



United Nations Global Compact / Communication on Progress

Message from the Chairman

Socially responsible actions are not a competitive tool to Companhia Brasileira de Distribuição (CBD)/ Grupo Pão de Açúcar. They are the only way to do business that we know. This pioneer and innovative vision that leads Grupo Pão de Açúcar's path has always positioned us ahead of the market, firmly establishing our practices over a development concept which really goes beyond the commercial activities.

We, from Grupo Pão de Açúcar, work tirelessly to guarantee our customers their best shopping experience, not only for the improved services provided, but also for the contribution given by the company to the Brazilian social and environmental matters. Thus, in this unceasing search for innovation, we found in the Global Compact the synergy between the principles defended by this initiative that deeply converges with CBD's positioning.

Social Responsibility is indeed in our DNA, and we share this goal with our 70 thousand employees, who make our company the country's largest private employer, and work in each one of our more than 500 stores spread through 13 Brazilian states.

By giving support to social public policies, investing in human development and youth and children's education, encouraging sports and cultural practice, stimulating ethics and solidarity trade and conscious consumption, we are able to provide the energy for the ceaseless society transformation process to move on towards a better future.

More than participating in the Compact, we are committed to increasing the principles and values diffusion power that it propagates. It was the way we found to creatively explore our alternative media by printing the Global Compact principles and the Millennium Development Goals on 1.4 million bags.

On behalf of Grupo Pão de Açúcar and all its employees, we affirm once again our commitment to the Global Compact and its 10 principles, and disclose our first Communication on Progress.

Abilio Diniz

Chairman of the Board of Directors

CBD/ Grupo Pão de Açúcar

Global Compact - Communication on Progress

Principle 1: To support and respect the protection of internationally proclaimed human rights

Commitment	Systems	Actions	Performance
<p>Companhia Brasileira de Distribuição does business and works oriented by ethics, which serves as basis for all its actions. By reconciling the interests of shareholders, customers, suppliers and community, and valuing the human being in all relationships maintained, the Company takes its actions following the principles of: respect; honesty and integrity; humbleness and courage; life quality; responsibility; transparency; respect towards confidentiality; environment preservation; quality in services rendered.</p>	Code of Ethics	The Companhia Brasileira de Distribuição's Code of Ethics was reviewed in 2004. The review process of the document, which represents the global way of thinking of CBD, relied on the contribution of all Company's sectors.	The Code disclosure to all employees was held by the managers, through meetings with reading and Q&A sections. Boards containing the entire code description were placed in all workplaces.
	Instituto Pão de Açúcar de Desenvolvimento Humano - IPA (Pão de Açúcar Institute for Human Development)	Responsible for the Company's external social investment, the Institute operates to offer children, teenagers and young people access to quality education and preparation for the market. For that, it develops social technology and ensures the implementation of educational qualification and professional preparation programs.	In 2004, Instituto Pão de Açúcar's investments reached R\$ 11.8 million, which represents 3% of CBD's net income. IPA registered the participation of 31 thousand youngsters in various programs.
	Instituto Pão de Açúcar de Desenvolvimento Humano (IPA)	"Um Passo a Mais" (One Step Further)	Cultural and pedagogical complementary activities directed to children and teens enrolled in both Elementary and Middle Schools. These activities focus on reading and writing; logical and mathematical thinking; physical education; music; instrumental English, computing; and intellectual development.
	Instituto Pão de Açúcar de Desenvolvimento Humano (IPA)	"Acordes" (Chords)	Collective teaching of musical instruments to youngsters from 10 to 18 years old. Music as access to the cultural universe, stimulating citizenship, social commitment and regional culture.
	Instituto Pão de Açúcar de Desenvolvimento Humano (IPA)	"Culturarte" (Culture and Art Project)	Aimed at teenagers as from the 6th grade, Culturarte offers, through the programs of literature, scenic and plastic arts, architecture and urbanism and Brazilian culture, the acquaintance and participation in cultural activities, besides including arts in the teenagers' routine.

	Instituto Pão de Açúcar de Desenvolvimento Humano - IPA (Pão de Açúcar Institute of Human Development)	"Pão de Açúcar Faz História" (Pão de Açúcar Makes History)	Brings back the memory of communities, as a way to promote education, culture and local identity to elementary school children.
	Instituto Pão de Açúcar de Desenvolvimento Humano - IPA (Pão de Açúcar Institute of Human Development)	"Nossa Língua Digit@l" (Our Digital Language)	Designated for 7th graders students to high school seniors, the program promotes the digital technology use in order to develop the communication and expression process, exploring themes used for reflection and citizenship practice.
	Instituto Pão de Açúcar de Desenvolvimento Humano (IPA)	Esporte&Ação (Sport&Action)	Track and field and pedagogical activities directed to the development of children and youngsters from 7 to 14 years of age.
	Instituto Pão de Açúcar de Desenvolvimento Humano - IPA (Pão de Açúcar Institute of Human Development)	"Escola de Varejo" (Retail School)	Launched in 2004 in the cities of São Paulo and Santos, Escola de Varejo is an initiative that gives continuity in the professional preparation work which Instituto Pão de Açúcar has been doing since 1999. It works as a three-stage training process - futuro@eu, Um Passo para o Futuro and Capacitação para o Varejo, which was specially created to Escola de Varejo.
	Instituto Pão de Açúcar de Desenvolvimento Humano - IPA (Pão de Açúcar Institute of Human Development)	" futuro@eu " (I @m the future)	Qualification for the 15 to 18 years-old youngster's entrance and permanence in the market.
	Instituto Pão de Açúcar de Desenvolvimento Humano (IPA)	"Programa de Voluntariado" (Volunteering Program)	Companhia Brasileira de Distribuição offers the structure, time and skilled professionals that guide employees in the organization of voluntary actions.

	Instituto Pão de Açúcar de Desenvolvimento Humano - IPA (Pão de Açúcar Institute of Human Development)	"Parcerias Contra o Desperdício" (Partnership Against Waste)	Donation of products improper for selling, but in consumption conditions. In 2004, R\$ 7 million in products was donated to 760 entities nationwide.
	Supplier's Ombudsman	CBD's innovation, offering an impartial channel in order to listen to this important retail stakeholder – the supplier – and ensuring that the relationship is established in fair and ethical principles. It contributes to avoid moral harassment, discrimination and disrespect of any nature to human beings inside the Company's influence sphere.	Annual assistance in 2004: 3,422 contacts, 43% complaints, 0.5% resolved complaints. Assistance in 1H05: 1,773 contacts, 29% complaints and 0.3% resolved complaints.
	Human Resources - CIPA - Comissão Interna para a Prevenção de Acidentes/ Saúde Ocupacional (Internal Commission for Accident Prevention/ Occupational Health)	CIPA - Internal Commission for Accident Prevention, in partnership with the Occupational Health Area, exerts a great impact in the development of a safe and healthy work environment that contributes to work accidents reduction.	Operating in 360 stores, it includes 3,074 collaborators and assists 65,028 employees (100% of the total).
	Human Resources	"Programa Viva Melhor" (Living Better Program)	Life Quality Program focused on physical, emotional, social, intellectual, professional, environmental and spiritual health promotion. Comprehensive types of actions that include preventive examinations of womb, breast and prostate cancer, vaccine against flu, leisure clubs, educational, nutritional and welfare in the workplace projects.
	Human Resources	80% employee meal subsidy	All employees
	Human Resources Human Resources	Full medical and dental care assistance "Projeto Lugar Onde Você Mora" (The Place Where You Live Project)	All employees This project helped to reassign 400 employees to stores closer to their homes.

	Human Resources	"Doce Vilas" (Sweet Villas Project)	Support program for the employee to buy his house, by means of the construction of low-income condos in partnership with a financial institution that offers financings for low-income employees. 327 houses were built in 2004.
	Human Resources	Other benefits	CBD offers several other benefits, such as grocery allowances, scholarships and support for employees with disabled children.
	Other actions	"Programa Caras do Brasil" (Brazilian Faces Program)	A unique initiative in the world: the selling of sustainable products, allying Grupo Pão de Açúcar's core activity to the development of communities nationwide. The Program operates in 30 stores in São Paulo and Rio de Janeiro, with more than 135,000 products sold, manufactured by 62 sustainable suppliers from 19 states.
		Assinatura do Pacto Nacional Contra o Trabalho Escravo (Signing of the National Pact Against Slave Labor)	Established based on a ILO - International labor Organization's report, the Pact represents the commitment for not allowing slave labor in any part of the productive chain.
		"SuperCopa CompreBem" (CompreBem SuperCup)	Soccer tournament. 27 thousand youths from 13 to 14 years old participated in the cup, and the 144 best earned the right to practice at the Pão de Açúcar Sports Club.
		"Super Bola" (Super Ball)	The program has assisted, in the first year, 172 youths from 13 to 17 years old. All participants over 16 years old will have the opportunity to participate in a first job program selection process and another one related to retail – both offered by IPA.
		Clothes and toys collection for donation, vaccination campaign, kiosks for selling cards from UNICEF and from other renowned national organizations.	Collection of 85 thousand clothes, 15 thousand toys.
		"Participação no Programa Fome Zero" (Participation in the Zero Hunger Program)	Official support to the federal program, by means of money collection from CBD employees and 3 thousand tons of food donation in more than 500 stores. The Parcerias Contra o Desperdício program contributed with 2.5 thousand tons and customers contributed with 500.

		"QueroLer - Biblioteca para Todos" (WannaRead - Library for All)	Donation of 335 thousand books to libraries and reading rooms destined for low-income population, which took place in 62 stores from Extra Supermarket Chain.
		"Acessibilidade para todos" (Accessibility to All)	All new CBD stores have the Seal of Excellence, created by the Company, and the old stores search for obtaining it going through the required adaptations.
		"Incentivo ao Esporte" (Sports Incentive)	Organization of traditional races, support for cycling, organization of soccer tournaments.
		"Incentivo à Cultura" (Cultural Incentive)	Ilê Aiyê Group, Meninos do Morumbi (Morumbi's Boys), Pão Music, Música no Parque (Music in the Park), Sessão Extra de Cinema (Extra Movie Session), artwork restoration, among other initiatives.
		"Capacitação" (Capability)	CBD qualifies its employees to serve special needed people and avoid constraints.

Principle 2: To ensure non-complicity in human rights abuse

Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição is committed to avoid complicity in human rights abuse in all its business units.	Code of Ethics	The Companhia Brasileira de Distribuição's Code of Ethics was reviewed in 2004. The review process of the document, which represents the global way of thinking of CBD, relied on the contribution of all Company's sectors.	The Code disclosure to all employees was held by the managers, through meetings with reading and Q&A sections. Boards containing the entire code description were placed in all workplaces.
	Ethics Committee	The Ethics Committee, comprised by Special Operations, Legal, Auditing, Human Resources, Supplier's Ombudsman and Operations departments, meets monthly to analyze possible Code violations, to direct more serious cases to the Executive Office and to disclose necessary measures.	
	Other Actions	Assinatura do Pacto Nacional Contra o Trabalho Escravo (Signing of the National Pact Against Slave Labor)	Established based on a ILO - International labor Organization's report, the Pact represents the commitment for not allowing slave labor in any part of the productive chain.

		Human Resources Processes	CBD does not admit prejudice related to age, gender, skin color, race, religious creed, sexual preference, ancestry, etc., in its recruitment and selection, training, remuneration, promotion, transfer or any other factors related to the workplace environment.
		Programa Um Dia Diferente (A Different Day Program)	Employees are encouraged to work in wheelchairs or with covered eyes to feel the disabled's difficulties.
		Capability	CBD qualifies its employees to serve special needed people and avoid constraints.

Principle 3: To uphold the freedom of association and the effective recognition of the right to collective negotiation

Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição respects labor union initiatives and values other voluntary organization means by its employees.		100% of the CBD's employees are represented by unions.	98% in the retail workers category and 2% in the pharmacists and gas station attendants categories.

Principle 4: To support the elimination of all forms of forced and compulsory labor

Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição, under no circumstance, allows workers exploitation and does neither maintain business relationship nor contracts	Supplier's Ombudsman	CBD's innovation, offering an impartial channel in order to listen to this important retail stakeholder – the supplier – and ensuring that the relationship is established in fair and ethical principles.	The Ombudsman helps to supervise commercial contract clauses and third party services agreement clauses.

services from organizations adopting any form of forced or compulsory work	Other Actions	Signing of the National Pact Against Slave Labor	Established based on a ILO - International labor Organization's report, the Pact represents the commitment for not allowing slave labor in any part of the productive chain.
		Supply and Commercial Partnership Agreement	All contracts signed by products and services suppliers contain clauses that reject and forbid the use of any kind of forced labor and child labor in the supply chain.
		Document Request	Suppliers selection is based on documents which prove the legitimacy of their actions.

Principle 5: To support the effective abolition of child labor

Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição does not allow, under no circumstance, labor exploitation of children and youths under legal age, and does not maintain trade relations or hires services from organizations which adopt any kind of child labor.	Supplier's Ombudsman	CBD's innovation, offering an impartial channel in order to listen to this important retail stakeholder – the supplier – and ensuring that the relationship is established in fair and ethical principles.	The Ombudsman helps to supervise commercial contract clauses and third party services agreement clauses.
	Other Actions	Programa Caras do Brasil (Brazilian Faces Program)	A unique initiative in the world: the selling of sustainable products, allying Grupo Pão de Açúcar's core activity to the development of communities nationwide. The Program operates in 30 stores in São Paulo and Rio de Janeiro, with more than 135,000 products sold, manufactured by 62 sustainable suppliers from 19 states.
		Supply and Commercial Partnership Agreement	All contracts signed by products and services suppliers contain clauses that reject and forbid the use of any kind of forced labor and child labor in the supply chain.
		Document request	Suppliers' selection is based on documents which prove the legitimacy of its practices.

Principle 6: To support the elimination of discrimination in respect of employment and occupation

Commitment	Systems	Actions	Performance
<p>Companhia Brasileira de Distribuição is committed to Human Resources policies directed to justice, transparency, impartiality and professionalism. The Company does not admit, in its processes or at the workplace, any manifestation of prejudice regarding race, gender, sexual orientation, skin color, religion, age, ethnic origin, physical or mental disability and/or any other classification.</p>	Code of Ethics	The Companhia Brasileira de Distribuição's Code of Ethics was reviewed in 2004. The review process of the document, which represents the global way of thinking of CBD, relied on the contribution of all Company's sectors.	
	Ethics Committee	The Ethics Committee, comprised by Special Operations, Legal, Auditing, Human Resources, Supplier's Ombudsman and Operations departments, meets monthly to analyze possible Code violations, to direct more serious cases to the Executive Office and to disclose necessary measures.	
	Human Resources	Career Plan. CBD's Career Plan, in the same way as the training programs and employees' capability, was developed according to meritorious criteria. The Company does not practice discrimination nor promotes based on criteria other than the professional performance.	Meritocracy approach and against discrimination of any kind.
	Human Resources	Projeto Gente do Futuro (People of the Future Project)	<p>In partnership with Febem (Brazilian Minor's Well-Being Foundation), it aims at the inclusion and reintegration of youngsters under supervised freedom or semi-freedom social-educational programs. The company hires these youths in positions that fit their profile as permanent employees, thus comprising CBD's team. Currently, 47 youngsters have already joined this program. It is not only a matter of hiring youngsters who once violated the law, but also managing all impacts and effects on their lives and under the context in which they are living.</p> <p>For that, the Company relies on a careful selection process, on training for the youths and their managers, as well as on assistance for the youths and family providers.</p>
	Human Resources	Profissionais na Maturidade (Mature Professionals)	Inclusion opportunity in the market for elderly people, as we believe in the capability and experience of these professionals, providing a respectable survival condition.

	Human Resources	Programa CBD Para Todos (CBD to All Program)	Hiring of disabled professionals. Our aim is to hire more of these professionals, trusting in their individual potential and not in their disability, besides guaranteeing their inclusion, allocating them in a correct position, function, section, convenient for both the store and the disabled person. In 2004, 489 people were hired. The program also aims to enlarge the leaderships' vision to focus on results the disabled may achieve.
	Human Resources	Indique um Amigo (Suggest a Friend)	Employees may indicate disabled and special needed people to job vacancies.
	Human Resources	Programa Um Dia Diferente (A Different Day Program)	Employees are encouraged to work in wheelchairs or with covered eyes to feel the disabled's difficulties.
	Human Resources	Jovens em inicio de carreira (Job beginners)	Through internship and apprentice programs, we aim at: <ul style="list-style-type: none"> - Promoting professional capability - Integrating youngsters into the market - Providing development of abilities, good behavior, talent, entrepreneur potential and individual capabilities - Developing the youth's responsibility and commitment to his/her career

Principle 7: Business should support a precautionary approach to environmental challenges

Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição acts in such a way to protect environment in all the locations in which it develops trade activities. It uses natural resources in a rational way and recyclable material whenever possible, and also takes other measures to guarantee minimal air, sound and visual pollution.	Fuel Leakage Electronic Monitoring System	The system works in the 39 gas stations linked to the CBD chain stores	
	Effluent Treatment System	Extra stores with more than 5 thousand square meters have their own effluent treatment stations (3 units in Salvador - Bahia state and 2 in Fortaleza - Ceará state). For the other stores, the treatment system is directly connected with public sewage system.	

	Other Actions	O Pão de Açúcar faz parte do "Guia do Consumidor - Produtos com ou sem Transgênicos" elaborada pelo Greenpeace, por não utilizar grãos transgênicos. Pão de Açúcar comprises the "Guia do Consumidor – Produtos com ou sem Transgênicos" ("Consumer Guide – Products with or without Transgenics") elaborated by Greenpeace, for not using transgenic grains in its own-label products.	
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Principle 8: Business should undertake initiatives to promote greater environmental responsibility

Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição promotes the environmental responsibility, both in its usual operation and in awareness actions, environmental education and education for the conscious consumption.	Actions	<p>Recycling</p> <p>Programa Reciclagem Extra (Extra Recycling Program)</p> <p>The Group has created, in association with Unilever, 30 new Recycling Stations (units for volunteer delivery of recyclable materials).</p> <p>The Company put on the gondolas a fertilizer produced from its own garbage, in association with recycling collector cooperatives and with NGO Cempre (Compromisso Empresarial para a Reciclagem - Corporate Commitment to Recycling).</p>	<p>One of the Company's environmentally responsible approach pillars is waste recycling, an effort acknowledged in 2004 with the Guia Exame de Boa Cidadania Corporativa Award - Environment Category.</p> <p>It is present in 34 Extra stores. Nearly 44 million PET packagings and 19 million aluminum cans were collected in 2004.</p> <p>The project now involves 83 stores, ten recycling collector cooperatives and 6 city halls, in 17 cities of six States. In 2004, 2.5 million kilos of recycled material were collected and sent to 11 recycling collector cooperatives, generating around 250 direct and indirect job opportunities.</p>

		Escola Vai ao Extra (School visits Extra)	Guides public and private Elementary and Middle school students through hypermarket activities and its role in the consumption chain, with monitored visits in all internal and external areas that may give them the necessary experience for developing the conscious consumption theme. Between May 2003 and December 2004, 24,200 visitors from 864 schools participated.
		Pão de Açúcar Kids - Projeto Cidadão Kids em Ação (Kids Citizens in Action Project from Pão de Açúcar Kids)	Considered a benchmark in the conscious consumption debate, "Cidadão Kids em Ação" collaborates with the training process of future consumers generations, developing consciousness in their responsibility and rights as consumers and citizens. More than 600 thousand children from 3,400 schools were assisted.
		Jardineiros do Bem (Welfare Gardening Project)	Offered gardening courses to 120 youngsters, and the revitalization of 32 public parks in the city of São Paulo.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição is committed to the development and the adoption of environmentally friendly technologies which are in accordance to its business features	Actions	Use of biodegradable bags	Pão de Açúcar Real Parque store, uptown area of São Paulo city, has conducted an original experience in the packaging area. In a pilot project, the store started to test biodegradable bags which decompose in an average period of 90 days – ordinary plastic bags may need up to 100 years to decompose. Biodegradable bags have the D2WTM British technology. Pão de Açúcar Group plans to propose to the Brazilian industrial sector the production in large scale of this product.

		Use of paper bags	Paper bags can be found in Pão de Açúcar chain as a whole.
Principle 10: To work against corruption in all its forms, including extortion and bribery.			
Commitment	Systems	Actions	Performance
Companhia Brasileira de Distribuição does not admit corruption of any kind. The Company's Code of Ethics and its judgement jurisdictions expressly prohibit the employee to accept or stimulate any type of favoring.	<p>Code of Ethics</p> <p>Ethics Committee</p> <p>Special Operations Committee</p> <p>Supplier's Ombudsman</p>	<p>The Companhia Brasileira de Distribuição's Code of Ethics was reviewed in 2004. The review process of the document, which represents the global way of thinking of CBD, relied on the contribution of all Company's sectors.</p> <p>The Ethics Committee, comprised by Special Operations, Legal, Auditing, Human Resources, Supplier's Ombudsman and Operations departments, meets monthly to analyze possible Code violations, to direct more serious cases to the Executive Office and to disclose necessary measures.</p> <p>In 2004, the special operations committee investigated suspected cases of bribery within the organization</p> <p>CBD's innovation, offering an impartial channel in order to listen to this important retail stakeholder – the supplier – and ensuring that the relationship is established in fair and ethical principles. It contributes to avoid moral harassment, discrimination and disrespect of any nature to human beings inside the Company's influence sphere.</p>	<p>Annual assistance in 2004: 3,422 contacts, 43% complaints, 0.5% resolved complaints.</p> <p>Assistance in 1H05: 1,773 contacts, 29% complaints and 0.3% resolved complaints.</p>

	Corporate Governance	<p>CBD has its shares traded on the São Paulo Stock Exchange (Bovespa) and, therefore, adopts the accounting principles required by the Brazilian Securities and Exchange Commission (CVM). The Company also maintains an ADR program, with shares listed on the New York Stock Exchange (NYSE), thus complying with U.S. Securities and Exchange Commission (SEC) resolutions.</p>	<p>CBD adhered to Bovespa's Level 1 of Corporate Governance and thus, is comprised in the IGC (Index of Distinguished Corporate Governance Shares), which gathers companies with acknowledged good corporate governance practices.</p> <p>In addition, the Board of Directors meets at least six times a year. Its members are elected at the General Shareholders Meetings for a 3-year term of office. The board's responsibilities include the corporate governance process conduction, the election of officers and the senior management supervision.</p>
	Policy of Disclosure and Use of Material Information and Confidentiality Preservation	<p>CBD adopts a policy based on transparency, credibility and trust regarding the disclosure of relevant information for its investors.</p>	<p>We adopt CDB's Policy of Disclosure and Use of Material Information and Confidentiality Preservation, responsible for the public disclosure of all relevant information according to CVM's policies. In addition, we follow CVM's transactions policy regarding the trading of our shares by our management.</p>
	Sarbanes-Oxley Act	<p>In 2004, CDB continued the Sarbanes-Oxley Act adequacy process, which establishes normative standards regarding corporative accounting and transparency. The regulation is a global reference of strictness, and its compliance is already mandatory for NYSE-listed companies.</p>	<p>CBD concluded in July 2005 the implementation of the Independent Audit Committee according to the Sarbanes-Oxley Act requirements. In addition, both the Company's CEO and CFO certify the 20-F Annual Report (required by the SEC).</p>