

# 2014

## CSR Section

of the

management report



groupe **auchan**



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# FOREWORD

Groupe Auchan, as a federation of companies united around a shared vision and values, recognises that the autonomy and progress of people and regions are keys to its development. Its decentralised operations are based on:

- an organisation by core business;
- the fact that each country / core business has its own General Management structure and a Board of Directors;
- the desire by the Executive Committee to apply subsidiarity to the maximum extent at each level of the company hierarchy.

Groupe Auchan aims to be an ethical company that addresses the needs and evolving concerns of society and its stakeholders by "improving the purchasing power and quality of life of as many customers as possible, with responsible, professional, dedicated and respected employees."

To achieve this goal effectively and harmoniously in all countries in which it is present, sustainable development policies have been drafted, implemented and monitored within the framework of an international synergy since the end of 2008. This international synergy meets once a month to promote shared policies, share best practices in the form of fact sheets accessible to all, and contribute to its members' education and awareness with regard to CSR topics.

Starting in 2009, policies were organised into major project areas (energy, waste, socially responsible product ranges), and indicators were developed to measure the change in results from year to year. Over time these project areas have been consolidated and expanded.

The Group has reported on them since 2011 via an annual corporate and social responsibility report, which is now merged with the annual business and financial report.

In alignment with its business plan and corporate image, Groupe Auchan also reconfirmed its commitment to corporate responsibility in 2011 by joining the Global Compact. Since that date, the Group has been committed to complying with the 10 principles of the Global Compact, relating to human rights, labour standards, the environment and anti-corruption, and their promotion among its stakeholders, for example via the code of business conduct signed by its suppliers, initiatives with students and its internal communication.

With the recent application of article 225 of the Grenelle 2 Act, Groupe Auchan is required to communicate certified qualitative and/or quantitative data for its entire scope with regard to 42 issues relating to CSR. Groupe Auchan has approached this obligation as an opportunity to inventory, analyse and remedy any weaknesses in its reporting as previously practised. Initial work on harmonising the definitions of primary indicators, via a dedicated protocol, was completed last year. While room for improvement remained, this nonetheless formed a first basis for properly monitoring and managing performance.

The conclusions for the first certified financial year (2013) indicated a reservation with regard to the Group HR procedures, which did not provide sufficiently precise definitions, calculation methodologies or internal control instructions to monitor the workforce and its breakdown by age group, but nonetheless revealed "a significant anomaly which could call into question whether the CSR data taken as a whole is presented fairly."

Observations were also formulated concerning the rate of coverage of certain environmental indicators and compliance with internal control instructions, which was still too haphazard.

To correct this first review, the Groupe Auchan Human Resources Department assigned a project manager to clarify the reporting protocol for applicability to every country/core business. During 2014, Group HR coordination explained the deliverables to the HRD of each entity, responsible for the data escalated for consolidation.

Reporting, as presented in this document, must not be seen as merely the work of experts and a few contributors. For CSR policies to thrive in a complex economic context, it is essential that the purpose and fundamental values that have driven the company for 54 years be shared and expressed on a daily basis by all employees, to guide the future strategic choices of all the Group entities.

This is the purpose of the Groupe Auchan Vision. It was first drafted in 1994 and has been updated since then, every 5 years on average, to follow changes in the major economic and social paradigms; the Group's values have remained the same, but its commitment to society has been better explained and enhanced, expressing its desire "to be a responsible agent for sustainable economic and human development". "Contribution to local economic and social prosperity, development of responsible consumption, reduced environmental impact and contribution to solidarity via the action of the foundations" are now written into the commitments in the Group's Vision and must be pursued at every level of its business.

A major project was begun in 2013 in consultation with the executive committees of all countries and core businesses. In 2014, the Groupe Auchan Vision, updated following this cooperative approach, was communicated throughout the Group for all employees to appropriate. This new iteration can be summed up in a brief tagline: "We are audacious store keepers." Seeking innovative solutions and improved performance for the Group's companies promotes this audacity which creates both tangible and intangible value.

# #1

## METHODOLOGY

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## REPORTING STRUCTURE

### 1/ Social and environmental section

In every country/core business, a sustainable development manager, preferably a member of General Management, is in charge of distributing environmental and social reporting instructions to all sites and departments within their scope. Every SD manager is responsible for tracking the indicators and coordinating data submission from the employees who are in charge of it within the entity. They have simple computer tools available for this task which are necessary to consolidation.

To render the data communicated homogeneous and certifiable, the steering committee of the international sustainable development synergy developed a reporting protocol in 2013 that was made available to all individuals who might contribute to the process directly or indirectly. The aim here is to gradually address the issues that have been encountered so as to better define and track clear and uniform procedures across all sites.

### 2/ Labour section

The process for escalating and verifying information is essentially the same. A Group unit was commissioned to establish an exhaustive protocol taking account of all country specificities to the extent possible. Once this protocol was approved, a presentation was sent to each entity's HRD. They were then responsible for ensuring better communication to and training for the operational managers.

These 2 complementary organisations work together closely to organise the reporting process, check the information they receive and then produce the present document.



## SOCIAL DATA

### 1/ Scope

The quantitative and qualitative data in this document summarises the data communicated to Groupe Auchan by all its subsidiaries as defined in article L.233-1 and of the companies it controls within the meaning of article L.233-3 of the French Commercial Code, except RT-Mart China.

Environmental data for RT-Mart China is currently being integrated into the Group data and will be consolidated for the next financial year.

Unless otherwise specified for each indicator, the data is calculated at 30 September 2014.

### 2/ Collection methods

Qualitative information about policies and actions implemented in the countries and core businesses is provided via email response to a detailed questionnaire. Numerical data is entered into a specific software tool.

To ensure the homogeneity of indicators across the entire scope, a reporting methodology guide was drafted in French, then translated into English and distributed after feedback to all employees involved in collecting the data presented in this document. It details the methodologies to be used in collecting and checking the indicators: definitions, methodology principles, roles and responsibilities of internal stakeholders, measurement units, calculation formulas, FAQ, etc.

### 3/ Data verification

Each validating manager is responsible for checking the data entered by the various contributors for the calculation of the indicators. They use a software tool that includes alerts:

- First, when large discrepancies (greater than 15%) appear from one year to the next, and with required commentaries for some predefined indicators.
- A second level of control is then applied at Group level. Inconsistencies and errors are reviewed with the countries/core businesses and corrected before consolidation.

## 4/ Data comparability and representativeness

Since last year, Groupe Auchan has been improving the reliability of its labour data reporting by:

- implementing new actions to raise awareness of CSR issues;
- designing dedicated reporting software;
- creating a precise methodology shared by the different countries/core businesses.

These methodology adaptations have brought about significant change for some indicators, which limits comparability of some data from one year to another.

Notable modifications in methodology between 2013 and 2014 include:

- a definition of total workforce that now excludes temporary workers, interns, and employees under suspended contract;
- a reduced number of categories for identifying worker age, from 7 to 4 categories;

- for labour relations, the number of meetings held during the period replaces the number of labour agreements signed;
- the total number of hours worked during the year instead of the total number of days worked for all indicators concerning working conditions;
- for wages, replacement of the indicator of average salary by that of a personnel costs ratio;
- the proportion of female managers instead of that of female executives within the total workforce;
- Poland's exclusion of absences due to maternity in determining overall absenteeism.
- The definitions for workforce entries and departures, workplace accidents and the corresponding number of days of absence were explained and revised for each of the related indicators.

## ENVIRONMENTAL DATA

### 1/ Scope

The quantitative and qualitative data in this document summarises the data communicated by all subsidiaries to Groupe Auchan as defined in article L.233-1 and by the companies it controls within the meaning of article L.233-3 of the French Commercial Code, except RT- Mart China, Banque Accord and Auchan E-Commerce International (AECI).

Environmental data for RT-Mart China is currently being integrated into the Group data and will be consolidated for the next financial year.

Environmental data for Banque Accord is not published in this document due to the specificity of this business compared with

Groupe Auchan's other core businesses. It may however be found in the CSR section of Banque Accord's management report.

Concerning e-commerce, its environmental data is currently negligible in terms of environmental impacts, because AECI does not have its own logistics sites.

Unless otherwise specified for each indicator, the data is calculated from 1 October 2013 to 30 September 2014.

## 2/ Collection methods

For qualitative data, the policies and actions implemented in the countries are sent via email response to a detailed questionnaire supplied by the steering committee of the international sustainable development synergy, based on legal obligations and indicators traditionally tracked by the company.

To ensure the homogeneity of indicators across the entire scope, a reporting methodology guide was drafted in French, then translated into English and distributed to all employees involved in collecting the data presented in this management report. It details the methodologies to be used in collecting indicator data: definitions, scope, units, calculation formulas, etc. Numerical data is reported via software that includes alert systems as presented in the next section.

## 3/ Data verification

Each validating manager is responsible for checking the data entered for the calculation of the indicators. They use a software tool that includes 2 levels of alert:

- when there are sizeable variations in consumption from one year to the next;
- when consumption ratios are particularly low or high.

The steering committee of the international sustainable development synergy then carries out a second level of control. Inconsistencies and errors are reviewed with the entities concerned, and wherever possible corrected or removed before consolidation.

## 4/ Clarifications concerning the indicators

- Only the commercial sites are included in calculation of the indicators. Logistics sites, central services, affiliated stores, etc., are not included.
- Only the shopping malls owned by Immochan are included in indicator calculations. Malls for which Immochan is the lessee or has an operating contract, as well as retail parks, are not integrated into the data calculations or those for coverage ratios.
- Store surface area in square metres does not include storage, food preparation or shopping mall surfaces.

Two coverage ratios are calculated for each indicator:

- a coverage ratio based on the number of sites covered
- a coverage ratio based on the number of m<sup>2</sup> covered.

To best reflect the reality of the Group's different core businesses, it is this second ratio that is used in this document.

## 5/ Data comparability and representativeness

For a number of years, Groupe Auchan has been improving the reliability of its sustainable development reporting by:

- designing dedicated reporting software;
- gradually improving its coverage ratio;
- implementing a methodology shared by the different countries/core businesses.

These significant changes to methodology limit data comparability from one year to another.

The major modifications in methodology between 2013 and 2014 include:

- inclusion of the Drive formats in the reporting scope (mainly impacting Auchan France data);
- the rate of waste recycling is now calculated only for hypermarkets, shopping malls and Alinéa in order to improve the reliability of these ratios. Unrecycled waste in small structures (Drives and supermarkets) is difficult to track as it is generally processed by the municipalities directly. Tonnage of recycled waste is calculated for all entities;
- For greater transparency with regard to its energy footprint, energy consumption (electricity and gas) is now published.

*coming up next*

Observed variations could lead to extrapolations that are not consistent with actual changes in the different countries/core businesses. A note reviewing the 2013 data therefore indicates the 2013 figure under each indicator, then explains the variation factors.

**CHANGE IN THE 2013 AND 2014 ENVIRONMENT REPORTING SCOPE  
(EXCEPT RT MART CHINA), IN NUMBER OF SITES AND M<sup>2</sup> OF SURFACE AREA**

	<b>in 2013</b>	<b>in 2014</b>	<b>Change in %</b>
Number of sites	1,452	1,567	7.9%
m <sup>2</sup> of surface area	6,656,711	7,232,121	+ 8.6%

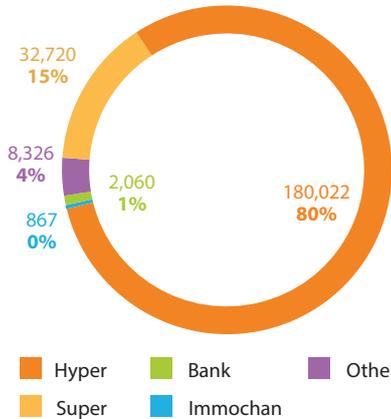
# #2

## EMPLOYEES

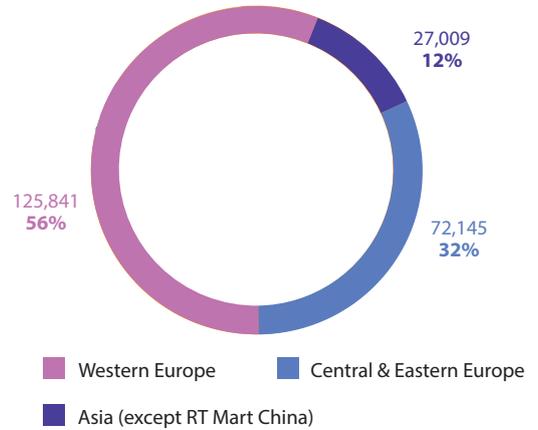
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# WORKFORCE BREAKDOWN AND ANALYSIS

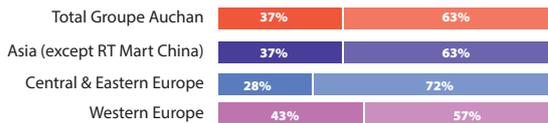
## BREAKDOWN OF TOTAL WORKFORCE 223,995 employees



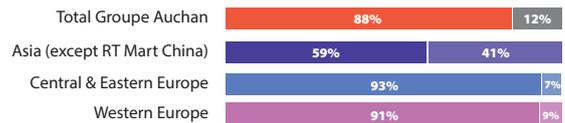
## BREAKDOWN OF TOTAL WORKFORCE 223,995 employees



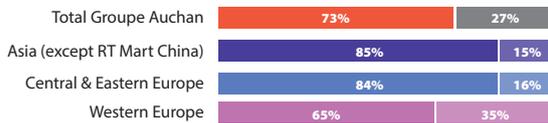
## BREAKDOWN OF WORKFORCE BY M/W



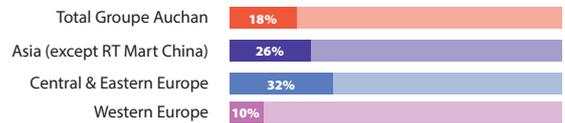
## BREAKDOWN OF WORKFORCE BY PERMANENT/SHORT-TERM CONTRACT



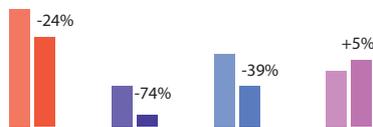
## BREAKDOWN OF WORKFORCE FULL TIME/PART TIME\*



## TURNOVER RATE\*\*\*\*

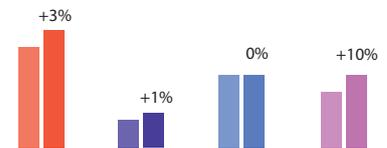


## NO. OF DISMISSALS PERMANENT CONTRACT\*\*\*



	Total Groupe Auchan	Asia (except RT Mart China)	Central & Eastern Europe	Western Europe
2013	6,858	925	2,924	3,009
2014	5,182	235	1,782	3,165

## NO. OF HIRES UNDER PERMANENT CONTRACT\*\*



	Total Groupe Auchan	Asia (except RT Mart China)	Central & Eastern Europe	Western Europe
2013	40 078	5 522	22 690	11 866
2014	41 433	5 579	22 777	13 077

Data calculated at 30/09/2014, except the number of hires and dismissals as well as the turnover rate, which are calculated from 1 October 2013 to 30 September 2014. Excluded from calculation of this data: temporary workers, interns, and employees under suspended contract.

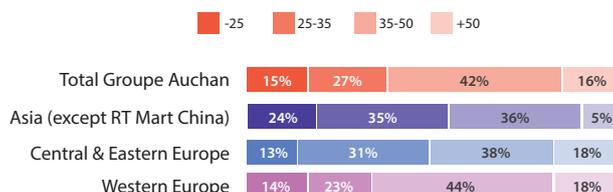
\* The notions of full-time and part-time are applied in accordance with the legal definition of each country.

\*\* The number of permanent contract hires corresponds to the total number of permanent contract hires and the number of short-term contracts converted to permanent contracts during the reporting period.

\*\*\* The number of dismissals corresponds to every contract terminated at the initiative of the employer.

\*\*\*\* The turnover rate corresponds to the ratio of employees under permanent contract who left the company, to the average workforce.

## BREAKDOWN OF WORKFORCE BY AGE



Total workforce at 30/09/2014, including all types of contract (see art. 2) "breakdown of workforce by age"

At 30 September 2014, Groupe Auchan had 223,995 employees in the 13 countries where it is present. This represents a 3% increase in total workforce compared with 2013.

It reflects more or less significant workforce variations depending on the geographic region. This is the case in particular of Central & Eastern Europe whose workforce grew 10% with the integration of the Réal stores (25) and sites opened (3) during the period. Overall, the number of sites rose 7%, thus justifying the increased workforce observed.

For the Western Europe zone, the workforce shrank by 1.4%, primarily due to the continued transformations within certain countries and core businesses (except real estate) aimed at streamlining organisations and improving their operating efficiency.

The gender breakdown remains identical to 2013 (63% women and 37% men). Differences between geographic regions are largely due to existing economic, cultural/social and regulatory disparities in the different countries (unemployment rate, inflation, government assistance, rate of tax and social security contributions).

The 3% rise in the number of hires under permanent contract (41,433 compared with 40,078 in 2013) is worth noting. Despite sales difficulties, notably in the Western Europe region, and in particular for hypermarkets (except in Spain and Luxembourg), certain countries chose to expand some activities in their business recovery plan. The goal is to enhance customer service by increasing the number of sales staff present in all departments and sectors of the stores.

Contract terminations continued to decrease, by 24% compared with 2013 (5,182 versus 6,858 in 2013). This drop is concentrated in Central & Eastern Europe and Asia. It primarily concerns the hypermarkets.

The increased turnover rate (18% compared with 17% in 2013) primarily involves Central & Eastern Europe. It more particularly impacts the countries that organised the integration of new sites from other retailers (Réal, Cora) into the company.

Even when all conditions are implemented to enable and foster employee integration (reception process, information about the company, its purpose, its social status, individual interviews, etc.), some employees choose to leave the company. This is the main reason for termination noted initially.

Even as it has remained stable, the proportion of employees working part-time reveals significant gaps between countries and core businesses. They are traditionally numerous in Italy and Spain, less common in the banking and real estate core businesses, while the Drive business by its very nature makes extensive use of part-time contracts (primarily students).



## FOCUS WORKING HOURS IN FRANCE

Groupe Auchan complies with national legislation on working hours and promotes discussion between management and staff to reconcile the needs of the company and of employees.

In France, night-time, Sunday and holiday work are subject to specific regulation. Work on Sundays or bank holidays is only on a voluntary basis and gives rise, at the employee's choice, to recovery of time or payment at 150%. Night work, with a maximum number of 3 nights per week for employees of Auchan France, applied to slightly more than 16% of employees in 2013.

French hypermarkets apply a variety of systems with regard to working hours (full-time, part-time, variable, clustered, multi-position, package of days, package specific to supervisors), based on legal definitions or improved via specific company-wide agreements, most having been arranged and negotiated with labour union partners.

The "Voluntary full-time" approach launched at the end of 2007 lets part-time staff benefit from the weekly hourly package that they wish. The possibility of converting to full-time work meets employees' growing needs in terms of purchasing power, and develops the skills and employability of those who take advantage of this system. This often involves combining jobs (via an amendment to the employment contract) for the employee to achieve a 35-hour working week. The system has been utilised by more than 3,000 employees since its start.

## WELCOMING NEW TALENTS

Groupe Auchan companies develop relationships with schools and universities in the countries where they are present. Employees present the banner's core businesses and key features at partner establishments. These events promote the integration of many students and young graduates via trainee positions, work-study contracts or their first jobs after completing their studies.

In addition to management positions, there are many core businesses in which Auchan has a strong need for qualified workers. This is true in particular for the meat and bakery departments. Luxembourg is expanding relationships with local establishments (education organisations). The aim is to allow employees to take courses (personal, professional, business line) in nearby establishments, which is less burdensome organisationally and allows them to be more present, diligent, focused and motivated.

Lastly, in the Western Europe region, support from tutors, apprenticeship instructors and experienced trainee tutors, following a very precise calendar and approach, promotes better integration and better training for new employees.

In France, Auchan works with *Pôle Emploi* and its local employment agencies with the aim of integrating young job seekers with highly diverse profiles (unsatisfactory schooling, no degree, long-term unemployed, no experience, etc.). For these profiles, recruitment without CVs was notably introduced starting in 2010.

<sup>1</sup> Data from the Auchan France 2013 labour review.



Portugal has launched its new “Growing2gether” programme.

This initiative aims to recruit students graduating with a master’s degree. When they start, they receive training via support from recently hired, high-potential employees who joined the company just a few months previously. The results of this programme are very encouraging, as 90% of the young hires who participated are now working for the company.

## LABOUR DIALOGUE AS A LEVER FOR SOCIAL PROGRESS

Labour relations are supported by sustained discussion in various forms in the different bodies in place in the company’s countries and core businesses.

There were 11,885 meetings devoted to labour relations held with employees and labour partners over the period. These meetings are primarily concentrated in Western Europe, although there are strong signs of a desire on the part of management in other regions to develop these opportunities for discussion within their entities.

They address, in part or in full depending on the entity, all employment aspects that have given rise to agreements in the areas of health, working conditions, employment contracts, gender equality, working time organisation, etc.

These meetings are organised regularly and frequently in Western Europe, where there is a strong tradition and culture of labour dialogue. In this region, employees are chosen locally by labour unions, whose representatives are elected by employees to promote strong messages and formulate specific demands to site management. At the national level, members are elected and sit on the representative bodies of their entities. This is where topics of major interest to employees with regard to the social and economic environment are discussed, and collective bargaining agreements are reached.

In Central & Eastern Europe and Asia, although labour relation models are less developed, some countries have created committees addressing life in the company. Thus, even in the absence of a legal requirement to organise labour dialogue, Auchan China took the initiative of creating the Employee Employer Committees (EECs), in which employee representatives meet quarterly with their managers to systematically address issues related to safety, workplace accidents, working conditions and store activities. The EEC reports and the actions to be carried out are posted in complete transparency in the

### NO. OF MEETINGS WITH EMPLOYEE REPRESENTATIVES

	30/09/2014
<b>Western Europe</b>	11,321
<b>Central &amp; Eastern Europe</b>	346
<b>Asia (except RT-Mart China)</b>	218
<b>TOTAL GROUPE AUCHAN</b>	<b>11,885</b>

stores. As in Western Europe, these preventive actions help to raise the awareness of employees and outside service providers and professionalise their understanding of the risks of the business.

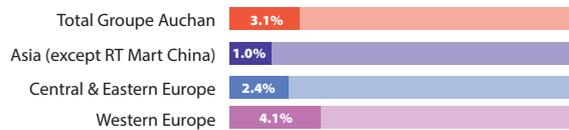
These consultations and discussions can also take place at the overall company level (Group works council and European works council comprising representatives from all countries and core businesses in the European Community). They can take various forms at the level of the individual establishment, from simple information-sharing to consultation and negotiation, depending on the topic at hand.

At Auchan France, for example, discussion with labour partners has led to the signature of 10 collective bargaining agreements and amendments. These concern in particular remote working, inclusion of workers with disabilities, and the introduction of a programme to adapt skills to the transformation of the company which includes a complete early retirement system for management.

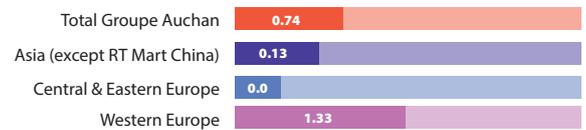
Groupe Auchan seeks to maintain and develop consistent, constructive and trusting relations with its employees and labour partners, based on modalities that may differ depending on the context of each country and the applicable laws and regulations.

# EMPLOYEE HEALTH, SAFETY AND WORKING CONDITIONS

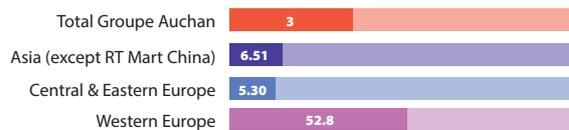
## RATE OF ABSENTEEISM\*



## SEVERITY RATE OF ACCIDENTS\*\* (per million hours worked)



## FREQUENCY RATE OF ACCIDENTS\*\*\* (per million hours worked)



## NO. OF OCCUPATIONAL DISEASES\*\*\*\*

	30/09/2013	30/09/2014	change%
Western Europe	463	435	-6%
Central & Eastern Europe	5	5	0%
Asia (except RT Mart China)	-	-	
<b>Total Groupe Auchan</b>	<b>468</b>	<b>440</b>	<b>-6%</b>

Notes to the tables above:

- Workforce calculated at 30/09/2014, other data calculated from 1 October 2013 to 30 September 2014
- Only included as accidents for the severity and frequency rates: accidents leading to medical leave of one calendar day or more, not counting the day of the accident.

\* The rate of absenteeism for illness corresponds to all hours not worked by employees due (only) to illness.

\*\* The severity rate relates to the number of days of medical leave due to a workplace accident.

\*\*\* The frequency rate corresponds to the number of workplace accidents with medical leave recorded for the period.

\*\*\*\* Number of diseases recognised by an official organisation. For the Groupe Auchan businesses in France, data is calculated for the entire year 2013.

*Because the figures are hard to compare (only workplace accidents giving rise to medical leave of more than one day are counted), the number of workplace accidents varies considerably from one country or core business to another.*

*The indicator's definition having changed between 2013 and 2014 (last year's indicator included commuting accidents for certain entities, which is no longer the case this year), data is difficult to compare between the 2 years. It should be noted however that the number of accidents rose very slightly (10,270 in 2014 versus 10,172 in 2013), representing an increase of 1% at the scale of the company.*

*The severity rate is stable at 0.74.*

*A slight increase in severity rate is observed in Western Europe, in part due to the integration of workers under short-term contract, with their higher accident rate, into the indicator this year. Nonetheless, in the other regions a notable decrease in the severity rate was observed due to risk prevention policies rolled out via training and investment in new equipment.*

*Absenteeism due to illness at Group level dropped significantly in 2014, from 3.9% in 2013 to 3.1% last year. All regions and core businesses contributed to this decrease. This is due in particular, first, to policies implemented in terms of working conditions (e-learning training, classes in handling loads, work equipment, etc.) and organisation of work (better distribution of loads and working hours), and second, to the modified definition of absenteeism in which absences for maternity leave are now excluded (specific to Poland, where absenteeism for hypermarkets thus dropped from 7.3% in 2013 to 3.4% in 2014, a 54% decrease).*

*The number of occupational diseases dropped a significant 6%, from 468 in 2013 to 440 in 2014. Ergonomics training in France and Spain for employees in positions requiring a high level of physical effort and repetitive movements (cash registers, shelving) is bearing fruit. This decrease is driven in particular by the hypermarket business in these countries.*

For 13 years, 17 entities have been assessing employee perceptions of human resource and management policies, via internal opinion surveys administered anonymously across their entire scope at regular intervals. The results are shared locally by managers with their employees, for every department or service, as well as nationally, so that any necessary corrective action can be taken to respond to employee satisfaction with their work, in particular their perception of being informed and their training needs.

Improved comfort at work contributes to better daily achievement. This is why the Group's various entities implement risk prevention systems designed to combat workplace accidents and occupational diseases.

Some of the main causes include: road and handling accidents often related to excessive physical activity, neglecting to wear safety equipment (boots, gloves), or turning off or improperly operating machines. Musculoskeletal disorders are by far the most prevalent occupational diseases due to repetitive movements performed incorrectly at some work stations, such as goods handling or badly positioned cash register work.

To limit the impact of work on their employees' health more generally, the entities, primarily in the Western Europe and Central & Eastern Europe regions, promote prevention at its various levels:

- primary (to eliminate the risk at its source): integration of ergonomic criteria and risk prevention in the design of new work premises and purchase of new work equipment;
- secondary (to reduce the occurrence and impact of risks): in particular by expanding the fleet of electric pallet trucks with powered jacks;
- tertiary (to respond to and remedy emergent situations): with analyses of occupational disease by multidisciplinary work groups, often in collaboration with government organisations (pension and occupational health agencies in France).

Technical and standards-based audits were completed at the sites once again in Western Europe in 2014. In Italy, for example, a technical audit was completed for all hypermarkets to check that all safety features complied with applicable laws and regulations. The different work stations in the stores were carefully reviewed in order to take the necessary corrective measures and plan systems capable of preventing the dangers related to activities in the workplace and site configurations. For example, all Auchan France directors and HR managers receive risk prevention training.



## **FOCUS** «QUALITY OF LIFE AT WORK» OR QLW

A Quality of Life at Work department was created in France as part of an overall multidisciplinary approach (very large target audience including staff and executives; both personal and professional initiatives; involving all areas of health and safety), with the aim of fostering better quality of life at work for employees. The department promotes very concrete actions and initiatives in particular in the area of risk prevention (professionalisation training in risk prevention for members of the workplace health and safety committee [CHSCT]; exercise classes; training of safety trainers). These initiatives are rolled out and defined by the store directors and HR managers.

Auchan France is the first major retailer to have developed a training course for load handling and physical positioning, 2 years ago with the support of the Security School, that is recognised by organisations specialised in risk prevention. The course was developed with the assistance of the INRS (French national institute for health and safety research) and CARSAT (pension and workplace health fund). It has been recognised as a quality training course for the sector by the FCD.

Thus, at 30/08/2014, Auchan France had 3 lead instructors who trained 200 trainers in risk prevention in one year. These trainers then dispensed a safety module to more than 4,000 employees. Similarly, 90% of directors and HR managers took training in the issues of risk prevention and for chairing their workplace health and safety committee.

The aim of the Quality of Life at Work department for 2014-2018 was defined as the desire to offer every employee motivating work and continuously improving working conditions.

<sup>2</sup> Fédération du Commerce et de la distribution

At the same time, the desire to assist and support every employee who might encounter a difficulty, whatever its nature, took the form of the creation of the HumaniA service. Open 12 hours a day, 6 days a week, this phone service aims to help people find suitable solutions to the problems they encounter. It offers both psychological support in case of stress at work or at home, and social support (clarification, information, referral) to resolve family, financial or housing problems. The 400 social workers and psychologists at the HumaniA service received nearly 1,600 calls from employees in less than a year.

## COMBATING INSECURITY

Respect for every individual is a core value of the Auchan Vision, which places People at the centre of its priorities. The company can only ensure its own health by proactively supporting the well-being and quality of life of its employees.

This is why healthcare and supplemental social security coverage have been introduced in nearly every country where such benefits are not already generalised.

In the face of the recurring withdrawal of some governments from coverage of certain healthcare costs, a number of entities have organised to offer quality services (healthcare/provident) at competitive rates, so as to protect employee purchasing power.

In many French hypermarkets (primarily in the Paris region) with sufficient space, cafeterias provide staff with balanced meals at low cost.

Additional subsidies are granted by the management of some sites and by works committees. This particularly concerns employees who are not able to return home at meal times (due to transportation constraints).

In 2014 Auchan France made significant progress in the area of social protection. First in healthcare, with greatly improved cover under the mandatory basic policy. For provident coverage as well, with the harmonisation of policies no matter the employee's professional status. Furthermore, full-time employees above the age of 55 now have the possibility of switching to part-time while receiving compensatory payment to gradually offset their loss of income, without impacting their future pension. Lastly, for management, Auchan France decided to introduce measures more suited to the pensions structure with a supplemental pay-as-you-go pension fund.

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<sup>3</sup> Except Luxembourg

# CONTRIBUTING TO THE INDIVIDUAL DEVELOPMENT OF EACH EMPLOYEE

Policies are based on the knowledge already mastered by the company's workers, and the shared desire to build a career path via interactions, training and experiences that develop skills.

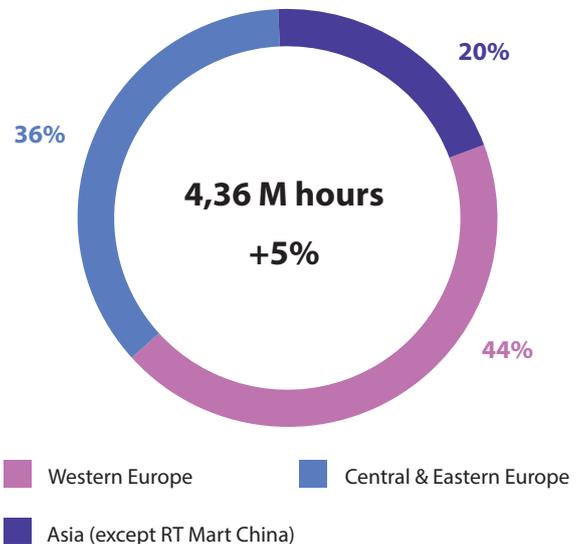
Meeting employees, acknowledging them, recognising their talents and progress, are key acts in building a development pathway together with them to foster their employability.

Training is an essential aspect, but not the only one. Collaborative work, support, coaching and mentoring as practised in some units also help every individual to progress.

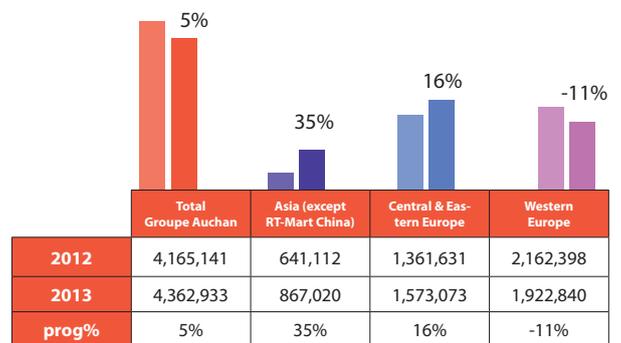
Almost 4.4 million hours of training were dispensed within the Group in 2014.

These courses met the needs of the different core businesses, and were developed and dispensed primarily in the areas of: the company's values, the business and management plan, support for evolving professions, improving operational efficiency, etc.

**TOTAL TRAINING HOURS\***  
4,362,933 hrs. +5%



**NO. OF HOURS OF TRAINING\***  
+5 %



(1)

## ENCOURAGING INNOVATION

### Creative Attitude: from participatory innovation to collaborative innovation

For Groupe Auchan, the company's success cannot be envisioned without the talents, individual initiative and innovative capacity of every employee. The company has traditionally given every individual the chance to suggest ideas, try them out and develop them if successful. In 2011, this approach led to the launch of a global participatory innovation programme, "Creative Attitude", currently in place in the euro zone countries (all core businesses in France, Spain, Italy, Portugal and Luxembourg).

Since then, Creative Attitude has become a core strategic focus for the Group. In particular, the first

edition of the Group Innovation Trophies was an opportunity for an exhaustive inventory of the approach. To date more than 3,000 ideas have emerged from a population of 120,000 employees (the number of employees under contract in the countries where Creative Attitude has been adopted), and more than 200 have been chosen for trial runs before deployment. Every project brings new added value, whether for the Group's sales, operational efficiency, development or CSR policies.

<sup>(1)</sup> Data calculated for calendar year 2013 compared with calendar year 2012 (see methodology)

\* Total number of training hours recorded.

\*\* Estimated data because uncertainties remain concerning the non-recognition of service providers trained by Auchan China.

## SOME SUCCESSFUL EXAMPLES

The winners of the Group Innovation Trophies:

- **“Sales, products and offer” Innovation Trophy**

**Security Boutique – Auchan France:** Security-related products are arranged at the entrance to the store. Customers can thus receive advice from a real specialist, the security guard posted nearby.

- **“New customer services and customer relationship” Innovation Trophy**

**Client Box – Oney Banque Accord Portugal:** Previously, customer information, sales and marketing campaigns were scattered across different media. Now everything is united on a single platform, making it easier to contact target customers more quickly and to better analyse the effectiveness of promotional operations.

- **“Operational efficiency and profitability” Innovation Trophy**

**Info Badge – Auchan France:** So that staff do not lose time checking for returns at every cash register, fluorescent badges now indicate their presence at the register, streamlining their collection and saving time and improving the comfort of register staff.

- **“Growth ideas and audacious development” Innovation Trophy**

**Automatic – Alcampo Espagne:** Automatic is an automated payment system at petrol station pumps based on identification of customer licence plate numbers, which reduces queues at the station and saves time for customers.

- **“Innovative management practices and CSR” Innovation Trophy**

**Art Everywhere – Immochan Portugal:** For the pre-opening of the Alegro Setúbal shopping centre in Portugal, construction zones in the mall were transformed into an artistic and cultural space, highlighting the shopping centre and improving its visibility.

The first innovations are starting to be rolled out to customers, such as Flash’N Pay, the mobile payment solution developed by Oney Banque Accord that includes customer loyalty management, shopping lists, coupons, electronic receipts, etc., and will be deployed in Auchan hypermarkets in France.

In order to find more ideas that create value or new services to attract customers, the goal today is to speed up the process. This should result in the participation of more employees, with more suggested ideas and a better rate of transformation of ideas into innovations. To expand Creative Attitude into all the Group’s countries and core businesses, a genuine change of mindset is needed in all its companies. Mid-level management must be made more aware of the issues surrounding innovation, to adapt their management style and leave more scope for initiative, and operate the shift from participatory innovation to collaborative innovation.

# SHARING IN THE COMPANY'S SUCCESS

Since their launch in 1977, Groupe Auchan's profit-sharing policies have made it a pioneer in the field.

The Group is well aware of the key role played by its teams in winning the sales battle and the trust of its customers. For its constantly evolving companies, it is therefore essential that employees be closely associated with this shared ambition. This enables every individual to expand the scope of their professional expertise and aim to rise to new responsibilities. Ultimately, this policy is in line with Groupe Auchan's traditional triple aim of "sharing knowledge, power and assets".

## 1/ Infuse new energy

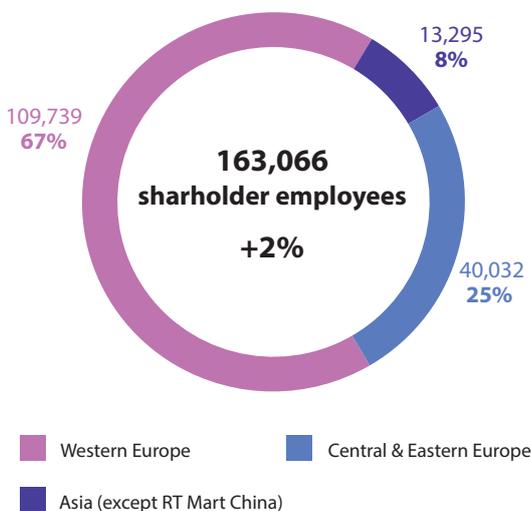
Sharing is thus both effective, because it contributes to the performance of the company, and equitable, because it allows employees to benefit from the fruits of their efforts. However, in an increasingly difficult economic environment, it had become important to precisely reframe these profit-sharing policies to guide all countries in their implementation and evolution, in order to bring new energy to the system.

This is why Groupe Auchan developed a shared benchmark in 2014 to ensure consistency and equity between the entities practising employee shareholding. The countries will be able to start from this foundation to adapt their employee ownership policies in 2015. Such processes are local, close to employee concerns, to take account as much as possible of the specificities of each country and core business, while best highlighting and rewarding individual and collective performance.

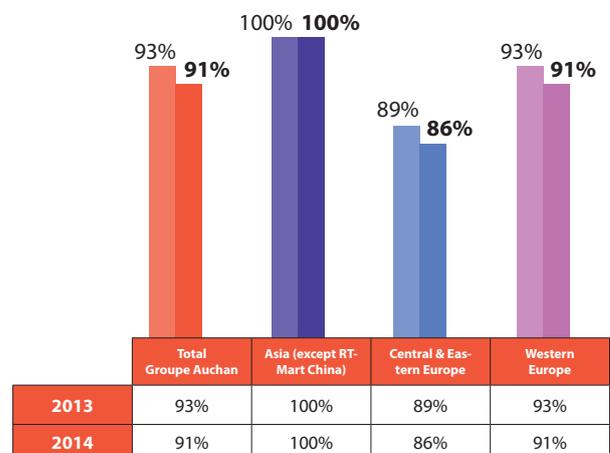
### REVIEW FOR THE PERIOD

Près de **€200M distributed** via employee ownership policies **163,000 employee** shareholders; 90.6% of those eligible are shareholders in the Group; 9 funds, 9 countries (France, Italy, Luxembourg, Spain, Portugal, Hungary, Poland, Russia, China) and all the Group's core businesses (except e-commerce).

### N.O OF GROUP AUCHAN SHAREHOLDER EMPLOYEES 163.066 +2%



### % SHAREHOLDERS/ELIGIBLE



		Number of shareholders			% no. of shareholders / no. eligible		
		30/09/2013	30/09/2014	change %	30/09/2013	30/09/2014	change%
<b>HYPER</b>	France	52,841	52,474	-1%	94%	89%	-5%
	China	11,896	13,295	12%	100%	100%	0%
	Spain	12,038	11,836	-2%	99%	99%	0%
	Hungary	6,355	5,655	-11%	94%	87%	-7%
	Italy	12,027	11,621	-3%	96%	96%	0%
	Luxembourg	499	473	-5%	81%	80%	-2%
	Poland	9,512	10,495	10%	98%	100%	2%
	Portugal	7,696	7,598	-1%	99%	100%	1%
	Russia	21,082	23,882	13%	84%	81%	-4%
	<b>Total HYPER</b>	<b>133,946</b>	<b>137,329</b>	<b>3%</b>	<b>94%</b>	<b>91%</b>	<b>-3%</b>
<b>SUPER</b>	France	11,983	11,858	-1%	93%	99%	7%
	Spain	4,817	4,639	-4%	93%	94%	1%
	Italy	7,210	7,161	-1%	83%	84%	1%
	<b>Total SUPER</b>	<b>24,010</b>	<b>23,658</b>	<b>-1%</b>	<b>90%</b>	<b>93%</b>	<b>4%</b>
<b>BANK</b>	France	800	829	4%	85%	88%	3%
	Portugal	258	262	2%	97%	94%	-3%
	<b>Total BANK</b>	<b>1,058</b>	<b>1,091</b>	<b>3%</b>	<b>88%</b>	<b>90%</b>	<b>0%</b>
<b>OTHER</b>	Alinéa	1,139	988	-13%	47%	40%	-15%
	<b>Total OTHER</b>	<b>1,139</b>	<b>988</b>	<b>-13%</b>	<b>47%</b>	<b>40%</b>	<b>-15%</b>
<b>GROUP</b>	Western Europe	111,308	109,739	-1%	93%	91%	-2%
	Central & Eastern Europe	36,949	40,032	8%	89%	86%	-3%
	Asia (except RT-Mart China)	11,896	13,295	12%	100%	100%	0%
	<b>Total GROUP</b>	<b>160,153</b>	<b>163,066</b>	<b>2%</b>	<b>93%</b>	<b>91%</b>	<b>-2%</b>

Number and percentage of employee shareholders, by entity in which employee shareholding has been implemented, over the total number of employees fulfilling the eligibility conditions for employee shareholding (at the closing date of the entity's 2014 annual subscription period).

The change in the number of shareholders is related to the growth of the workforce in the countries where shareholding exists. The share of shareholders among those eligible has decreased slightly. This is due in part to the economic context experienced by some countries and entities, and in part to methodology changes.

## 2/ Personnel costs ratio

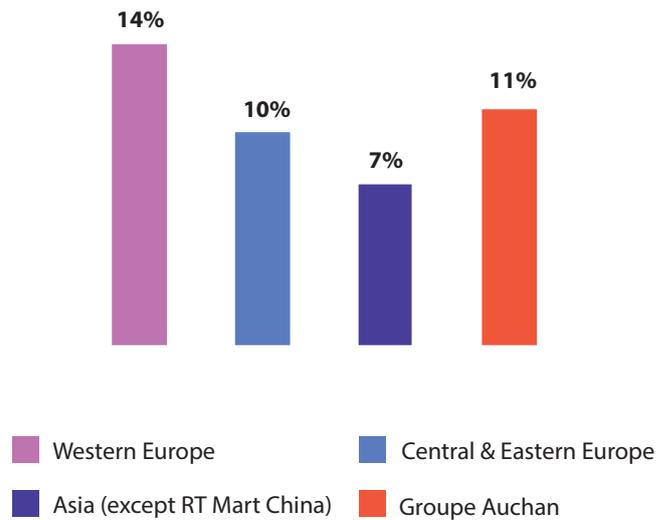
Groupe Auchan's personnel costs ratio over the period was 11%.

Every company in the Group is responsible for applying its remuneration policy within its own economic, legislative and regulatory context, but in the framework of a shared commitment and values.

In particular, overall remuneration aims to be attractive, with a fixed portion following market practices and an individual variable portion dependent on the employee's performance as well as a collective facet.

The remuneration systems also include various benefits adapted to the local context, which in particular address healthcare and provident benefits for employees and their families.

## RATIO OF REVENUE BEFORE TAX (exc. fuel) / PERSONNEL COSTS INC. TEMPS



## DIVERSITY AND EQUAL OPPORTUNITY, A CORPORATE CONCERN

The company boasts a diverse range of professions and seeks to open up a large number of its career pathways to men and women from every background and with all types of qualification. Hiring policies prohibit any form of discrimination, whether for gender, age, disability, religion, sexual orientation or other reasons.

The company views diversity as a key performance lever. It is its multiplicity of profiles and perspectives that gives the company the capability of adapting and responding quickly.

The diversity of the teams reflects that of the core businesses, customers, countries and societies in which Groupe Auchan is located.

Some entities develop and devote large policy sections to the fight against all forms of discrimination. All these principles and rules are defined in the framework of rules of procedure, codes of business conduct, training courses and company agreements. For example, Jumbo Portugal obtained SA 8000 certification for its social responsibility.

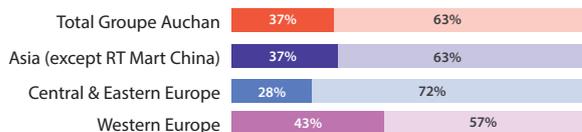
## GENDER EQUALITY

In France and Spain, equality agreements or plans have been concluded with the various labour partners. These agreements confirm the company's commitment to develop a series of measures with regard to hiring equality, work/life balance, promotion, training and communication, to avoid any direct or indirect gender discrimination.

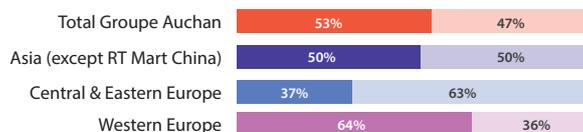
In Portugal, Jumbo signed an agreement to promote gender equality with 20 other companies in the country in 2013. Between 2013 and 2014, the proportion of women managers at the retailer rose from 45% to 46%.

## Women holding a management position

### BREAKDOWN OF WORKFORCE MEN/WOMEN



### BREAKDOWN OF MEN / WOMEN AMONG MANAGERS



Women account for some 2/3 of the Group workforce. Increasing parity and promoting women to management positions is a shared goal throughout the company.

Over the period, the proportion of women holding a management position remained almost stable (47% in 2014 and 48% in 2013).

## FOSTERING AND SUPPORTING THE INTEGRATION OF PEOPLE WITH DISABILITIES

The Group's retail stores apply a policy aimed at integrating individuals with disabilities, in particular by raising awareness of employees and customers.

A total of 7,828 employees were identified as having a disability in 2013, 9% more than in 2012. They represent 3.5% of the total workforce, an increase of 0.2 points compared with 2012.

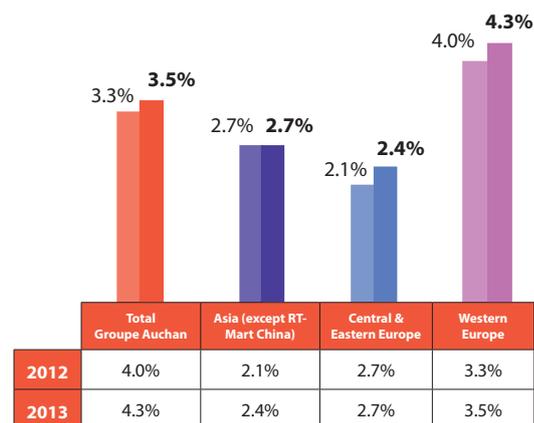
This is due in particular to awareness campaigns, such as the "handi basket" sports events held in France in 2013, which are held each year in the various entities to combat stereotypes and false assumptions that may still be held with regard to disabilities.

Locally, some entities join together with labour and institutional partners and sign agreements to better integrate these employees. For this purpose, and to facilitate their integration, commitments have been made with regard to adapting work stations, training and awareness of all employees, and trainee integration.

In addition, certain companies are increasingly turning to outsourcing for various services; thus, green areas are maintained and cleaned, trolleys are repaired, and satchels sold are manufactured by employees with disabilities working for these suppliers.

In some sales locations, to improve customer awareness of employees with disabilities, the presence of cash register attendants who are hard of hearing is indicated with specific signage at the registers.

### RATIO OF EMPLOYEES WITH DISABILITIES (except RT-Mart China)



Data calculated at 31/12/2013 (see methodology)  
Disability recognised by an official agency.

# #3

## PARTNERS

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*Progress is a process that cannot be viewed or experienced in isolation. This is why the Group's companies seek to maintain balanced and sustainable commercial relationships with their partners, and involve them in achieving the progress sought in the area of CSR. Groupe Auchan retail stores also actively participate in initiatives carried out by community and professional associations or with representatives of civil society, and form numerous partnerships around a variety of themes.*

# MONITORING LABOUR CONDITIONS IN MANUFACTURING

## 1/ General principles and compliance with ILO standards

The company's policy and action complies with the principles of the 1948 Universal Declaration of Human Rights, the 1988 ILO Declaration on Fundamental Principles and Rights, and the OECD guiding principles. These texts form a corpus of civil, political, economic, social and cultural rights that Auchan applies to itself and its partners.

In a context of increasingly globalised trade, in 2014 Groupe Auchan chose to reiterate its attachment to core, universally recognised principles by revising its code of business

conduct which was first published in 1997. The Group seeks to promote respect for these principles among its suppliers by developing fair and transparent business practices.

The code of business conduct is included in sales contracts and signed by both parties. It requires that suppliers respect the principles stated above, as well as the local laws in effect in the countries in which they manufacture.

## 2/ Auchan's participation in the Global Social Compliance Programme (GSCP)

Auchan's participation in the GSCP since 2009, and its involvement in the work carried out within this programme, help promote respect for labour rights at international level. The Group policy is to work collaboratively on social and environmental issues. It seeks to support a shared, global and sustainable approach via this programme

## 3/ Supplier listing process

Before listing a supplier for own-brand product(s), a listing audit must be performed. This audit verifies labour and quality criteria for the production sites. The full listing process is presented in the diagram below.



#### 4/ Auchan, founding member of the Social Clause Initiative (ICS)

To support a global improvement approach for labour and safety conditions in factories, Auchan has also taken part since 1999 in the work of the Social Clause Initiative, of which the Group is a founding member, under the umbrella of the *Fédération du Commerce et de la Distribution*. This discussion platform enables member retailers to work from a shared audit methodology and shared labour audit benchmarks, accessible to all members. Sharing best practices and information is a core component of the initiative. In addition, support for suppliers can be offered jointly from among the 20 members.

#### 5/ Groupe Auchan adherence to the Accord

The tragedy of Rana Plaza revealed that labour conditions in manufacturing were not the only issue to be considered. In May 2013, Groupe Auchan therefore decided to join the Accord on Fire and Building Safety and thus contribute to the financing of building safety audits, shared by all the 180 signatory retailers.

To date, 57 of the 67 factories with which Auchan works in Bangladesh, employing more than 100,000 workers, have been inspected. Auchan accepted the role of lead brand for 24 of these factories. One of these factories, which the contractor did not own, was non-compliant with the defined safety measures and was shut down; the machines were given to workers

who wished to launch a new textile manufacturing enterprise in their village.

Lastly, Auchan trains all its quality engineers in the audit methodologies for carrying out technical and labour evaluations of manufacturing sites. Having locally trained teams is a major advantage for implementing the corrective action plans recommended during these audits and providing end-to-end support for suppliers.

ICS AUDIT FIGURES IN 2014 – FROM 01/01/2014 TO 31/12/2014	
Audits completed and commissioned by Auchan in 2014	175
of which initial audits	138
of which follow-up audits	37
Factories shared with Auchan, audited by other members of ICS in 2014	183

# SPECIAL FILE

## PLAN TO COMBAT OPAQUE OUTSOURCING: REVIEW TO DATE

*In July 2013, to strengthen the control process implemented by Auchan for several years, the International Product Sourcing and Purchasing Department (DOAPI) voluntarily committed to a plan to combat opaque outsourcing, with 8 action areas. The last of these commitments involves regular communication on the plan's progress. Group internal audit was commissioned to ensure proper tracking. A first trip to Dhaka was completed in February 2014, followed by a press release dated 3 April 2014. In accordance with the commitment made, a new audit assignment was completed from 1 to 12 December 2014 in China and India, 2 other southern manufacturing countries in which Auchan has a sourcing office.*

*The main conclusions of this last audit report as well as the results of random auditor checks of production sites are presented in complete transparency in the summary below:*

### 1. STRENGTHEN THE FORMAL COMMITMENTS

**OBSERVATION** The new code of labour and business conduct that presents the fundamentals of responsible procurement was published in March 2014 in the form of a booklet, the "DOAPI Code of Business Conduct", in 2 sections – the supplier code of business conduct and the employee code of conduct – distributed against signature to all employees.

#### Recommendations:

- These signed documents have not to date been tracked in personnel files.
- Add to the Group's Directors and Managers job descriptions their responsibility to promote and advocate the code of business conduct.

#### 2015 commitments:

- In accordance with the recommendations of Group audit, these documents will now be archived in each employee's file.
- The Group's Directors and Managers are responsible for information and implementation with regard to the code of business conduct.

### 2. IMPROVE AUDIT EFFECTIVENESS

**OBSERVATIONS** In China, random traceability audits by the local teams have been operational since the end of February 2014. These teams have been supported by an external service provider since August 2014. At end-2014, 135 random audits had been completed for 123 of the 301 factories involved in production for Auchan.

- Number of cases of opaque outsourcing: 0.

In India: these random audits have been in place since June 2014 and are carried out by the local teams.

- At end-2014, 54 random audits had been completed for 52 of the 61 factories involved in production for Auchan.
- Number of cases of opaque outsourcing: 1. The supplier was de-listed.

#### Recommendations:

- Draft a wide-ranging definition of what is considered a significant variance against expectations, and generate statistics on the variances identified.
- At the start of an assignment, share the assignment sheet with the supplier, then fill it out in complete transparency with regards to the supplier.

**Point to watch:**

- Suppliers declare production periods that are too broad. This leads to ineffective random audits because they take place before or after production.

**2015 commitments:**

- The approach will be systematically explained at the start of the assignment and results will be presented to suppliers during a concluding meeting for each audit.
- Specific communication will be carried out with suppliers so that they commit to strictly defined and actually applied production periods.

### 3. STRENGTHEN PLANNED SANCTIONS

**OBSERVATION** In June 2013, new sanctions applicable to suppliers using undeclared outsourcing were communicated via email to suppliers in Bangladesh. These sanctions stipulate “cancellation of the current order and immediate termination of business with Auchan, which includes orders begun whether manufactured or not, and not inspected at the date of the report”. On 28 January 2014 this information was communicated once again to suppliers to the Bangladesh, India and China offices.

**Recommendations:**

- Draft a detailed “Crisis management”-type procedure for managing cases of opaque outsourcing.

**Point to watch:**

- No terms and conditions are currently defined for possible resumption of the business relationship.

**2015 commitments:**

- The recommended detailed procedure and terms and conditions for possible resumption of the business relationship with a de-listed supplier will be defined and documented.

### 4. INTENSIFY AND GENERALISE TRAINING

**OBSERVATION** Training in responsible sourcing (human rights, ethics, quality and environment) has been developed. The training module was tested on 10 and 11 September 2014. A new test will be run on 10 and 11 February 2015.

**Recommendations:**

- Include in the training merchandiser information on cost breakdown by type of family and product.

**Point to watch:**

- Communicate and explain Groupe Auchan’s CSR policies to the office teams.

**2015 commitments:**

- Expansion of existing training will integrate case studies of the cost breakdown for products.
- To address the point to watch, the Group CSR manager will visit all offices to present Groupe Auchan’s CSR policies. A formal, detailed list of commitments will be provided to employees at the sourcing offices.

## 5. OPEN UP THE SYSTEM BY DEVELOPING AN INTERNET PORTAL

**OBSERVATION** A "Traceability" web portal was created in December 2013. All listed suppliers declare their various production sites on this portal. Suppliers are then required, at the latest 24 hours before the start of production, to assign each order to a factory.

The tool does not yet allow suppliers to declare the production start and end dates.

### Recommendations:

- It is crucial to develop this feature and require greater reliability of data from suppliers via regular updating of these dates.

### 2015 commitments:

- The specifications for this functionality are currently being drafted by the IT Department. It will be implemented starting from second-half 2015.

## 6. DEVELOP A PARTNERSHIP STRATEGY WITH STRATEGIC SUPPLIERS

**OBSERVATION** The goal for 2017 is to develop partnerships with suppliers and to work with only 100 strategic suppliers covering 80% of textile revenues.

- Ungenuine supplier strategy was implemented to achieve this goal.
- This policy is explained to the strategic suppliers by the sourcing offices; among other things, large-scale meetings were held:
  - in Bangladesh in February 2014.
  - in Shanghai, China on 5 December 2014;
  - in India, in Tirupur on 8 December 2014 and in Delhi on 11 December 2014;

### Recommendations:

- During supplier awareness meetings organised in the offices, require signature of an attendance sheet.

### Point to watch:

- Some suppliers are in a relationship of strong economic dependency with regard to Auchan.

### 2015 commitments:

- The recommendation concerning signature of an attendance sheet by suppliers during awareness meetings will be applied in 2015.
- As for the point to watch, this is a marginal issue which is problematic for both parties. For the supplier, dependency leads to a risk in the case of termination of orders. For Auchan, terminating a business relationship with such a supplier, under the laws of these countries, leads to a financial responsibility in the form of compensation for loss of business.
- By the end of 2015, all suppliers in a situation of economic dependency with regard to the DOAPI will be identified. Dialogue will then be opened with these suppliers to support them towards increased autonomy via the development of business relations with new clients.

## 7. AUDIT FOLLOW-UP

**OBSERVATION** A second review of actions completed should be performed based on this summary report drafted by Group internal audit, in particular in China and India where the audit teams made specific visits, to confirm that the 8 actions requested are well under way and showing progress.

**2015 commitments:**

- Follow-up in 2015 will ensure that the mobilisation noted during the initial audits continues and that results are on the horizon.

**8. REGULARLY COMMUNICATE ON THE PROGRESS OF THIS POLICY**

**OBSERVATION** The communication department is in charge of sustainable development and responsible for communicating progress on the action plan via the groupe-achan.com website as well as in the CSR section of the management report. This commitment was met in 2014.

**2015 commitments:**

- A new audit of the policy will provide an update of the situation presented here by the end of the year. It will be communicated in full transparency in the 2015 CSR section of the Groupe Auchan management report.

## FIGHTING AGAINST CORRUPTION

A member of the Global Compact, Groupe Auchan continued its work against corruption in 2014.

After updating the code of business conduct (see page XX) in February 2014, a work group piloted by the CSR and legal teams defined a programme over 2 years:

- **For 2014** : finalise the benchmark for the systems in place in the Group, draft the Groupe Auchan code of business conduct, design governance based on country business conduct committees in which all activities are represented (hypermarkets, supermarkets, Immochan, Banque Accord).
- **In 2015** : finalise business conduct training for the most at-risk managers and employees as well as incident escalation procedures.

The code of business conduct mentioned above, as well as the principle of creating a network of business conduct committees, for all core businesses in each of the 12 groups in which the Group is located, were approved at the Group Executive Committee meeting of 20 October 2014.

These country business conduct committees, comprising around a dozen members including HR and SD managers, Audit and Legal Directors, as well as family shareholders and qualified outside experts, will either be formed from scratch or by modifying the country hypermarket business conduct committees, during first-half 2015.

The France business conduct committee will continue to serve as the benchmark committee.

## DEVELOPING SUSTAINABLE PARTNERSHIPS WITH SMEs

SMEs are partners that enable us to offer a very broad selection of products. Groupe Auchan banners seek to maintain sustainable business relationships with their SME partners. An increasing number of national and/or regional forums are organised with this purpose. These make it possible to list new producers and to expand the range of local products. For example Auchan China organises a biannual conference attended by 600 suppliers on average, and performs monthly monitoring of data concerning products sold from partner SMEs.

According to Nielsen figures for the Federation of French Businesses and Entrepreneurs (FEEF), Auchan France remained the mass retailer with the largest share of revenue generated via SMEs (18.5%) in 2014.

In this area, the company introduced the “SME path” in 2013, a single information channel to facilitate communication between these companies and their store contacts. Thus, the SME relations department in charge of local, regional and French-origin product receives all questions, comments, reactions or complaints via a single email address, in order to offer rapid and personalised responses and/or solutions (maximum 8 days).



### FOCUS EXPORT SMEs

In every country where Groupe Auchan is present, the categories of French-origin products for which a need has been identified in the Group's other countries are systematically assessed. Tours are organised to facilitate meetings between select French SMEs and international buyers.

Similar efforts are in place for products of Italian origin. Since 2009, a dedicated export office provides 360° service to listed SMEs, including administrative support, logistics, payment security, product labelling, and market research in the listing countries. Revenues rose to €13 million in 2014 from €800,000 in 2010, thanks to the 130 partner SMEs supplying more than 1,000 products listed for export.

## REDUCING THE IMPACT OF GOODS TRANSPORT

Because goods transport is primarily outsourced, Auchan's scope for action and measurement is slightly more complex than if the company maintained its own fleets.

Logistics supply nonetheless represents a significant share of the carbon footprint in the mass retail sector, for which action levers do exist. This share is of greater or lesser size depending on the country and core business, in particular based on the national energy mix and the types of refrigerants used by the stores.

Groupe Auchan's various entities apply policies to streamline goods transport and warehouse management.

Preparation workshops for the food departments (cutting, packaging, labelling) help reduce external packaging volumes.

Groupe Auchan companies encourage their service providers to modernise their road fleets and/or adopt eco-driving approaches.

For example, in the specifications for its latest call for tender for carriers, Auchan Hungary voluntarily required delivery of products in lorries meeting the Euro 5 standard (carbon monoxide, hydrocarbon, nitrogen oxide and particulate emissions below strictly defined thresholds).

Some of the Group's companies are developing transport via dual or even triple temperature lorries and double-deck lorries (ingenious system enabling optimal loading of pallets on 2 levels).

Reducing the impact of transport also requires streamlining of routes. Auchan France has been using a "multipick" approach for upstream transport of goods to warehouses for more than 5 years. With this technique a single lorry is used to collect and transport products from small suppliers within the same geographic region, optimising the routes between these suppliers and ensuring full-load trips. The company also succeeded in increasing the average load ratio by more than 1.5 m<sup>3</sup> per lorry.

In China and Russia, given the size of the geographic zones, coordination by major region using various techniques enables better product dispatch via dedicated platforms and managers.

The transport mix developed in Spain, Portugal, France, Hungary and Romania involves road pre-transport to a rail or river terminal. Under this system, the largest section of the route is via these latter transport methods, before the trailers are transferred by road to the delivery terminal.

Auchan Romania uses rail transport for all containers of products imported from China, from the port of Constanta to the intermodal platform where the import warehouse is located. This minimises the distance to be covered by road.

For its deliveries of high-volume goods, Alinéa studied a multimodal transport project favouring river transport between the port and warehouses. Transport from these warehouses to the stores is by rail for 52% of these goods and by road for the remaining 48%.

While some entities have developed tracking indicators to encourage the policies presented above, no Group-level indicator has been defined to date. At issue are the lack of coordination between the logistics functions of the different Group entities, and outsourcing by some to service providers from whom it is sometimes difficult to obtain statistical information.

## FOSTERING LOCAL SOURCING

The hypermarkets and supermarkets in all the Group countries build an offer of local products, grown and/or manufactured near the stores, via direct partnerships with small producers. These policies respond to strong demand from local residents who want to consume products from their own region. This is a win-win relationship in that it ensures a satisfactory level of visibility and profitability for the producers, and lets both parties reduce intermediary costs and margins.

In Spain, Alcampo continued to develop various programmes to support the agricultural sector, in particular the "Del arbol a tu mesa"<sup>4</sup> programme,

which targets seasonal fruits chosen from the producers' lands and transported directly to the hypermarkets. From January to December 2014, 1,033,000 kg of fruit was sourced in this way, more than double the 2013 volume (402,000 kg).

In Portugal, Jumbo continues to expand its offer of local products under the "Sabores de Portugal"<sup>5</sup> label. More than 400 varieties of cheese, cured meats, fruits and vegetables, sweets, breads and wines form a range comparable to that offered in the traditional markets.

<sup>4</sup> From tree to table

<sup>5</sup> Flavours of Portugal

*coming up next*

Some banners have developed specific dedicated signage to highlight the range of local products, thus contributing to the economic reputation of their regions. This approach is often supplemented by the organisation of sales operations and events aimed at showcasing local products.

## RATIONAL MOBILITY FOR RESIDENTS

A majority of shopping centres owned by Immochan were located until recently outside the city proper. With growing urbanisation, most of these centres are today located on the city borders, or even in some cases near the city centre. A significant portion of their customers (varying by site) now use public transport to reach these shopping centres. Thus, all of the Hungarian, Polish, Romanian and Ukrainian sites are served by public transportation located near a shopping mall entrance.

In the countries mentioned above and many other sites in the countries where it is present, Immochan seeks to work together with public transportation agencies to offer visitors pleasant

journeys, suitable service frequency, and routes that are clear, safe and accessible to people with reduced mobility, all the way to the store entrance.

In Central & Eastern Europe and Asia, some Auchan hypermarkets and Immochan shopping malls also make buses available to transport their customers from city centre to the store free of charge. Where this is not possible, new sites are planned to be served by public transportation and receive consumers travelling by bicycle, in order to limit the number of customers using motor vehicles.



### FOCUS ELECTRIC TOUR DE FRANCE

The Mantes la Jolie hypermarket installed the first fast-charge station for electric cars in April 2014, capable of charging a vehicle in the store car park in less than 30 minutes. These stations, the result of a partnership between Auchan France and Nissan, are manufactured in France and currently being deployed to all Auchan sites.

At end-2014, they had been installed in 36 hypermarkets. By second-half 2015, 96 of the 119 sites will be equipped.

# #4

## CUSTOMERS

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*Groupe Auchan seeks to rise above the traditional consumer model by committing to its corporate responsibility without losing sight of its original business model. To do so, the banner offers a range of products and services that is accessible, respectful of the environment and society, and contributes to good nutrition.*

## SAFE AND CONTROLLED FOOD

Risk mapping, the primary mission of the quality department, is a scientific watch, an essential tool for decision-making and crisis planning. It integrates customer feedback, crises at Auchan or its competitors and scientific meetings organised regularly around current topics. Since 2012, this mapping has been divided into 3 geographic zones to align more closely to the specific realities in the field.

Auchan has also developed a uniform benchmark shared across all the Group countries for prior accreditation of suppliers.

A major concern for all governments, denounced by NGOs and consumer organisations, pesticides are the focus of a specific work group that spun off from the international quality synergy, which shares methods and requirements between all the Group banners to improve operational control plans.

Microbiological risks are closely monitored due to the elimination of certain preservatives. In verifying substance safety, Auchan is committed to not performing tests on animals in its contracts with all its suppliers.

In addition, bans on substances such as bisphenols and phtalates sometimes give rise to substitutes that must be monitored.

Groupe Auchan takes 100,000 samples for bacteriological or compliance analyses each year and complies with HACCP standards. In this framework, all Auchan and Simply Market stores are audited by independent agencies. These audits cover compliance with hygiene procedures, the cold chain and date controls. All the teams concerned receive regular training via multiple training tools.

Lastly, the issue of GMOs is addressed transparently with the food chain as a whole. A non-GMO policy applies to all own-brand everyday consumer products, from discount to premium range. In France the approach is extended into the meat and fish sectors, with the guarantee that products have been fed with non-GMO products.

## OFFERING PRODUCTS THAT DO NOT THREATEN BIODIVERSITY

Wherever possible, Auchan is eliminating palm oil from its brand-name products. The goal is to improve product quality and the traceability of the supply chain. Since 2005, 280 own-brand product recipes have been reformulated. To date, only 44 products remain for which substitution is impossible.

Auchan and Simply Market are expanding this process in France. Where substitution is impossible, suppliers are asked to use palm oil in their products that respects 4 key commitments: compliance with laws and regulations;

protection of forests with high conservation value and high carbon concentration; free prior consent by local populations; protection of all peatlands.

A survey is currently being completed to enable preferential sourcing from suppliers who commit to these aims. A similar approach will be launched to guide purchasing in the other countries.

To sustainably preserve fishery resources, the Group's French hypermarkets and supermarkets

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<sup>6</sup> Hazard Analysis Critical Control Point

have committed since 2006 to not sell wild bass during its reproductive period (December to March) and to prefer farming with reduced environmental impact. These banners also committed in 2009 to sell only non-threatened species of shark and tuna. All of these decisions, though costly, were taken because they responded to a consensus in the scientific community.

Although these commitments have not yet been formally defined or communicated throughout the Group, they are shared and applied in all countries where the Group is present.

The discontinuation of sales of Mediterranean bluefin tuna (*Thunnus thynnus*) by Auchan and other retailers thus contributed to the upward revision of fishing quotas for this species. Given this new situation, over the course of 2015 Auchan France will evaluate the possibility of relaunching sales of this species in some stores in the south of France.

In 2013, in response to the controversy around deep water fishing, Auchan and Simply Market examined all the paradigms useful to taking an informed decision. After analysing the positions and measures taken by European institutions, expert scientific studies published on the topic (Ifremer and the International Council for the Exploration of the Sea), as well as the possible impact of measures on all players in the sector, the banners decided to suspend sales of species requiring deep sea trawling (most notably black scabbardfish, blue ling and grenadier). This decision remains in effect today, while awaiting possible advances in alternative fishing methods.

## A DIVERSE, SUITABLE, ACCESSIBLE AND VISIBLE OFFER IN STORES

Auchan is gradually developing a vast offer of more responsible products. To better inform its customers, the banner has developed signage to identify organic products in the majority of its hypermarkets.

Throughout the year, the Group's different banners organise information and sales events to promote an accessible and responsible offer: organic products, natural cleaning products, fair trade products, products with low energy consumption, products fostering a circular economy, etc.).

As one example, Jumbo Portugal launched a campaign for LED light bulbs in 2014 with a 30% reduction in sale price, enabling consumers to save money while contributing to protecting nature due to the low energy consumption of these bulbs. This initiative was accompanied by instructional communication and was co-financed by the Authority for Energy Services Regulation (ERSE).

To foster autonomy for people with impaired vision and help them locate the products they want in stores, Auchan is to its knowledge the only major mass retailer in the world to provide Braille labelling of its own-brand products. In 2014, 3,457 such products were inventoried in the Auchan hypermarkets in France, Spain and Portugal. Individuals with vision impairment regularly perform in-store checks to check the quality of the information provided in Braille.

The "Better Living" portal, launched in November 2012 and dedicated to good nutrition, meets a variety of needs. It presents products sold by Auchan and offers advice with regard to certain diets. It also contains information, advice and recipes from specialists and interested users.

## NUMBER OF OWN-BRAND PRODUCTS LABELLED IN BRAILLE

	Hypermarkets	Supermarkets
France	2,200	1,488
Espagne	639	286
Portugal	618	-
<b>TOTAL</b>	<b>3,457</b>	<b>1,776</b>

## CONTRIBUTING TO CONSUMER HEALTH AND WELL-BEING WITH A SUITABLE FOOD OFFER

The development of “sustainable consumption” is based on health concerns: consumers are increasingly aware of the impact of food on their own health and that of their children.

Programmes for good nutrition have been implemented in 5 countries since 2006. They encourage the development of healthy eating and lifestyle habits starting at a very young age, along with regular exercise.

Good nutrition is one of the leading concerns for most consumers today, and is at the heart of Groupe Auchan’s “responsible discount” offer; it was declared a priority for the international sustainable development synergy in 2014 and is now included in the Group’s strategic decision-making.

Similar to what had been already achieved by certain Group entities, the hypermarket and supermarket businesses in all countries where the Group is present must establish a comprehensive “Good nutrition plan”, focusing in particular on a series of areas that include training, reformulation of own-brand recipes, offer of fresh and local products, and store events.

Since 2005, Auchan Food Production has worked on the recipes for products sold under own brand to target better nutritional qualities.

Savings achieved on a comparable basis over the past 9 years amount to: 90 tonnes of salt, 800 tonnes of sugar and 810 tonnes of fat.

The restructuring of the Auchan Production teams in 2014 via the “Let’s reinvent Auchan Prod” project temporarily suspended this programme. The goal of the project is to be proactive in proposing products and faster in creating them, and to provide better service to clients. Employees devoted 6,000 work hours to this project.

In addition, the application of the INCO standard (European regulation for better consumer information) to all own-brand products required the revision of 45,000 packages. This packaging must include, by 31 December 2015: new minimum font sizes, a new nutritional value presentation and accounting methodology, and indication of allergens. These requirements therefore led to the updating of specifications and translation of packaging for products distributed in the EU.

In Spain, Simply Market launched a blog dedicated to good nutrition in 2011 ([www.simplysano.es](http://www.simplysano.es)), in partnership with the University of Saragossa. Customers can use this platform, developed in collaboration with students and professors specialised in health, to ask a nutritionist a question, share healthy recipes with other users or explore the range of organic and health products in a virtual store visit.

Throughout the year, Jumbo Portugal continued to promote nutrition awareness and advice to its customers. Practical information on daily nutrition is proposed in a guide with a focus on common consumer goods (milk, cheese, yogurt, eggs, legumes, tinned foods, rice, biscuits, cereals, dried fruits and grains), in connection with the retailer's sales operations.

In China, traceability is a key challenge to ensure safe food that poses no threat to consumer health. For pork, the most prevalent meat in Chinese cuisine, customers are able to obtain primary information about the origin of their meat (farm location, date and location of slaughter) from the code on the product packaging at a dedicated website.

In the same spirit, RT-Mart Taiwan has introduced testing rooms in 7 of its stores. Customers can measure the level of pesticides in fruits and vegetables and certain FMCG products from the shelves, including oil, which was subject to various crises in 2012. All the RT-Mart hypermarkets in the country will be equipped with these rooms by 2016.

Awareness of the various sustainable development issues among the younger generations contributes to the behavioural changes that will be needed to move towards a more eco-responsible future. The Rik & Rok clubs for children age 4 to 10 in the French, Spanish and Portuguese hypermarkets are positioned around themes related to sustainable development, with a particular focus on good nutrition. In these 3 countries, the club has almost a million members who regularly receive an illustrated magazine containing educational games and simple recipes.

To respond to consumers' needs and expectations, Auchan encourages and measures the development of its range sourced from sustainable production.

NUMBER OF ORGANIC PRODUCTS LISTED ACCORDING TO THE EUROPEAN UNION DEFINITION		
	Hypermarkets	Supermarkets
France	5,165	548
Spain	997	131
Portugal	486	-
Italy	125	138
Hungary	0	-
Poland	0	0
Russia	160	0
Romania	0	-
Ukrain	127	-
China	0	-
Taiwan	0	-
<b>TOTAL</b>	<b>7,060*</b>	<b>817</b>

*\*Auchan Luxembourg and Auchan France have a joint organic offer. The number of organic products listed by Auchan Luxembourg was excluded from the total to avoid double accounting.*

In France and Italy, Auchan and Simply offer in particular a range of everyday organic products (pasta, rice, biscuits, etc.) for under €1.

To encourage consumption of fruits and vegetables, Auchan France also offers an island of 14 fruits and vegetables available throughout the year at the price of €1.

For customers with dietary restrictions, specific own-brand salt-, sugar-, lactose- and gluten-free product ranges have been developed and are offered today in all countries where the Group is present.

## SUPPORTING CUSTOMERS IN SORTING THEIR WASTE

Batteries, light bulbs, plastic bags, household appliances and recyclable packaging should not be disposed of with household waste. To prevent such mixing, which is detrimental to recycling quality, Auchan, Immochan and some supermarkets have installed “environment” stands in the store entrances to collect certain waste. Materials such as bulbs, batteries, ink cartridges and even household oils are collected there.

In 2014, Auchan France launched a permanent sales operation aimed at promoting the return of ink cartridges. Customers who bring in their

used cartridge receive a coupon for €1 off the purchase of a new one.

Immochan places multi-compartment waste receptacles for customers to sort their waste in most of its shopping malls in Hungary, France, Poland, Italy, Portugal and Spain. Stores in the malls also have access to spaces where waste can be sorted.

## REDUCING PACKAGING AND ECO-DESIGNING OWN-BRAND PRODUCTS

In the framework of a 3-way relationship between product suppliers, packaging suppliers and Auchan Production’s quality engineers, the banner is reducing consumption of virgin raw materials for packaging of its products. These savings are achieved either by reducing packaging weight or by introducing recycled materials into their composition.

This approach has been rolled out in many Groupe Auchan countries since 2004 and is reaching maturity today, although marginal savings are still achieved. In 10 years, more than 12,200 tonnes of virgin materials have been spared. New pathways are therefore being explored today, such as eco-design using more environmentally-friendly materials. In 2014, food

NUMBER OF INTEGRATED HYPERMARKETS WITH A SELF-SERVICE DISCOUNT SECTION	
France	119
Spain	50
Portugal	20
Italy	48
Hungary	19
Russia	84
Romania	19
Ukrain	10
China	54
<b>TOTAL</b>	<b>423</b>

cartons (milk, fruit juices, soups) under private label were FSC certified.

Lastly, to enable customers to buy what they need at the right price, 423 self-service discount aisles were

introduced in the hypermarkets of 9 countries by end-2014. In France, around 50 stores offer organic products in bulk (legumes, pasta, coffee, etc.) in this section.

## LISTENING TO OUR CUSTOMERS

Customer satisfaction research is generalised at Group level prior to every commercial project. Every year, an international survey examines every site under some 200 criteria to identify their strengths and weaknesses, and launch any corrective action needed.

In 2014, Immochan France organised qualitative opinion panels for 18 of its sites. A total of 720 residents took part in customer meetings. These panels met on site, and their work took the form of shared discussion facilitated by a moderator, generating expectations expressed spontaneously or resulting from exercises and suggested scenarios. The expectations highlighted during this work related to 4 success levers for a shopping centre: dimensioning; flows; concept; offer and events at the centre.

Participants particularly stressed the need for:

- structuring by area of need within a rich and diversified spectrum;
- colourful, natural décor in harmony with the surroundings;
- a friendly and comfortable atmosphere;
- respect for the environment;
- the presence of regular entertainment and event spaces.

By listening to residents, Immochan aims to develop the best possible responses to their expressed desires.



# #5

## ENVIRONMENT

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## GOVERNANCE OF ENVIRONMENTAL AND SOCIAL POLICIES

Since end-2008, sustainable development policies have been written, piloted and tracked by an international synergy. Monthly telephone meetings give rise to a very detailed report, and an in-person seminar is held every year for some 30 managers representing countries, core businesses and certain of the Group's major functions.

Every participating entity is in charge of rolling out the work priorities defined by the sustainable development synergy within their own scope. SD managers from every country/core business are in charge of this coordination with operational contacts and report regularly on their actions to their respective General Management. Depending on their resources, maturity level and business type, Groupe Auchan companies adopt different types of organisation to promote SD on a daily basis. In a difficult economic context, it is important that policies and actions carried out be perceived not as additional constraints, but as opportunities to create value.

In addition, some Group companies also adopt more decentralised management at the local level, in particular via SD store committees such as in Auchan France and Auchan Russia.

These committees comprise 5 to 10 employees of all levels, who apply the company's strategic priorities within their store and, via their innovations, contribute to enriching these policies overall.

For Groupe Auchan, sustainable development policies will be anchored over the long run if and only if all its employees have bought into them. The Group's companies therefore place great importance on employee training and accountability. Thus, all Group entities offer training specifically focused on sustainable development or on the underlying environmental levers (energy savings, waste sorting, eco-design, circular economy, organic product range, combating food waste, environmental management, etc.).

In addition, various internal media for each entity (posters, leaflets, newsletters, intranet) share and spread initiatives and best practices as widely as possible.

## SORTING AND RECOVERING WASTE PRODUCED

Operating the sites (hypermarkets, supermarkets, shopping malls and logistics sites) generates various types of waste. The main waste produced by the stores is secondary packaging (shipping boxes and plastic wrappings), organic waste from expired food products and, to a lesser extent, scrap metal and wood (crates).

Depending on the country, sorting and recovery rates as well as the reliability of escalated information vary significantly. This is due to local regulations, the existence or lack of official recovery circuits and the nature of the business.

Sorting waste requires logistics resources that are not well suited to the format of certain businesses or sites, in particular for the smaller locations. Finally, municipal waste management, primarily for the supermarket business, does not always enable collection of data on how waste is further processed.

Cardboard is the primary waste generated by stores, and is sorted and recovered by the hypermarkets in all Groupe Auchan countries. In China, cardboard is the only category of waste with a market value that is processed via organised structures.

For other materials, in particular plastic and organic waste, sorting is organised based on local collection systems. Waste recovery is expanding each year, as the stores and logistics sites find the appropriate systems. The main form of waste recovery by far is recycling, which accounts for between 60% and 100% of recovered tonnage. This is followed by recovery for energy production and methanisation. This latter method continued to expand in France in 2014. There are now 111 stores that transform their food products no longer suitable for sale or donation into biogas or compost.

Some countries have implemented detailed tracking of waste sorting and recovery rates in the hypermarkets business. Dedicated software tools, which in some cases have room for improvement, also enable regular performance measurement in order to target the progress that could still be made and the related potential savings or even profits.



## **ZOOM OR** ZERO WASTE GOAL

In Spain, Alcampo has set the long-term goal of achieving “zero waste”. In other words, the aim is for none of the waste generated by the company’s businesses to end up in landfill and thus as a pollutant. The first phase of this project involved improving the sorting process by introducing various innovations. In particular, the heavy metal containers for transporting waste to storage were replaced by solid and reusable cardboard containers.

Following this initial phase, more extensive recovery methods aimed at transforming the waste into secondary raw materials or fuel were tested in 2014. Fourteen hypermarkets in Madrid are thus sorting their inert waste which is then transformed into SRF<sup>7</sup>.

In all countries where it is present, Immochan implements waste sorting for the retailers in its shopping malls. Sorted waste is either processed by an outside service provider, or by the hypermarket, depending on the country and the size of the mall. In 2014, 94 malls processed their waste independently of the hypermarket. In collaboration with its service providers, the banner works to improve the ease and organisation of waste sorting to ensure a better fill rate for the bins and thus reduce the number of rotations.

In addition, Immochan is developing an approach for all its new development projects in its environment charter which includes a BREEAM certification process. This approach makes it possible to establish a waste management procedure that details the fate of the resulting waste. Sorting is streamlined by organising pre-sorting of construction waste.

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<sup>7</sup> Solid recovered fuel.

**WASTE VALUATION RATE FROM OPERATIONS**  
(BY CORE BUSINESS AND GEOGRAPHICAL REGION)

**Taux de valorisation des déchets  
d'exploitation par métiers**

	Average recovery rate	Coverage ratio (based on m <sup>2</sup> of surface area)
Hypermarkets	66.9%	91.8%
Immochan	30.9%	78.0%
Alinéa	48.0%	100%
Les Halles d'Auchan	52.0%	100%

**Waste valuation rate from hypermarket operations by geographical region**

Western Europe	80.3
Central & Eastern Europe	49.5
Asia	52.5
<b>TOTAL</b>	<b>66.9</b>

*Note on the scope: the data covers the majority of sites. Supermarkets and Chronodrives are not included. When waste from an Immochan shopping mall is processed directly by the Auchan hypermarket, the surface area of the shopping mall is included in the coverage ratio.*

*As a reminder, the average waste valuation rate for hypermarket waste in 2013 was 71.0% with a coverage ratio of 55.1%.*

*The coverage ratio rose strongly for the hypermarkets (+36.7 points) and shopping malls (+20 points). This tends to indicate better tracking of waste data by the stores.*

*The recovery rate is slightly down for shopping malls (-1.3 points) and hypermarkets (-4 points). This is due to the increased coverage ratio: sites with a weaker performance have been included in reporting.*

*For reliability reasons, the waste recovery rate is no longer monitored by supermarkets. Indeed, in many cases it is the municipalities that process this waste, without informing the stores of the details of waste processing. Groupe Auchan therefore decided to publish the tonnage of waste recovered rather than a recovery rate for its smaller formats.*

**TONNES OF WASTE RECOVERED BY GEOGRAPHICAL REGION AND BY CORE BUSINESS**

**Tonnes of waste produced by the hypermarkets, by geographical region**

	Tonnes of waste recovered	As a % of the total
Western Europe	205,919	66.3%
Central & Eastern Europe	73,594	23.7%
Asia	31,134	10.0%
<b>TOTAL</b>	<b>310,647</b>	-

**Tonnes of recovered waste from operations, by core business**

	Tonnes of waste recovered	As a % of the total
Hypermarkets	310,647	89.4%
Immochan	7,152	2.1%
Supermarkets	26,137	7.5%
Alinéa	2,061	0.6%
Les Halles d'Auchan	1,529	0.4%
<b>TOTAL</b>	<b>347,526</b>	-

*Methodology notes: at the sites where data reliability appears to be an issue, the tonnage of waste recovered was not included in calculation of these figures, as agreed with the SD managers. The tonnage of waste actually recovered by all the sales locations is therefore greater than that indicated in these tables.*

## REDUCING THE ENVIRONMENTAL IMPACT OF PLASTIC BAGS

Groupe Auchan limits the use of disposable bags and offers customers solutions that are more respectful of the environment, such as biodegradable or reusable bags, or bags made of recycled materials. For example: the plastic bags sold at the register by Auchan China are made of a material derived from calcium carbonate. In Portugal, Jumbo offers a reusable bag developed in partnership with APED<sup>8</sup> and made of materials sourced from plastic bottles. Since 2012, Auchan France has also sold a 100% recyclable and 100% recycled bag made of the flexible plastic films

from its product packaging supplied to stores in the North region.

Except for Russia, Poland and Ukraine, hypermarkets and supermarkets no longer supply free bags at the registers. The rare entities that still distribute them free of charge recover the bags, in specific bins for Chronodrive, and via trial "green registers" in certain pilot stores.

## OPTIMISING AND REDUCING OUR ENERGY CONSUMPTION

Energy consumption (electricity, fuel oil, gas) represents a major environmental and financial issue for Groupe Auchan as it costs several hundreds of millions of euros. Reducing energy consumption was the first joint priority focus of the sustainable development synergy. Significant progress, measured annually, has been made by all entities since 2008.

The 3 primary energy consumption categories for stores are food refrigeration, lighting and heat/air conditioning. Classification of these items varies from one site and country to another, but everywhere accounts for some 80% of stores' final consumption.

For food refrigeration, the hypermarkets and supermarkets in 4 countries (France, Spain, Italy, Hungary) are gradually replacing the refrigerants that use the most electricity with R744 (CO<sub>2</sub>). The majority of hypermarkets and supermarkets are equipped with closed sub-zero freezers and many sites use "screens" to better insulate standard freezers when the stores are closed.

Energy savings are achieved via training, employee awareness and the introduction of monthly tables to ensure better consumption tracking and thus analyse variations observed for the same calendar period.

Daily maintenance of Immochan malls is directly managed by the hypermarket technical teams. For new operations, a bioclimate design approach favours natural lighting and passive energy consumption reduction systems, among other things by enhancing building insulation and recovering the calories generated wherever possible via the installation of dual-flow heat recovery ventilation systems.

<sup>8</sup>Portuguese association of distribution companies

## CONSUMPTION OF ELECTRICITY PER M<sup>2</sup> OF SURFACE AREA (BY CORE BUSINESS AND GEOGRAPHICAL REGION)

Consumption of electricity, in kWh per m <sup>2</sup> of surface area		
	Average ratio	Coverage ratio (based on m <sup>2</sup> of surface area)
Hypermarkets	464	97.3%
Immochan	258	97.3%
Supermarkets	652	92.1%
Alinéa	183	100%
Chronodrive	240	92.4%
Les Halles d'Auchan	619	100%

Consumption of electricity, in kW per m <sup>2</sup> of surface area			
	Hyper	Super	Immo
Western Europe	435	647	239
Central & Eastern Europe	538	683	247
Asia	425	-	340
<b>TOTAL</b>	<b>464</b>	<b>652</b>	<b>258</b>

*Notes on the scopes considered: For Chronodrive, m<sup>2</sup> of net usable floor area are used to calculate the ratio. French hypermarkets now include the consumption and surface area of attached Drives.*

*The average total ratio for 2014 is 457 kWh per m<sup>2</sup> of surface area. As a reminder, average electricity consumption in 2013 was 495 kWh per m<sup>2</sup> of surface area. The main downward variations of the ratios are largely explained by:*

- better breakdown of consumption between the shopping mall and the hypermarket for Auchan China (-35.5%);*
- inclusion of the surface area of attached Drives for Auchan France (-13.6%);*
- better monitoring of consumption that sometimes enabled identification of invoicing errors for the Russian supermarkets (-38.3%).*

*In contrast, the average ratio for shopping malls rose by almost 13 points due to the integration of the Chinese malls into calculation of the ratio. The coverage ratio for Immochan malls has therefore strongly increased (more than 20 points).*

*More detailed auditing of data consistency during consolidation at Group level also impacted the ratios of certain countries/core businesses (both upwards and downwards) between 2013 and 2014, but to a far lesser extent.*

*The coverage ratio rose by slightly more than 4 points from 2013 to 2014, to reach 96.4%.*

LED lighting developed significantly in 2014 in the French, Spanish and Russian supermarkets and the Italian, Russian, Chinese and Taiwanese hypermarkets.

In 2013, the Caluire store was the first hypermarket in France to be fully equipped with LED. One year later, these installations have reduced energy consumption for electricity by 56%.

In China, 61 of the 62 Auchan supermarkets are now equipped with new LED-based lighting systems that automatically regulate lighting intensity based on the level of outside light. These installations are part of a more global environmental management approach called PEMS<sup>9</sup>, which issues alerts for each site in real time with regard to energy losses across all consumption items.

Similar BMS<sup>10</sup> are also in place in some supermarkets in France, Russia and Hungary. These reduce energy consumption by 20% on average. Auchan France has set the goal of deploying BMS in 70 stores by the end of 2015.



## FOCUS ENERGY PLAN, FROM DIAGNOSIS TO ROAD MAP AND DEPLOYMENT

The energy bill today amounts to around 1% of Groupe Auchan's revenue. Given the volatility of energy prices, this expense has risen significantly in recent years. This is true in spite of the policies and actions implemented by each entity to reduce consumption.

In this situation, Groupe Auchan chose to engage in a proactive approach in 2013. An "Energy Plan" was built around key priorities and addressed step-by-step: reduce consumption more quickly at each site, professionalise energy purchasing, define standards for the new sites.

To test a methodology that could be reproduced in other countries, Groupe Auchan sought the support of a specialised consulting firm (Schneider Electric) to carry out an experimental trial on a large scale across all its core businesses in Spain.

A comprehensive energy diagnosis was launched at 6 Spanish pilot sites covering all formats in November of the same year. Three levels of action for potential gains were identified:

- Optimising settings and management of existing equipment, i.e. the "quick wins" related to behaviours and settings, and which must be applied at all sites.
- Modifying technical installations that require equipment and performance improvements. These changes will generate costs which can be amortised in the short or medium term.
- Disruptive changes involving the customer experience and product display in the stores, to be considered cautiously as they could impact sales.

Audits performed at the 6 Spanish pilot sites revealed average potential gains of 25%. Given the encouraging results obtained at these sites, in accordance with the objectives set, a full diagnostic of the country was then established to identify the real savings potential and the necessary investments. These will be carried out having regard to their respective ROI.

A similar first analytical phase was launched for 5 pilot sites in Italy in the summer of 2014, based on this first Spanish experience. At end-2014 a road map was proposed for the definition and then actual implementation of the project during 2015.

Some sites owned by Auchan or Immochan are equipped with photovoltaic panels to cover some of the electricity or heating needs of the buildings. However, these installations are only efficient below a certain geographic latitude. The significant drop in purchase price of green electricity, together with decreasing fiscal incentives, have slowed down these investments since 2010.

<sup>9</sup> Proactive Energy Management System

<sup>10</sup> Building Management Systems

## CONSUMPTION OF ENERGY PER M<sup>2</sup> OF SURFACE AREA (BY CORE BUSINESS AND GEOGRAPHIC REGION)

### Consumption of energy in kWh per m<sup>2</sup> of surface area

	Average ratio	Coverage ratio (based on M <sup>2</sup> of surface area)
Hypermarkets	534	91.6%
Immochan	295	78%
Supermarkets*	692	93.9%
Alinéa	187	100%
Chronodrive	277	93.8%
Les Halles d'Auchan	619	100%

### Consumption of energy in kWh per m<sup>2</sup> of surface area

	Hyper	Super	Immo
Western Europe	498	692	294
Central & Eastern Europe	641	696	297
Asia	448	-	-
<b>TOTAL</b>	<b>536</b>	<b>691</b>	<b>295</b>

Notes on the scopes considered: For Chronodrive, m<sup>2</sup> of net usable floor area are used to calculate the ratio. French hypermarkets include the consumption and surface area of attached Drives.

\*Except Simply Market Poland

The average total ratio for 2014 is 519 kWh per m<sup>2</sup> of surface area. In 2013 this ratio (not published at the time) was 578 kWh, indicating a decrease of more than 10%.

The same reasons behind the decrease in electricity consumption (see above) apply to energy consumption. Indeed, electricity consumption accounts for more than 70% of total energy consumption.

It should be noted that the Europe region, across all countries, and Eastern Europe in particular, benefited from more favourable weather conditions than in 2013 (milder winter and cooler summer), which contributed to reduced consumption of natural gas, often used to heat the stores.

The energy consumption indicator includes electricity and natural gas consumption. Replacing the "natural gas consumption" indicator with the "energy consumption" indicator allows for better verification of data and improved reliability, and makes it easier to compare energy consumption between sites and identify possible inconsistencies.

## APPLYING SUSTAINABLE WATER MANAGEMENT

As with energy, the main water consumption drivers vary depending on site surface area and type of business. The workshops (meat, fish and bakery), floor cleaning, equipment cleaning, lavatories and watering of green spaces are the activities that consume the most water.

While the vast majority of water used by the stores, logistics sites and shopping malls comes from municipal waterworks, some sites have rainwater catchment tanks and basins.

The water thus recovered can be used for cleaning floors, lavatories and watering plants.

Water-efficient equipment is systematically installed in new projects. Immochan is gradually installing so-called "smart meters" to provide consumption data automatically and in real time. These serve to alert technical crews to any possible anomalies. They also help improve invoicing reliability by eliminating human error in meter readings.

Concerning wastewater, the car parks managed by Immochan and Auchan are equipped with hydrocarbon separators to treat water runoff before it reaches the public networks.

Limited consumption and weak economic impact create little incentive to implement specific policies in this area and continue to limit the reliability of data collected.

## WATER CONSUMPTION PER M<sup>2</sup> OF SURFACE AREA (BY CORE BUSINESS AND GEOGRAPHICAL REGION)

Water consumption in M <sup>3</sup> per M <sup>2</sup> of surface area		
	Average ratio	Coverage ratio (based on M <sup>2</sup> of surface area)
Hypermarkets	1.45	89.5%
Immochan	1.89	47.7%
Supermarkets*	0.82	62.2%
Alinéa	0.18	80.0%
Les Halles d'Auchan	0.64	57.0%

Water consumption in M <sup>3</sup> per M <sup>2</sup> of surface area			
	Hyper	Super	Immo
Western Europe	0.91	0.84*	-
Central & Eastern Europe	1.45	0.73	0.88
Asia	3.4	-	3.06
<b>TOTAL</b>	<b>1.45</b>	<b>0.82</b>	<b>1.89</b>

Notes on the scopes considered: For Chronodrive, m<sup>2</sup> of net usable floor area are used to calculate the ratio. French hypermarkets include the consumption and surface area of attached Drives.\* Except Simply Market Italy

The average total ratio for 2014 is 1.37 m<sup>3</sup> per m<sup>2</sup> of surface area. In 2013 this ratio was 1.65 m<sup>3</sup>, indicating a decrease of more than 15%. This is explained in general by better tracking of consumption which leads, for most countries/core businesses, to a reduction in the ratios. The coverage ratio rose 4 points, indicating this improved tracking, although it remains relatively weak. The global coverage ratio is 66.8%.

It should be noted that:

- for Auchan China, a better breakdown of consumption between the shopping mall and hypermarket is largely responsible for the decreased ratio (-32.7%);
- including the surface area of the attached Drives for Auchan France also reduces the average ratio (-18%) due to the lack of food preparation areas in the Drives;
- the type of contracts applied by the Italian supermarkets prevents reliable data collection for this entity.

## DEVELOPING ENVIRONMENTAL SITE MANAGEMENT

In line with its very decentralised organisation, Groupe Auchan leaves its subsidiaries plenty of room to adopt the management systems and certification methods they feel are most appropriate. In Western Europe, Hungary and China, 29 hypermarkets are ISO 14001 certified. The French, Spanish and Portuguese hypermarkets also implement internal or external audit systems for their stores.

Since 2011, Immochan has been committed to systematically launching an environmental certification approach for its major development projects. The internationally recognised BREEAM certification process ensures the projects that apply it a very ambitious environmental performance, enabling low energy intensity, limited greenhouse gas emissions and increased mobility.

This approach serves to increase the skill level of the employees involved in the projects, from site acquisition to construction.

Immochan also applies its own environmental quality charter in all European countries for expansions or renovations of existing sites and for new projects. Aimed at all the Auchan and Immochan technical teams as well as all their external partners, it defines the architectural and landscape requirements and recommendations but also integrates the BREEAM requirements.

## MEASURING THE CARBON FOOTPRINT OF THE RETAIL SITES

While some of the Group's European countries have already published one or more carbon footprints report (France, Spain, Italy), a Group footprint has not yet been completed.

Despite the Group's delay in reporting on this topic, all Auchan companies have the goal of actively reducing their emissions with regard to the main emission items: refrigerant leaks and energy consumption.

Accounting for more than half of the hypermarkets' CO<sub>2</sub> emissions, these nonetheless vary significantly from one site to another depending on the type of refrigerant used. The Group's sites are gradually replacing the refrigerants that contribute the most to climate change with natural refrigerants.

For new food refrigeration systems in EU countries, the installation of technologies based on R744 (CO<sub>2</sub>) is preferred wherever possible.

Given the specificities of service contracts with French providers, Groupe Auchan is not currently able to calculate emissions arising from refrigerant leaks over a sliding 12-month period for its entire scope. This situation, specific to France, causes a calendar shift in which the year Y-1 is taken as the reference. This problem should however be resolved in 2015.

Lastly, no joint indicator has been defined to date concerning CO<sub>2</sub> emissions related to logistics supply. The difficulty involved in tracking them is the primary reason.

Core businesses' CO<sub>2</sub> emissions in kg per M<sup>2</sup> of surface area

	Arising from electricity consumption	Arising from refrigerant leaks (2013 data)
Hypermarkets Western Europe	98.3	128.3*
Hypermarkets Central & Eastern Europe	209.5	84.9**
Hypermarkets Asia	319.3	80.8***
Supermarkets	179.6	129.7****
Immochan	108.1	_*****

Notes on the scopes considered: For Chronodrive, m<sup>2</sup> of net usable floor area are used to calculate the ratio. French hypermarkets include the consumption and surface area of attached Drives. Data on refrigerant leaks is calculated for the entire calendar year 2013.

\* Except Auchan Luxembourg and Les Halles d'Auchan (specific format)

\*\* Except Auchan Ukraine

\*\*\* Only Auchan China

\*\*\*\* Only Western Europe

\*\*\*\*\* Because refrigerants are primarily used for food refrigeration, leaks of refrigerant for the shopping malls are not significant and are not specifically tracked. The refrigerants used for shopping mall and hypermarket air conditioning are reported by the store.

To better indicate their real impacts, Groupe Auchan has updated the emission factors for electricity consumption and refrigerants. The emission factors for the 2 refrigerants most commonly used by Groupe Auchan (R404A and R507A) were adjusted downward. Therefore, comparing the 2013 and 2014 data is of very limited interest. It is worth noting, however, that refills of refrigerants R717 and R744, which have a very low GWP (global warming potential), are increasing rapidly. They rose from 60 to 440 kg and from 4,018 to 7,127 kg, respectively. These changes indicate the introduction of equipment with a lower impact on global warming.

The emission factors related to electricity consumption vary significantly by country due to the different energy mixes.

## LIMITING AIR, WATER AND SOIL POLLUTION RELATED TO THE COMPANY'S ACTIVITY AND ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

Except for greenhouse gas emissions, Groupe Auchan's commercial activities do not produce much air, water or soil pollution with a strong impact on the environment. The proprietary service stations are subject to ongoing, rigorous controls.

Auchan and Immochan aim to limit any harm caused to natural environments. A particular effort is made to keeping their buildings environmentally friendly. Environmental impact studies are carried out on the projects involved in a BREEAM certification approach, in particular concerning the ecological value of the land and soil pollution.

The major investments made in 2014 to prevent environmental risks addressed: refrigerants (replacement of cooling plants with solutions less damaging for global warming), renovation of waste processing areas, the construction of a dam to protect residents from flooding (Hungary), and improved management of wastewater.

To check site compliance, internal audits are carried out regularly, either by internal teams or by accredited third-party agencies.

In September 2014, a risk evaluation tool was tested by Immochan France to assess the risks at each of the sites, taking account of their location, the hydrology and the businesses in place. This tool should be validated in 2015 so that preventive actions for reducing or eliminating risks can be systematically implemented.

Flood risk is the primary threat to the company with regard to climate change. Immochan and Auchan are working in particular on managing rainwater runoff, with the aim of reducing drainage to the public networks, or even achieving zero drainage where the soil allows.

Lastly, Groupe Auchan does not make financial provisions for environmental risks and leaves it to its companies to freely decide whether or not to do so themselves.

## MINIMISING NOISE POLLUTION FROM ACTIVITIES

Noise pollution caused by deliveries is a significant issue for supermarkets, located in the city centres, and to a lesser degree for the hypermarkets located around the metropolitan areas.

Minimising noise pollution requires the adaptation of delivery schedules. Where applicable, infrastructure modifications are made for the most vulnerable sites: floor coverings; sound insulation of ceilings for stores on the ground floor of a building; noise-reduction walls to protect neighbouring residences.

For every new Immochan mall project subject to a BREEAM certification process, when sensitive zones are detected at less than 800 metres, an evaluation is systematically carried out to decide whether or not the project should continue. An acoustics engineer determines the provisions necessary to keep noise pollution below 5 dB from 7 a.m. to 10 p.m. and 3 dB at night.



## ZOOM OR SUPER SILENT

To improve the environmental impact of its deliveries to stores in the city centre, Simply Market Spain launched its “Sustainable Urban Distribution” project in 2013. Supermarkets in Madrid and Saragossa are supplied by vehicles that run on liquefied natural gas, whose CO2 emissions are 20 points lower and noise pollution half that of conventional vehicles.

This fleet was expanded from 2 to 4 lorries in 2014. In France, 2 latest-generation hybrid lorries are also used for deliveries to supermarkets in the Paris region.

## CONTRIBUTING TO BIODIVERSITY PROTECTION

The Group’s entities are launching a number of initiatives to protect biodiversity both within and outside its commercial sites.

In 2014, Alcampo renewed its partnership with WWF to carry out a forest restoration initiative in the municipality of Tembleque, near Toledo, where 3,000 native trees and bushes have been planted since the start of the programme.

Auchan Italy did the same with its partnership for adoption of 13 WWF Oases, funded by the sale of reusable WWF bags and school supplies in its stores.

In China, Auchan continued to plant trees in Inner Mongolia, assigning 5 employees to this task for a week. To date, the “Auchan forest” contains 8,000 trees, 50% of them pines and local species.

In Portugal, Jumbo completed a film project with the University of Aveiro, showcasing the diverse ways that the hypermarket can contribute to preserving biodiversity. A blend of science and humour, the 10 episodes were viewed by 800,000 people in all.

For their part, the French supermarkets and hypermarkets continued to install beehives on and around some 60 stores.

At Immochan, an ecology expert is included in all the design teams for new projects subject to an environmental certification approach. This expert guides the selection of the species most appropriate to the local habitat and studies their ability to generate a positive environmental impact, while also seeking to preserve local animal and plant life.



## FOCUS CO-DEVELOPING A FOREST POLICY

Groupe Auchan began defining its forest policy in 2011 based on the expertise of an international non-profit organisation, The Forest Trust (TFT). Its mission is to support the Group’s companies in implementing their policy by analysing the supply chains for products with an impact on forests, and co-developing action plans.

A review of the hypermarket and supermarket businesses was carried out in 2014 to evaluate the quantity of products consumed in-house (handouts, papers, store displays). A similar approach was applied to the products sold in stores in the following priority categories: charcoal and indoor and outdoor furniture. Additional information is currently being gathered for each of these products. This will enable a full mapping of supplies, and a risk analysis by supplier for the product, based on origin and type of wood. Lastly, recommendations to reduce these risks will be formulated for each product and supplier.

Given the large share of wood in its products, Alinéa began working with TFT more than 6 years ago. The 2 entities formed a partnership in 2008 for the sensitive sector of outdoor furniture. The goal, which has been achieved, was to guarantee responsible sourcing for the exotic woods used, such as teak and balau, by verifying their traceability with the TFT teams in the field, in particular in Indonesia. At the time, very few certified woods of these types existed and Alinéa, with the assistance of TFT, began exploring responsible alternatives for its outdoor furniture ranges.

# #6

## SOLIDARITY

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*The Group is located in 12 countries, which leads to great diversity in cultural references, economic and social contexts and sales policies in each of the regions where it exercises its various businesses. Nonetheless, design and implementation of its solidarity policies is a uniform and shared process across its entire scope. Integrated into the business plan and rolled out at several action levels, solidarity is expressed via solid partnerships and several foundations, applying a local action approach.*

## IMPLEMENTING LOCAL SOLIDARITY INITIATIVES

Every site is a place for encounters, sharing and exchange with the community, creating social connection by consulting with and involving local stakeholders.

In France, Spain, Portugal, Italy, Poland and now in Hungary and Ukraine, the Auchan banners are in direct relationship with organisations that work locally to organise food donations and thus contribute to combating food waste. More targeted operations are also implemented, such as in Spain where Alcampo, Simply Market, Immochan and Oney Banque Accord took part in the second edition of the "Breakfasts and snacks" hearth campaign, during which 392 tonnes of food were collected for 1.3 million meals distributed to more than 8,000 children.

In countries where national legislation is too restrictive, the lack of structured organisations or of assurances concerning the use of donated items makes this type of approach less certain. Initial trials are nonetheless being cautiously carried out by Russian hypermarkets in this area.

To foster the circular economy and donation of non-food products to residents in need, many collection operations are carried out in France, Spain and Hungary for products such as clothing, school supplies, computer equipment and toys. A total of 160,000 school bags, 100,000 toys and 45,000 clothing items were thus collected by the stores of the banners that organised these operations.

For the ninth consecutive year, Simply Market France set up the Energy Quarter in its stores. During the month of October 2014, these supermarkets offer a platform to raise public awareness of the work of local organisations that participate in the project. Donations are derived from the sale of solidarity cards for €1, as well as of solidarity products dedicated to the operation.

This latest edition showcased 420 associations and collected €335,000 to contribute to their project.

## SUSTAINED AND EXCEPTIONAL PARTNERSHIPS

To enable the development of sustainable solidarity actions, partnerships have been formed with certain non-profit organisations. In case of an emergency near or connected to its businesses, Groupe Auchan may also exceptionally support short-term initiatives that offer a well-organised response to the situation.

Auchan and Simply Italy have had a long-term partnership with the telethon since 2002.

This project is carried out by the employees who are its main ambassadors via the organisation of more than 400 events near the stores (theatres, sports arenas, municipal squares) throughout the year, in synergy with other active solidarity organisations. In 12 years of partnership, €13 million has been collected.



## FOCUS GROUPE AUCHAN CONTRIBUTES \$1.5 MILLION TO THE RANA PLAZA DONOR'S TRUST FUND

In August 2014, Groupe Auchan demonstrated its solidarity with the victims of the collapse of the Rana Plaza by contributing \$1.5 million to the Rana Plaza Donor's Trust Fund created under the sponsorship of the ILO.

Although it had never placed orders with the 4 workshops housed in this building, the company wished to make this gesture of the Group's solidarity with the country and its workers. This exceptional decision was taken after the publication of an 8-part plan to strengthen the security of its textile supply, and after joining the Arrangement designed to check the strength of the infrastructures housing factories and workshops in Bangladesh; it was followed by the creation of the WOF foundation (see page 62) dedicated to improving the living conditions of workers in the countries of the south.

# THE FOUNDATIONS

*In addition to the initiatives implemented locally, foundations and solidarity programmes initiated by several Group entities offer a framework for action for a policy of carefully thought-out sponsorship that is rolled out and monitored over time.*

## AUCHAN YOUTH FOUNDATION

Created in 1996, chaired by Vianney Mulliez, Chairman of Groupe Auchan, and placed under the umbrella of the Fondation de France, the Auchan Youth Foundation provides support to young people living in the neighbourhoods and cities near Auchan hypermarkets, in 11 of the countries where it is present.

The Auchan Youth Foundation seeks to:

- support community projects that aim to help young people achieve their goals and succeed in life (reading; writing; sporting activities; integration via training and employment; awareness of good nutrition and respect for the environment);
- sustainably encourage and support employees involved in the association.

The Auchan Youth Foundation enables each country to benefit from expertise and financial resources to enhance their social responsibility with regard to specific, locally expressed needs.

### A PRAGMATIC APPROACH

Every country involves its employees at each key phase:

- The store teams choose and investigate the projects to be supported. Following pre-selection, each country sustainable development manager expands on or approves the project(s) chosen with the foundation managers.
- The project selection committee meets approximately every 2 months. A panel comprising 4 of the 12 sustainable development managers of the countries where Auchan is present,

the Executive Officer of the foundation, and at least one member of the Group Executive Committee, meets via videoconference to examine the projects presented by the Project Director and the association's managers. Discussion takes place to better understand the social difficulties encountered and the nature of the expressed needs, before deciding whether or not to provide the foundation's financial support.

- Once the project is approved, the Store Directors and their employees become involved and support the project over the long term.

#### EXAMPLES OF ACHIEVEMENTS

The Auchan Youth Foundation supported the French association LFM, a community radio station that offers introduction to journalism training to 500 pre-teens in Mantes la Jolie who are experiencing difficulties at school. A total of €15,000 was allotted to fund the purchase of a mobile recording studio for use in the city's secondary schools. The Buchelay store participates in the project by opening its doors to the "apprentice journalists" to carry out interviews and reports. Children of the staff also take part in workshops at the store.

In Hungary, 500 children from the eastern part of the country were offered activities to support reading instruction. This fruitful cooperation combines a community publishing company, local teachers, the municipal library and the human and financial contributions (€12,000) needed to run the programme over one school year.

In 2014, a total of 58 projects received average funding of €7,480.



#### **FOCUS** SOS CHILDREN'S VILLAGES, INTERNATIONAL PARTNERSHIP FOR LOCAL SOCIAL INTEGRATION

For the fourth consecutive year, Groupe Auchan sent its 2015 New Year's greetings cards to the benefit of SOS Children's Villages. This international operation sponsored by the Auchan Youth Foundation helps support the association's local programmes in each of the countries involved, for an overall total of €100,000.

SOS Children's Villages enable children who are siblings without parental support to grow up together in a new family. It aims to ensure that they thrive by offering a stable and warm family life.

More than a third of the projects supported around the world by the Auchan Youth Foundation in 2013-2014 involved the integration of youth. This strong need, identified by SOS Children's Villages, led it to focus the action of this partnership on the social and professional integration of young people, in order to assist them achieving an autonomous adult life.

Twelve of the association's local projects are supported every year. For example, in Poland, 100 youths in school in the village of Bilgoraj will gain access to the Internet thanks to the purchase of computer equipment and school supplies. In Italy, foreign minors in the SOS Villages of Mantova and Ostuni will receive specialised training in baking, agriculture and tourism. In Taiwan, young people will be trained in the cleaning and maintenance profession and learn about hypermarket jobs.

Since the start of the partnership with SOS Children's Villages, €400,000 has gone into funding these project.

## SIMPLY FOUNDATION "A TASTE FOR SHARING" (SUPERMARKETS FRANCE)

Created in 2009, the Simply Foundation "A taste for sharing" supports solidarity and social integration projects related to food and nutrition. This commitment is based on skills sharing to provide the professional expertise needed by the projects supported, as well as on additional financial and/or equipment support.

Areas of intervention:

- Health and nutrition: Discover or rediscover the pleasure of eating fresh and balanced meals; provide effective information and teaching on balanced nutrition and healthy eating.
- Social connection: Create or recreate social connection in the neighbourhoods between people of different cultures, ages and backgrounds; share recipes and tips, share a meal prepared together.
- Access to food: Support better nutrition for those in most need; organise cooking workshops and food distribution; support contributing grocers.

- Access to employment: Enable professional reintegration of people in difficulty; receive job seekers for training in restaurants, community cafés and social solidarity caterers.

The foundation has had a partnership with the A.N.D.E.S. social solidarity grocers for 4 years. This national association for the development of solidarity grocers was born in 2000 and today unites 280 shops that allow people struggling financially to purchase quality food supplies at low cost. The network promotes social integration and innovation and is based on skills donation from supermarket employees located near the grocers. This support goes beyond mere financial contribution, leading to a genuine transfer of expertise. Volunteer employees support the grocers during their work hours to help them professionalise their operations.

In 2014, the Simply Foundation supported 22 projects for a total of €133,800 in all.

## AUCHAN GENERATIONS FOUNDATION (HYPERMARKETS RUSSIA)

In 2011, Auchan Russia created its own structure for social responsibility. The Auchan Generations Foundation supports projects aimed at helping youths and children in 3 areas: training in the sales professions, support for children who are orphaned, sick or have disabilities, and incentives to practice sports.

In 2014 the Auchan Generations Foundation supported 89 projects, including:

- 44 projects to support children and youths in difficult situations, including via 2 annual actions: "School for all!" and "Give children a New Year". More than 7,000 children received stationery items and New Year's gifts in the framework of these actions.
- 30 projects to support the development of sports.

For example, the foundation's support for the "Choose sport instead of drugs" project enabled the purchase of athletic equipment for 30 children age 10 to 16, participating in a race in symbolic stages over a distance of 1,150 kilometres.

- 15 projects to support the development of teaching and the most dedicated disadvantaged students. A competition for young fashion designers was in particular proposed in Russian schools. The best creative projects for children's textiles are now sold in Auchan Russia hypermarkets.

Overall, more than a million euros was allocated to the supported projects, which benefited some 20,000 children.

## IMMOCHAN FOUNDATION FOR SOCIAL ENTREPRENEURSHIP (FRANCE)

The Immochan France Foundation for Social Entrepreneurship works to support social entrepreneurs in more than 90 cities around France.

Social entrepreneurs from a variety of backgrounds and profiles develop business projects that can take diverse legal forms:

- The company's defined business **purpose** has a social, environmental or regional aim (combating exclusion, unemployment, poverty, disability; promoting a region via a public interest project).
- An economic **project** that aligns with the market and responds to a demand to create jobs, social connection and wealth.

- Open, participatory and responsible **management**, with limited return on investment and remuneration of managers.

From 1 January 2013 to 31 December 2014, the foundation supported 15 projects for a total of €188,000. These projects primarily involve green spaces, the transformation of agricultural produce, infrastructure restoration, training and mobility for better professional integration.



### FOCUS CREENSO AWARD

IESEG business school and the Immochan Foundation for Social Entrepreneurship organised the fourth edition of the CréEnSo (Creation of Social Enterprise) awards in 2014.

More than 350 students on the "Innovation and Management" seminary first met with the entrepreneurs from winning projects of the previous years.

In 2014, CréEnSo received a record of 60 very innovative projects. 50 Master's-level students committed to supporting the 15 social entrepreneurs chosen. Entrepreneurs and students then met to define the mission on which they would work together for the coming year.

The company "Drôle de Pain", a bakery and training workshop for people in need and without employment, was the winning project in 2014. This firm received a grant of €10,000 and expert support from a student.

### 2014 Foundations Overview

	Number of projects supported	Amount allocated in euros
Auchan Youth Foundation	60	608,900
Auchan Generations Foundation	89	980,100
Simply Foundation "A Taste For Sharing"	22	133,800
Immochan Foundation for Social Entrepreneurship	15	188,600
<b>TOTAL</b>	<b>186</b>	<b>1,911,400</b>



## **FOCUS** CREATION OF THE WEAVE OUR FUTURE (WOF) FOUNDATION, UNDER THE AEGIS OF THE FONDATION DE FRANCE

The Rana Plaza catastrophe highlighted a situation that no buyers can ignore, whether they work with Bangladesh or with neighbouring countries.

The Groupe Auchan purchasing and sustainable development teams reached the conclusion that despite everything that has been done for more than 15 years, more concrete and hands-on effort is needed to improve the living conditions of workers in the countries of the south.

Based on the Auchan Youth Foundation's successful 20 years of experience, it was decided to create a similar tool, the "Weave our Future" Foundation, under the auspices of the Fondation de France, on 30 April 2014.

Open to all retailers that wish to join the project, this foundation aims to foster or support social, medical or educational initiatives to benefit workers in the textile and general merchandise industries in the least advanced countries and their families, goals the factory managers are unable to meet by themselves.

The Foundation has a budget of \$7.5 million for the 5 years to come and will financially support associations and NGOs with contributions in order to:

- provide coverage for workplace risks, starting with the textile sector in Bangladesh, via, for example, access to micro health insurance for workers and their families;
- contribute to improving the work environment, create a cafeteria, build dormitories, install an infirmary, clinic or medical centre; finance professional company training, whether for Auchan suppliers or others.

# GRENELLE 2 ARTICLE 225

## — CORRESPONDANCE TABLE —

LABOUR SECTION		
Themes	Corresponding section (pages)	Table of corresponding indicators
<b>EMPLOYMENT</b>		
Total workforce	Workforce breakdown and analysis (p.12)	- Employment structure by business. - Employment structure by geographic region.
Breakdown of employees	Workforce breakdown and analysis (p.12)	- No specific indicator.
by age	Workforce breakdown and analysis (p.12)	- Breakdown of workforce by geographic region and age group.
by gender	Workforce breakdown and analysis (p.12)	- Breakdown of workforce by gender and geographic region.
by geographic region	Workforce breakdown and analysis (p.12)	- Breakdown of workforce by core business and age group. - Breakdown of workforce by geographic region and age group.
Hires	Workforce breakdown and analysis (p. 12) Welcoming new talents (p. 14)	- Number of permanent contract hires, by core business. - Number of permanent contract hires, by geographic region.
Dismissals	Workforce breakdown and analysis (p.12)	- Employment structure by business. - Employment structure by geographic region.
Remuneration	Sharing in the company's success (p. 21)	- Number and percentage of employee shareholders by core business and country. - Number and percentage of employee shareholders by geographic region.
Trends in remuneration	Sharing in the company's success (p. 21)	- Personnel costs ratio by geographic region.
<b>ORGANISATION OF WORK</b>		
Organisation of working time	Employee health, safety and working conditions (p. 16)	- No specific indicator.
Absenteeism	Employee health, safety and working conditions (p. 16)	- Rate of absenteeism, by core business - Rate of absenteeism, by geographic region
<b>LABOUR RELATIONS</b>		
Organisation of labour dialogue	Labour dialogue as a lever for social progress (p. 15)	- Number of meetings held with personnel representatives, by geographic region.
Overview of collective agreements	Labour dialogue as a lever for social progress (p. 15)	- No specific indicator.

<b>HEALTH AND SAFETY AT WORK</b>		
Health and safety conditions at work	Employee health, safety and working conditions (p. 16)	- No specific indicator.
Frequency of workplace accidents	Employee health, safety and working conditions (p. 16)	- Rate of frequency of workplace accidents, by core business. - Rate of frequency of workplace accidents, by geographic region.
Severity of workplace accidents	Employee health, safety and working conditions (p. 16)	- Rate of frequency of workplace accidents, by core business. - Rate of frequency of workplace accidents, by geographic region.
Occupational diseases	Employee health, safety and working conditions (p. 16)	- Number of occupational diseases by geographic region.
<b>TRAINING</b>		
Training policy implemented	Contributing to the individual development of each employee (p. 19)	- No specific indicator retained.
Total number of training hours	Contributing to the individual development of each employee (p. 19)	- Hours of training dispensed by geographic region.
<b>EQUALITY OF TREATMENT</b>		
Measures taken in favour of gender equality	Gender equality (p. 23)	- Proportion of women in the workforce by geographic region - Proportion of women among managers by geographic region.
Measures taken in favour of integrating people with disabilities	Fostering and supporting the integration of people with disabilities (p. 24)	- Ratio of employees with disabilities by geographic region.
Anti-discrimination policy	Diversity and equal opportunity, a corporate affair (p. 24)	- No specific indicator retained.
<b>PROMOTION AND RESPECT FOR THE PROVISIONS OF THE ILO CONVENTIONS</b>		
Respect for freedom of association and the right to collective bargaining	Supporting labour dialogue (p. 15) General principles and compliance with ILO standards (p. 26) Monitoring labour conditions in manufacturing (p. 26)	- No specific indicator retained.
Elimination of employment and professional discrimination	Labour dialogue as a lever for social progress (p. 15) General principles and compliance with ILO standards (p. 26) Monitoring labour conditions in manufacturing (p. 26)	- No specific indicator retained.
Elimination of forced or compulsory labour	General principles and compliance with ILO standards (p. 26) Monitoring labour conditions in manufacturing (p. 26)	- No specific indicator retained.
Abolition of child labour	General principles and compliance with ILO standards (p. 25) Monitoring labour conditions in manufacturing (p. 25)	- No specific indicator retained.

## ENVIRONMENTAL SECTION

Themes	Corresponding section (pages)	Table of corresponding indicators
<b>GENERAL ENVIRONMENTAL POLICY</b>		
Organisation of the company	Governance of environmental and social policies (p. 44)	- No specific indicator retained.
Evaluation/certification approach	Developing environmental site management (p. 52)	- No specific indicator retained.
Employee training initiatives	Governance of environmental and social policies (p. 44)	- No specific indicator retained.
Resources allocated to risk and pollution prevention	Limiting air, water and soil pollution related to the company's activity (p. 54)	- No specific indicator retained.
Amounts of provisions and guarantees for environmental risks	Limiting air, water and soil pollution related to the company's activity (p. 54)	- No specific indicator retained.
<b>POLLUTION AND WASTE MANAGEMENT</b>		
Measures to prevent, reduce and compensate for pollution that severely affects the environment	Limiting air, water and soil pollution related to the company's activity (p. 54)	- No specific indicator retained.
Measures to prevent, recycle and eliminate waste	Sorting and recovering waste produced (p. 44) Supporting customers in sorting their waste (p. 40)	- Recovery rate for waste from operations by core business. - Tonnes of recovered waste from operation, by core business.
Specific measures for noise and other types of pollution	Reducing the impact of goods transport (p. 32) Minimising noise pollution from activities (p. 54)	- No specific indicator retained.
<b>SUSTAINABLE USE OF RESOURCES</b>		
Water consumption and water supply based on local resources	Applying sustainable water management (p. 50)	- Water consumption per M <sup>2</sup> of surface area, by business. - Water consumption per M <sup>2</sup> of surface area, by geographic region.
Consumption of raw materials and measures taken to improve their efficient use	Reducing packaging and eco-designing own-brand products (p. 40) Supporting customers in sorting their waste (p. 40)	- No specific indicator retained.
Energy consumption	Optimising and reducing our energy consumption (p. 47)	- Consumption of electricity per M <sup>2</sup> of surface area, by core business and geographic region. - Consumption of energy per M <sup>2</sup> of surface area, by core business and geographic region.
Use of renewable energies	Optimising and reducing our energy consumption (p. 47)	- No specific indicator retained.
Measures taken to improve energy efficiency	Developing environmental site management (p. 52) Optimising and reducing our energy consumption (p. 47)	- No specific indicator retained.
Land use	Limiting air, water and soil pollution related to the company's activity and adapting to the consequences of climate change (p. 54)	- No specific indicator retained.

<b>CLIMATE CHANGE</b>		
Greenhouse gas emissions	Measuring the carbon footprint of the retail sites (p. 52) Reducing the impact of goods transport (p. 32) Reducing the environmental impact of plastic bags (p. 47)	- CO <sup>2</sup> emissions in kg per M <sup>2</sup> of surface area related to electricity consumption and refrigerant leaks, by core business and geographic region.
Adaptation to the consequences of climate change	Limiting air, water and soil pollution related to the company's activity and adapting to the consequences of climate change (p. 54)	- No specific indicator retained.
<b>PROTECTION OF BIODIVERSITY</b>		
Measures taken to preserve and develop biodiversity	Contributing to biodiversity protection (p. 55) Offering products that do not threaten biodiversity (p. 36)	- No specific indicator retained.
<b>SOCIAL SECTION</b>		
<b>Themes</b>	<b>Corresponding section (pages)</b>	<b>Table of corresponding indicators</b>
<b>REGIONAL, ECONOMIC AND SOCIAL IMPACT OF THE BUSINESS</b>		
Impact in terms of employment and regional development	Forming sustainable partnerships with SMEs (p. 32) Fostering local sourcing (p. 33)	- No specific indicator retained.
Impact on neighbouring and local populations	Rational mobility for residents (p. 34)	- No specific indicator retained.
<b>RELATIONS WITH STAKEHOLDERS</b>		
Conditions for dialogue	Forming sustainable partnerships with SMEs (p. 32) Listening to our customers (p. 41)	- No specific indicator retained.
Partnership and sponsorship initiatives	Solidarity chapter (p. 56)	- 2014 Foundations Overview.
<b>OUTSOURCING AND SUPPLIERS</b>		
Integration of social and environmental issues in the purchasing policy	Monitoring labour conditions in manufacturing (p. 26)	- No specific indicator retained.
Importance of outsourcing and integration of CSR in relationships with suppliers and subcontractors	Monitoring labour conditions in manufacturing (p. 26) Special section: Plan to combat opaque outsourcing (p. 28)	- Number of ICS audits completed and commissioned by Auchan in 2014. - Number of factories shared with Auchan, audited by other members of ICS in 2014.
<b>FAIR PRACTICES</b>		
Initiatives taken to prevent corruption	Fighting against corruption (p. 31)	- No specific indicator retained.
Measures taken in favour of consumer health and safety	Safe and controlled food (p. 36) Contributing to consumer health and well-being with a suitable food offer (p. 38) A diverse, suitable, accessible and visible offer in stores (p. 37)	- No specific indicator retained.
<b>HUMAN RIGHTS</b>		
Actions undertaken in favour of human rights	General principles and compliance with ILO standards (p. 26)	- No specific indicator retained.



## Financial year ended 30 September 2014

Report of the independent third-party body on the consolidated labour, environmental and social information presented in the management report

To the Shareholders,

In our capacity as an independent third-party body for Groupe Auchan accredited by the COFRAC<sup>1</sup> under number 3-1050, we present to you our report on the consolidated labour, environmental and social information concerning the financial year ended on 30 September 2014, published in section 20 of the management report, hereafter “CSR Information”, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

### Responsibility of the company

The Board of Directors is responsible for establishing a management report including the CSR Information stipulated under Article R. 225-105-1 of the French Commercial Code, in accordance with the guidelines used by the company comprising the environmental and social reporting protocol and the HR reporting protocol in their versions of October 2014 (hereafter the “Guidelines”), of which a summary can be found in the introduction to the “Methodology” section of the present management report.

### Independence and quality control

Our independence is defined by regulatory texts, the code of ethics of the profession and the provisions of Article L. 822-11 of the French Commercial Code. Moreover, we have implemented a system of quality control that includes documented policies and procedures that aim to ensure compliance with applicable ethical rules, professional standards and laws and regulations.

### Responsibility of the independent third-party body

Our responsibility, on the basis of our work, is to:

- certify that the required CSR Information is present in the management report or, if omitted, that this omission is explained in accordance with the third paragraph of Article R. 225 105 of the French Commercial Code (Certification of presence of CSR Information);
- express a measured assurance that the CSR Information, as a whole, is presented fairly in all significant aspects, in accordance with the Guidelines (Reasoned opinion of fair presentation of CSR Information).

Our work was carried out by a team of 5 people between July 2014 and February 2015, over the course of around 16 weeks.

We completed the work described below in accordance with applicable professional standards in France, the decree of 13 May 2013 determining the terms and conditions under which the independent third-party body shall conduct its mission and concerning the reasoned opinion of fair presentation, and with the ISAE 3000 international standard.

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<sup>1</sup> Accreditation scope available at [www.cofrac.fr](http://www.cofrac.fr)

<sup>2</sup> ISAE 3000 – Assurance engagements other than audits or reviews of historical information

## **1. CERTIFICATION OF PRESENCE OF CSR INFORMATION**

Based on interviews with the managers of the departments involved, we examined the presentation of policies in the area of sustainable development, the social and environmental consequences arising from the activity of the company and its social commitments and, where applicable, the resulting actions or programmes.

We compared the CSR Information presented in the management report with the list stipulated in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated information, we verified that explanations were provided in accordance with the provisions of Article R. 225-105 paragraph 3 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, i.e. the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the same code, with the limitations stipulated in the methodology note presented in the "Methodology" section of the management report, in particular concerning the exclusion of RT Mart China (hypermarkets).

On the basis of our work, and given the limitations noted above, we certify the presence of the required CSR Information in the management report.

## **2. REASONED OPINION ON THE FAIR PRESENTATION OF CSR INFORMATION**

### **Nature and extent of our work**

We completed interviews with a dozen individuals responsible for preparing the CSR Information within the Sustainable Development, HR, Purchasing, IS and Environment departments in charge of the data collection processes and, where applicable, responsible for the internal control and risk management procedures, so as to:

- assess the appropriateness of the Guidelines with regard to their relevance, completeness, reliability, neutrality and clarity, taking into consideration where applicable the best practices in the sector;
- verify the implementation of a collection, compilation, processing and control process that aims to provide complete and consistent CSR Information, and examine the internal control and risk management procedures relative to preparation of the CSR Information

We determined the nature and extent of our tests and controls based on the nature and importance of the CSR Information with regard to the characteristics of the company, the social and environmental issues related to its activities, its policies in the area of sustainable development, and best practices in the sector.

For the CSR Information which we viewed as most important<sup>3</sup>:

- at the level of the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate qualitative information (organisation, policies, actions, etc.), we applied analytical procedures to the quantitative data and verified calculations and consolidation of data on the basis of samples, and we verified data consistency and agreement with the other information in the management report;

- at the level of a representative sample of entities that we selected<sup>4</sup> based on their business, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify proper application of the procedures and carried out detailed tests on the basis of samples, consisting in verifying the calculations made and comparing the data to its supporting documents. The sample selected represents on average 16% of the workforce and between 13% and 19% of the quantitative environmental data<sup>5</sup>.

For the other consolidated CSR Information, we assessed its consistency with regard to our knowledge of the company.

Lastly, where applicable, we assessed the relevance of the explanations concerning the total or partial absence of certain information.

We believe that the sampling methods and sample sizes that we chose based on our professional judgement allow us to formulate a conclusion of measured assurance; stronger assurance would have required more extensive verification work. Due to the use of sampling techniques as well as other limitations inherent to the operation of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

### **Conclusion**

Based on our work, we did not identify any significant anomaly liable to call into question the fair presentation of the CSR Information, taken as a whole, in accordance with the Guidelines.

### **Observations**

Without calling into question the above conclusion, we draw your attention to the following:

- the Supermarket and Drive businesses were excluded from calculation of the waste recovery rate
- modifications to the HR reporting protocol led to methodology changes that impact the comparability of 2014 data with that of the previous years.

Paris-La Défense, France, 19 February 2015

The Independent Third-Party Body  
ERNST & YOUNG and Partners

Eric Mugnier  
Sustainable development partner

Bruno Perrin  
Partner

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<sup>3</sup> Environmental and social information: the overall environmental policy (organisation, employee training and information actions); pollution and waste management (measures to prevent, reduce or compensate for air, water and soil pollution; waste prevention, recycling and elimination measures); sustainable use of resources and climate change (energy consumption, measures taken to improve energy efficiency and the use of renewable energies, measures taken to improve efficient use of raw materials); regional economic and social impact; relations with stakeholders (conditions for dialogue, partnership and sponsorship actions); the importance of outsourcing and the inclusion of social and environmental issues in the purchasing policy and in relations with suppliers and subcontractors; fair practices (actions undertaken to prevent corruption, measures taken in favour of consumer health and safety).

**Labour informations:** employment (total workforce and breakdowns, hires and dismissals), organisation of working time (in particular part-time work), absenteeism, labour relations, health conditions, safety at work, workplace accidents (in particular their frequency and severity), as well as occupational diseases, training policies, total number of training hours.

<sup>4</sup> Hyper Spain and Auchan China

<sup>5</sup> Energy consumption and waste produced





groupe **auchan**

Communications department in charge of sustainable development - 92 rue Réaumur - 75002 Paris  
[www.groupe-auchan.com](http://www.groupe-auchan.com)

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