



Code of Ethics

REVIEW:1

2005



COMMERCIAL CODE OF ETHICS – AUCHAN

A – INTRODUCTION

With this Code of Ethics the Group AUCHAN aims to establish a commitment with its suppliers reiterating the agreement of both parties to the principles of the Universal Declaration of the Human Rights and to the Conventions of the International Labour Organisation, that must be applied to their commercial activities, although these can elapse in very diverse cultural, legal and economic environments.

Confronted with the challenges of a changing environment, within globalization, the Group Auchan has been taking consciousness of the need to integrate its social concerns in a wider concept of Sustainable Development, therefore defining its business strategy and its management based on three principles:

- Economic/Financial
- Social Responsibility
- Environmental Protection

in a compatibility and continuity context, and the expansion of its activities in the present as well as in the future.

The Group Auchan, wishing to stand out as a citizen company and to be recognized as a socially responsible organization committed to its principles, intends to guarantee its customers that the products it offers are manufactured in conditions that respect human rights as well as the environment.

This Code also aims to extend to suppliers the mentioned commitment of guarantee.

B – SUPPLIER RELATIONS

The Group Auchan is wanting to develop long-lasting relations compatible with the principles mentioned above in this Code of Ethics.

The relations between parties are based on the Good-faith principle, which is underlying in the commitment established in this Code.

C – WORK CONDITIONS

The supplier must always respect the following points:

1. Child Labour – Child labour is inadmissible. The employees can't have less than the minimal age defined by the Legislation of the Country and in any case can this age be under 14 years old.

1.1 The supplier is obligated to the Legislation relating to child labour.

1.2 The supplier is obligated to maintain registries that prove the date of birth of each of its employees.

2. Forced Labour – Forced labour will not be tolerated in any way, including body punishment, mental and physical coercion and verbal insults.

2.1 The supplier will not allow physical coercive acts to its employees.

2.2 The supplier will not allow non-physical coercive acts such as threats, sexual harassment and verbal insults.

3. Work Environment – The supplier will take the necessary measures to guarantee a safe and healthy environment for all its employees.

3.1 The supplier must abide by the Hygiene and Health Legislation in work its facilities.

4. Remuneration – The supplier must remunerate its employees abiding by the Legislation in question.

4.1 Each employee must receive at least the minimum wage established by the law of his country.

4.2 The employees must benefit from Social Benefits provided for in the Legislation of their country.

4.3 In the absence of specific Legislation the supplier must remunerate within the medium values practiced by the local companies in his line of activity.

5. Working Hours – The supplier must insure the enforcement of the applicable Legislation to this matter or in case its non-existent, he has to guarantee that the standard working hours do not go over 60 hours per week.

5.1 The standard working hours must be in agreement with the number of hours referred to in the law.

5.2 The overtime hours must be paid at a higher rate than the standard hours and the total amount per week should not exceed the number of hours referred to in the law.

5.3 The employees have the right to refuse working overtime without being afraid of repercussions.

6. Trade Union Freedom and the Right to Collective Bargaining – The supplier must not interfere with the employees rights concerning Trade Union Freedom and their right to Collective Bargaining.

6.1. The supplier must ensure that there are conditions for the employees to decide, freely, if they want or not to get organized into associations.

7. Discrimination – The supplier must not practice discrimination of race, caste, nationality, religion, gender, sexual orientation, political or syndical affiliations while recruiting, remunerating, giving professional training, promoting or retiring its employees.

7.1 – Employees must be selected based on their work capabilities and not on personal characteristics or beliefs.

D – ENVIRONMENTAL ASPECTS

The Group AUCHAN maintains the commitment of contributing for the improvement of the environment to which it belongs and of which it is dependent. In order to fulfill this intention it identified the main problems or environmental repercussions related to its activities, in such a way that measures will be implemented to promote the prevention and minimization of such repercussions.

The supplier must also promote and invest in a continuous improvement in the environmental performance of its company, through measures taken on the main environmental impacts identified as a consequence of its activities

E – COMUNICATION AND VERIFICATION

Within the spirit of partnership and abiding by the principles of Good-faith that characterize this code the supplier must allow representatives from Group AUCHAN to visit their facilities in order to verify if their activities are in agreement with the content of this Code of Ethics.

In this context, the supplier must hand over information relating with its production aspects as well as of its employees considered relevant for the subject being treated here.

F – COERCIVE ACTIONS AND SANCTIONS

In case of existing irregularity, a plan of coercive actions negotiated between the supplier and Group AUCHAN should be developed and its execution will be followed by the Group AUCHAN.

Should this plan of coercive actions not be followed within deadlines previously agreed, Group AUCHAN has the right to suspend the contractual relationship.



This agreement was signed in ____ / ____ / ____ by:

The Supplier's Representative

Grupo Auchan Representative
