

AUCHAN RETAIL



**AGREEMENT  
ON SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

**17 MARCH 2017**

***Auchan Retail International and UNI Global Union***

“Agreement on social and  
environmental responsibility”

**Global Agreement on social and environmental responsibility concluded**

Between

AUCHAN RETAIL INTERNATIONAL, société anonyme (PLC), with a paid-up capital of 1,033,414,440 euros, and headquarters situated at rue du Maréchal de Lattre de Tassigny in Croix (59170), registered at the company registry in Lille under the number B 410 408 959 represented by Messrs. Wilhelm Hubner, CEO and Philippe Saudo, Corporate Human Resources Director

hereinafter “Auchan” or “Auchan Retail International”

And

UNI GLOBAL UNION, with headquarters situated at Avenue Reverdil 8, Nyon (1260), represented by Messrs Philip Jennings, General Secretary and Mathias Bolton, UNI Commerce Head of Department

hereinafter referred to individually as “the Party” and collectively as “the Parties”

## **Preamble**

Since its creation in 1961, Auchan has built its business around a core set of beliefs and deep-rooted values, including a strong commitment to social responsibility.

Auchan Retail International aims to be recognized as an ethically-based company with a responsibility towards its employees, customers, suppliers, shareholders, residents living near its stores, the environment and natural resources.

Building global sustainable development is one of the greatest societal challenges of the 21st century: creating wealth for the benefit of all, while reducing inequalities and protecting the environment and the health of populations.

The company is mindful of the need to listen to its stakeholders and to address the issues that are relevant to it: it will remain responsive to new challenges and the expectations of society with regard to CSR:

- Vis-à-vis our employees, Auchan is committed to facilitating their professional and personal development, practising a form of participatory and proximity management, guaranteeing high quality working conditions, offering fair wages, sharing the fruits of progress, and valuing diversity.
- Vis-à-vis our customers, our aim is to maintain a relationship built on trust, and to improve their purchasing power by promoting a form of affordable and sustainable consumption which we refer to as “responsible discounting”. In order to breathe life into this project which offers innovative solutions for the consumer patterns of tomorrow, the Auchan teams intend to develop a responsible supply and distribution system.
- At the same time, the company needs to develop and demonstrate its commitment to society at the local level by helping young people in difficult circumstances who live in the neighbourhoods where stores are located, particularly through the Group’s foundations, but also through accurate reporting and transparency in all its CSR policies.

The company's approach, of which this agreement is an integral part, aims to serve as a development model based on both operational performance and behavioural standards for the purpose of assuming responsibility for all stakeholders.

That responsibility involves the wide-ranging involvement of all players. Which is why the desire for a lively, rich and balanced social dialogue based on trust between management and employees' representatives forms part of Auchan's values and identity.

With this agreement, Auchan Retail International and UNI Global Union, which represents employees in the sector at the international level, have created a space for information and dialogue. They also reaffirm the importance of good business, social and environmental practices in all parts of the world where the company operates.

Auchan recognizes the role played by the trade unions in defending and promoting employees' interests. UNI Global Union recognizes Auchan as a responsible international company that applies good practices in its relations with employees.

The company makes this commitment voluntarily and it complements its legal and regulatory obligations in the countries in which it operates. The universal standards that are set out below shall be respected by all entities of the company throughout the world.

The subsidiaries of Auchan Retail International shall seek to implement this agreement in the most favourable manner possible whilst taking account of the economic, social and cultural realities of each country, in a spirit of on-going progress based on the provisions set out in this agreement.

The two signatory parties reaffirm their desire to ensure that internationally recognized standards and principles which form part of this Agreement, whether or not they are compulsory under national laws or regulations, shall be applied in all the sites the company operates throughout the world.

Auchan Retail International and UNI Global Union also reaffirm their desire to develop relations that are both trusting and constructive in order to ensure the best possible application of this agreement.

## **I - SCOPE OF APPLICATION OF THE AGREEMENT -**

The present agreement applies to Auchan Retail International, acting in the name and on behalf of all related entities, and to UNI Global Union.

The term “related entities” refers to all companies controlled by Auchan Retail International within the meaning of Article L 233-3 of the French Commercial Code, or for which Auchan Retail International has the right to designate the majority of the members of the decision-making body, or the right to exercise effective management control.

This agreement is to be seen as an overall framework which is intended to confirm the relationship of trust between Auchan Retail International and UNI Global Union. Its purpose is not to replace current national legislation, and/or national collective agreements, and/or company-level agreements, and/or unilateral practices or rules that may be in force, or that may be negotiated at a later date, when such provisions are more favourable.

It reflects the shared desire of the parties to give preference to the promotion of the social dialogue.

- Auchan Retail International and UNI Global are committed to a process of social dialogue at the global level which is based on trust and attentiveness. They are convinced that dialogue and cooperation are the best way to resolve problems or differences of opinion. Thus the Parties are committed to seeking solutions through dialogue rather than through any form of action.
- Auchan and UNI Global Union share the same commitment to a rich and balanced social dialogue. This dialogue, which is part of the Auchan's culture, is embodied in a commitment to participatory processes involving employees and regular negotiations with staff representatives.
- Auchan respects the rights of employees to form or to join a trade union of their choice. Auchan shall maintain a policy of strict neutrality with regard to the choice of its employees to join, continue, modify or renounce membership in the trade union of their choice. Auchan undertakes not to discriminate against employees as a result of their involvement in union activities. Auchan will not present obstacles to union recognition or representation. A trade union will be recognized as long as the trade union satisfies the minimum legal requirements for recognition under applicable local or national law. Conversely, neither UNI or its affiliates shall discriminate against, victimise, or retaliate against Auchan employees who exercise their freedom to not join a trade union.

## II – RESPECT OF FUNDAMENTAL RIGHTS

In line with its CSR policy, Auchan affirms its willingness to respect the UN guiding principles on business and human rights, as well as those of the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

Furthermore, in accordance with the principles set out in its code of ethical behaviour and its general environmental and social principles, in particular those that are specified in the Global Compact, Auchan reaffirms its resolve to respect the ILO declaration on fundamental rights at work, in particular those concerning:

- **Non-use of forced or compulsory labour**

The company condemns and shall refrain from all forms of forced or compulsory labour.

- **Ban on child labour and exploitation**

The company shall refrain from resorting to child labour where such children are younger than the age of completion of compulsory schooling in the country concerned.

- **Fighting discrimination at work**

The company shall prohibit all forms of discrimination in the field of labour relations, in particular it shall recruit women and men on the basis of their skills; it shall treat each person with dignity; it shall not discriminate on the basis of age, social origin, family status, sex, sexual orientation, disability, political, trade union or religious opinions, membership or non-membership of an ethnic group.

This policy is designed to promote diversity of people and cultures in the different entities of the company.

- **Respect of freedom of association and the principle of collective bargaining**

The company recognizes freedom of association and the right of its employees to be represented by, and to join, a trade union, in accordance with the principles of freedom of association and the protection of trade union rights.

Employees are free to join or not to join a trade union of their choice.

The company recognizes the right to organize and bargain collectively in accordance with national and local laws.

### **III – AUCHAN RETAIL INTERNATIONAL'S COMMITMENTS**

#### **1. Occupational health and safety**

For Auchan, the health and safety of its employees is a priority. Providing safe working conditions and managing and controlling risks is a daily concern for Auchan which undertakes to create a working environment that respects the health of its employees, whatever their functions and whatever risks may be associated with them.

#### **2. Employment policy**

In the framework of its growth, Auchan has put in place dynamic employment policies:

- It shall give priority to the direct recruitment of employees who shall be given open-ended employment contracts or similar.
- It undertakes to apply a fair wage policy which is comparable to good industry standards in the country concerned.
- It shall associate employees in the development of the company by redistributing the benefits of growth as part of its one-of-a-kind policy of sharing (shareholders; sharing the benefits of progress; sharing the benefits of results).
- The autonomy and responsibility of all employees is defined as being an essential key to its performance. To this end, Auchan shall support training, internal promotion, job versatility, and internal, geographic and professional mobility, in particular in order to develop the employability of its employees.
- It shall also promote a balanced age distribution among its employees and shall attach importance to the working conditions of its older employees.
- It shall pay particular attention to the health and health risk coverage of its direct employees.

#### **3. Fight against discrimination**

Auchan rejects all forms of discrimination and affirms its commitment to respect diversity and to promote equal opportunities.

Since 2006, Auchan is a signatory of the French Diversity Charter. Moreover it endorses all the provisions of ILO Convention 111 which rejects any impairment of equal opportunities or treatment in employment made on the



basis of race, sex, colour, religion, political or trade union opinion, national extraction or social origin.

#### **4. Relations with suppliers and sub-contractors**

- As early as 1997, Auchan adopted a code of business ethics. The code, which was updated in 2014, now includes two parts:
  - a code of business ethics which is included in business contracts and sets out the obligations of suppliers and sub-contractors: respect for the law, regulations and fundamental human rights.
  - the employee code of conduct which must be signed by, and given to all buyers

This responsible procurement approach incorporates quality and social requirements for supplier approval after prior audit.

- In the event of a proven case of undeclared subcontracting, the suppliers in the global supply chain who work for Auchan shall have their approval immediately revoked

Furthermore, any serious failure on their part to respect the law concerning:

- the health and safety of employees
- fundamental human rights

shall lead to the termination of all business relations, subject to any contractual obligations.

#### **5. Risk management and respect for the environment**

- **Risks associated with products and services**

Auchan has made risk management and control a priority.

Its precautionary approach is founded on anticipation, compliance with best practices and a scientific and technology watch strategy for risk-related activities, in particular those affecting its own-brand products.

Auchan applies this principle of precaution with a view to constantly improving the safety and health protection of its customers.

- **The environment**

Auchan respects all applicable international and national legal and regulatory requirements, in particular principles 7, 8 and 9 of the Global Compact.

Auchan operates a dual risk prevention policy with regard to known risks and seeks to limit its environmental impact by:

- Developing a demanding energy policy
- Working on the sustainable management of raw materials, in particular with a view to achieving zero waste and promoting a circular economy
- Using resources derived from ecosystems in a responsible way

#### **IV - APPLICATION OF THE AGREEMENT**

##### **○ Compliance with terms and conditions**

This agreement, which is applicable to Auchan Retail International, reinforces and extends the company's social practices and is not intended to replace or to interfere with any dialogue or negotiation carried out at the local level.

Auchan undertakes to communicate this agreement to the management of Auchan Retail in the different countries and to inform staff representatives and employees of its existence and the commitments that have been made.

Auchan shall take steps to make all managers aware of the meaning and purpose of this agreement.

Auchan Retail International and UNI Global Union agree that they will keep each other permanently informed of any difficulties that may be encountered and for which they will seek the best possible solution.

Auchan and UNI Global Union both believe that problems are best solved as close to where they arise as possible. However, Auchan Retail International and UNI Global also agree that in the event of a persistent difficulty or a shortcoming regarding the application of this agreement, the issue may be handled and resolved by the parties.

##### **○ Protecting confidentiality and image**

In order to develop quality social relations based on trust, the Parties shall ensure that any information and/or documents exchanged between the Parties within the framework of this agreement (hereinafter **Information**) shall not be divulged or reproduced in any form or medium whatsoever without the express and prior agreement of the Party providing the information.

Any failure to meet this obligation may result in court action before any competent jurisdiction.

The signing of this agreement may not place either Auchan or UNI at a disadvantage vis-à-vis their competitors or partners. Each of the parties shall respect the image of the other party.

Within this context, the press and the social media shall be used in compliance with local regulations. They may not be used to disseminate erroneous and prejudicial information concerning either of the Parties. Both UNI and Auchan agree not to publish (in whatever media) any statement on union and employment issues regarding Auchan or UNI until either party has been informed of the issue and given an adequate time to respond, and, if necessary, resolve it. UNI will encourage its affiliates to do the same.

Any communication dealing with strategic subjects shall be notified to the other party in advance and may under no circumstances include non-public information or information deemed to be confidential. In such cases, a prior written authorization from the other party shall be required.

The aim and spirit of this agreement is for both sides to discuss in good faith and try to resolve misunderstandings and/or disputes that normally arise in industrial relations. Therefore, non-compliance with the rules set out above violates the aim and spirit of this agreement and shall lead to the immediate termination of the present agreement.

## **V - FOLLOW-UP AND REVIEW OF THE AGREEMENT**

Auchan Retail International and UNI Global shall monitor the proper application of the agreement on a continuous basis.

In order to evaluate its implementation and to manage any difficulty arising from the application of this agreement, the representatives of Auchan Retail International and the representatives of UNI Global shall meet once a year.

## **VI - VALIDITY OF THE AGREEMENT**

The present agreement is concluded for a period of 4 years as of the date of its signature.

In the year prior to the expiry of the agreement, and at least 6 months before such time, the signatory Parties shall come together in order to carry out a comprehensive review of the application of the agreement with a view to its possible renewal.

Each signatory party may withdraw from the present agreement subject to 6 months' notice.

The present agreement shall be translated into the languages of the countries where Auchan Retail International's sites are located in accordance with a list drawn up jointly with UNI Global Union. In the event of any discrepancy between the translated versions and the original version of this agreement, the latter shall prevail.

The signatory parties accept that only the French version is binding.

**VII - DISPUTE RESOLUTION**

Any dispute arising from or relating to the validity, interpretation, or implementation of the present agreement shall be resolved amicably by the Parties. If the Parties cannot reach an understanding, the dispute shall be referred by either of the parties to a mutually agreed independent arbitrator whose decision shall be binding. The costs of the arbitration shall be borne equally.

Done in Croix, on 17 March 2017  
in two copies

For Auchan Retail International

For UNI Global Union

Mr. Wilhelm Hubner  
Chief Executive Officer  
(Signature)

Mr. Philip Jennings  
General Secretary  
(Signature)

And  
Mr. Philippe Saudo  
Corporate Human  
Resources Director  
(Signature)

And  
Mr. Mathias Bolton  
UNI Commerce  
Head of Department  
(Signature)