verified by a credible third party

The 2012 COP report essentially contains information that has already been published in the 2011 Annual and CSR Performance Report, including some indicators that have been audited externally by a Casino Group auditor.

For further information: assurance report available at www.groupe-casino.fr/en/Our-commitments.html

The purpose of this report is to promote discussion and measure progress. If you would like any further information about Casino Group and its Corporate Social Responsibility and Sustainable Development policies, or to share your comments or observations, please contact:

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www.casino-proximité.fr

www.casino-cafeteria.fr

www.leader-price-int.com

www.franprix.fr

www.monoprix.fr

Argentina : www.libertardsa.com.ar

Brazil : www.grupopaodeacucar.com.br

Colombia : www.almacenesexito.com

Thailand : www.bigc.co.th

Uruguay : www.disco.com.uy et www.devoto.com.uy

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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.