

Code of Business Ethics

Introduction

In the context of trade globalization, by this Code of Business Ethics, Auchan Retail wants to underline its attachment to principal and commonly established rules and to promote respect for those rules among its suppliers, clients and partners (hereinafter referred to as Partners), while developing trading practices based on loyalty and transparency. At the same time Auchan Retail undertakes to combat corruption, and to be vigilant and follow competition laws. Auchan Retail acts based on the rules originating from the Universal Declaration of Human Rights 1948, the OECD guidelines, the 1998 ILO Declaration concerning Fundamental Principles and Rights at Work, as well as on eight relevant ILO Conventions. The rules which are followed by Auchan Retail within its subsidiaries are consistent with the ten rules of United Nations Global Compact concerning responsible business, which were subscribed by Auchan Retail. Auchan Retail requires that its Partners and their staff observe the rules provided for herein.

Scope of application

These rules shall be applicable to all Partners, regardless whether they are suppliers, suppliers' subcontractors or entities which participate in the production cycle, and regardless of a place within the cycle, producers, service providers, franchisees, agents and intermediaries, and to other business partners of Auchan Retail. Accepting this Code by those entities is a precondition for establishing business relations with them.

However, the rules which, due to their nature, refer only to the sale of products intended for further resale by Auchan Retail in its stores (especially the rules referring to the production sites) are not applicable to the Partners whose scope of cooperation with Auchan Retail does not include the sale of such products in the stores (eg. the service providers or the sellers of goods not intended for further resale by Auchan Retail).

Apart from that, none of the obligations specified in this Code may not lead to breach of the business trade secrets of the Partner or any other entity acting within a supply chain.

Partners must observe all the rules herein, in particular those regulating issues such as employment, quality, product safety, social issues and environmental protection. Partners must follow all the rules hereof, and apply the most demanding standards of conduct in every case. Auchan Retail pays particular attention to the conditions of product manufacturing and origin, which must conform to the rules hereof. In no case may Partners sub-contract production, transport or delivery of the products (being the subject of the sale agreement) without a prior notification of this fact in writing to the contracting party operating within Auchan Retail.

Partner confirms that it will perform the due diligence of its direct suppliers, subcontractors or intermediaries engaged in the process of delivering the final product or service to Auchan Retail from the point of view of compliance with the general rules indicated in this Code.

Employment and working conditions

Employment of children is unacceptable. Minimum worker's age may not be lower than minimum age provided by the laws of a country concerned, or a minimum age in which school is no more

mandatory in a country concerned, and in any case it shall not be lower than 15 years¹. Minors who achieved minimum age which allows them to be legally employed, but they are not 18 yet, must not be employed to do hazardous work which, due to its nature or circumstances, may harm their health, safety, morality and/or may impact physical, mental, moral, spiritual or social development.

Forced labour shall not be tolerated in any form, regardless if it is mandatory, paid or rendered by prisoners, who are not duly paid. Behaviour which can be attributed to mental or sexual harassment shall not be tolerated. Corporal punishment, mental cruelty, insults and any forms of intimidating shall be forbidden.

Partners shall make sure that work is not provided under force, mental, physical or verbal violence or extortion and that it is rendered freely. Limitation of workers' freedom to move or taking away their identity documents shall be strictly forbidden.

It is unacceptable to make it impossible for a worker to terminate work relationship or to leave workplace in justified cases. The application of clauses which make it impossible to unconditionally terminate employment shall be forbidden. Disciplinary measures applied by the employer must be known and based on lawful rules.

Work must be rendered under a contract signed pursuant to work relations applicable in a given country.

Partners undertake to take any actions to ensure that their staff works in clean, safe and non harmful working environment. Auchan Retail requires that its Partners resign from manufacturing processes which might harm health, such as e.g. sand blasting (making fading effects on heavy garments by means of water and sand). Partners undertake to take actions aiming at preventing accidents and fires, and to ensure safety of buildings and devices. Partners should regularly organize meetings to raise the staff awareness of risk prevention, to ensure understanding and observance of safety procedures by staff.

Partners shall observe the applicable law concerning fees and fringe benefits, including social benefits. For work rendered, the staff should receive at least minimum fee provided by law or, if such a minimum is not fixed, a fee which corresponds with the locally applicable legislation. Base fee shall be due for work in standard working hours. For overtime the staff should receive fees according to higher rates, pursuant to the applicable legislation. Paying the fee shall be duly certified. The fee should be paid at least in monthly intervals and it cannot be reduced as a result of applying unlawful deductions or penalties.

Work time must conform to the local law and overtime must not exceed the boundaries set out in relevant legislation. Workers shall have the right to annual paid holiday leave, fringe benefits and days off as defined by the local legislation.

Partners undertake to observe the right of their workers to free and fully independent formation of freely elected organizations, to participate in them and to participate in collective bargaining, without asking prior consent of the employer. Partners also undertake to respect freedom of exercising the right of the workers to associate, according to the local law. Moreover, the workers should be able to make use of appropriate precautions against any type of discrimination aiming to limit their rights to establish and participate in trade unions. In countries in which those freedoms

¹ If, in a given country, the minimum age which allows hiring a worker is 14, according to the list of exceptions provided in Convention No. 138 of the International Labour Organization, this age shall apply.

are limited by law. Partners are encouraged to support any actions aiming at increasing the workers' freedom of speech, concerning their working conditions and social dialogue.

No discrimination

Any manifestations of discrimination shall be forbidden, and so Auchan Retail it expects that its Partners assure that no discrimination exists in terms of recruitment, employment, fees, training, working conditions, assigning tasks, discipline, promotion rules, termination of employment and retirement in its companies. The same rule shall apply to discrimination with respect to race, origin, caste, social and ethnic origin as well as nationality, religion, civil status, pregnancy, age, disability, illness, sex, sexual orientation, membership of trade unions or political parties, political views or any other features or personal beliefs.

Any differences in treatment should result exclusively from differences in skills and work experience.

Combat against corruption

According to its Ethics Charter, Auchan Retail shall reject corruption and take any and all actions to combat the plague, regardless of whether it is passive or active, conflict of interest, paid protection, money laundering, fraud, etc. The rules of conduct and ethical standards promoting integrity and avoiding situations which trigger conflict of interest are described in the codes of conduct of countries in which Auchan operates. This rule means in particular that it is unacceptable to propose or accept any personal gifts or favours. Regulations concerning the combat of corruption shall apply also to Partners all their attorneys and representatives. Relations between Auchan Retail and its Partners shall be based on bona fide rules and loyalty in business.

Environmental protection

Auchan Retail is engaged in protecting environment and natural resources. Auchan Retail expects from its Partners that they will act responsibly in this respect. A partner shall promote such methods of production and use products obtained or produced with environmentally friendly methods, which are alternative to those harming the environment, e.g. rational use of energy, water, recycling, refraining from polluting environment, respect for biodiversity, etc.

The procedures of handling waste and chemicals, as well as other hazardous substances, principles concerning sewage emissions and treatment must be compatible with the applicable legislation.

Partners' engagement aiming at improvement of environmental protection practices requires them to keep continuous monitoring in order to identify any and all improvement possibilities.

Collaboration, transparency and control. Vigilance concerning the conditions of production

Partners must train their staff in the scope of their rights and obligations resulting from this Code and the law to the extent necessary to ensure compliance with the provisions of this Code. The

Partner undertakes to enable Auchan or entities authorized by Auchan to conduct the check-ups of production sites on the terms specified in the contract. In this context Partners should provide the required information concerning production sites. At the request of Auchan, Partner should provide appropriate documentation confirming the compliance with this Code as regards their own production practices as well as those applied by their subcontractors. Partners are expected to fully cooperate during check-ups. Partners must demonstrate true willingness to improve performance in terms of social aspects, as well as to work towards the achievement of goals. Partners must not take any retaliatory actions towards employees who reported violation of this Code solely for the reason of such reporting. Retaliation means excluding a person from a recruitment process or access to an internship or professional training program as well as disciplining, dismissing or threatening them, subjecting them to other unfavorable treatment or taking discriminatory measures against. Harassment and bullying actions can also, depending on the facts and circumstances, be considered as retaliation.

Corrective actions

Since Auchan Retail wishes to develop long-term relations with its Partners, each check-up may lead to the adoption of a corrective action plan to be negotiated between the supplier and a Contracting Party acting for Auchan Retail.

Evolution of the Code

This Code of Business Ethics is subject to evolution based on practical experience, changes of circumstances, changes of law or updates of Ethics Charter. This Code shall be reviewed, updated on a regular basis and communicated to all the Partners by Auchan Retail.

“When in doubt, I blow the whistle”.

In the event of any possible irregularities (illegal or unethical behavior) connected with Auchan's activity, it is possible to report them anonymously via Auchan Whispli platform available 24h/day, 7 days/week.

For more informations, please visit: auchan-retail.com/speakup