



Chapter 3

Corporate social responsibility (CSR) and Non-Financial Information Statement (NFIS)

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3.1. CSR COMMITMENTS AND GOVERNANCE

The CSR policy was drafted in line with the Casino Group's ethical principles and its commitment to respect and promote the principles affirmed by:

- the Universal Declaration of Human Rights;
- the ILO core conventions, including Convention 29 on forced or compulsory labour, Convention 87 on freedom of association and protection of the right to organise, Convention 98 on the application of the principles of the right to organise and collective bargaining, Convention 100 on equal pay for men and women workers for work of equal value, Convention 105 on the abolition of forced labour, Convention 111 on discrimination in employment and occupation, Convention 138 on the minimum age for admission to employment, and Convention 182 on the prohibition of the worst forms of child labour and immediate action for their elimination;
- the United Nations Global Compact, which the Group signed in 2009;
- the Women's Empowerment Principles, which the Group endorsed in 2016;
- the Paris Climate Agreement and the Montreal Protocol;
- the 17 Sustainable Development Goals (SDG) adopted by UN member states.

The Casino Group is working directly and indirectly towards 13 SDGs, implementing policies to address the highest-priority issues (see SDG cross-reference table, pages 247-248).

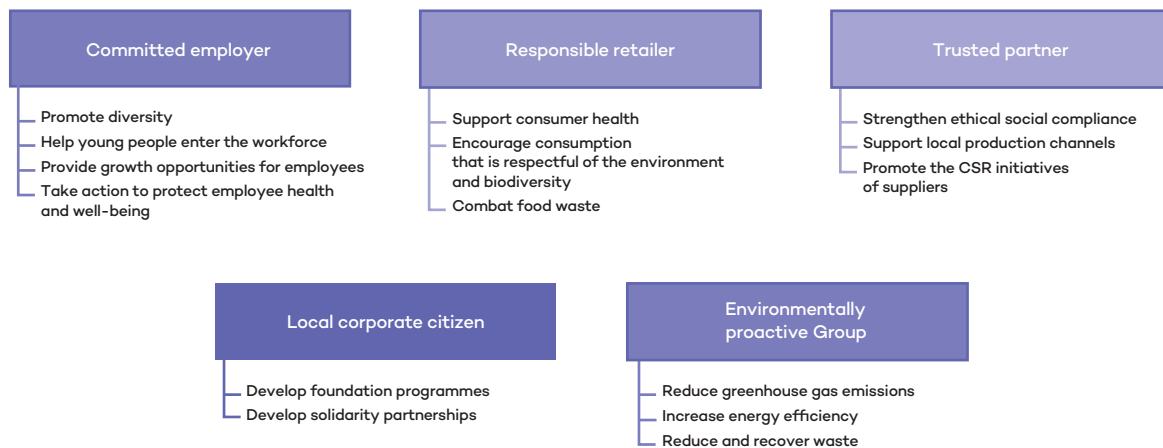
The Group's CSR policy aims to pave the way for responsible consumer habits and improve the sustainability of its business model by fostering stakeholder trust through ongoing dialogue.

The implementation of the CSR programme is a growth driver for the Group as it helps to:

- boost employee motivation and engagement;
- attract top talent;
- enhance the Group's competitiveness by reducing its environmental impact, particularly in terms of energy use and waste;
- increase sales of responsible, innovative high-growth products, such as organic foods;
- foster long-term, trust-based relationships with customers, suppliers, shareholders, public authorities and other stakeholders.

The 2016-2020 "CSR Spirit" continuous improvement programme covers 15 priorities defined using materiality and impact analyses and an analysis of the Group's main risks and opportunities.

Commitments and associated actions are carried out while respecting each host country's culture and local practices.



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The Casino Group’s commitment to sustainable development, affirmed beginning in 2002, is backed by organisation and governance involving managers at all levels of the Group and at the highest level of the organisation.

At Group level

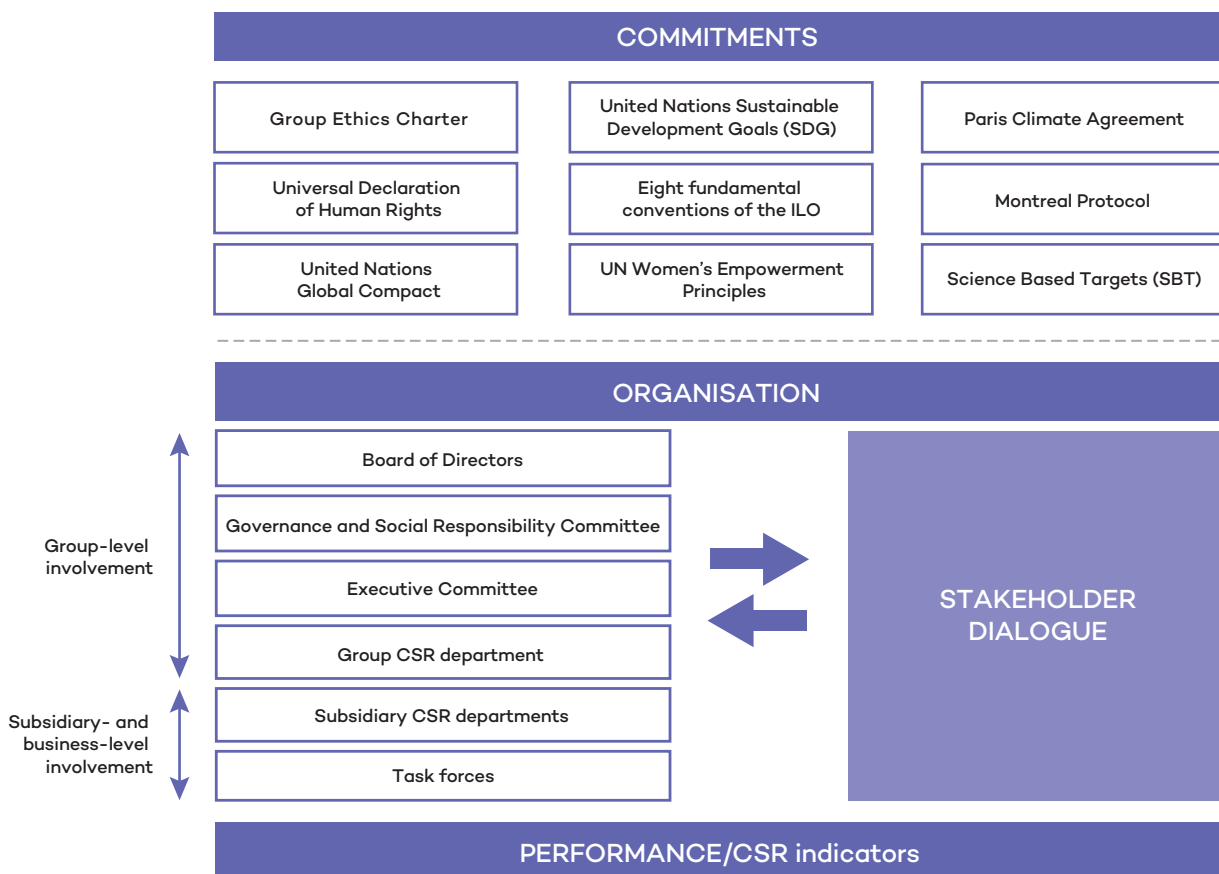
The Board of Directors has decided to entrust the assessment and monitoring of corporate social responsibility issues to the Governance Committee, broadening its responsibilities and renaming it the Governance and Social Responsibility Committee. The Committee is tasked with examining, in connection with the Group’s strategy, its ethical, socially responsible, environmental and societal commitments and policies, their implementation and their results, and providing opinions or making recommendations to the Board of Directors.

Within this framework, the Committee must ensure, alongside the Audit Committee, that systems for identifying and managing the main risks relating to these areas of responsibility are in place, and that they comply with legal and regulatory provisions. The Committee also examines the Group’s policy on gender equality and its overall approach to diversity (previously assigned to the Appointments and

Compensation Committee). It also contributes, alongside the Appointments and Compensation Committee, to discussions on the implementation of CSR criteria in the Chairman and Chief Executive Officer’s compensation. The Committee’s powers are set out in its Charter and the Board of Directors’ Internal Rules (see Chapter 5).

As at 13 March 2019, the Governance and Social Responsibility Committee was made up of four Directors, three of whom were independent according to the criteria of the Afep-Medef Code. It is chaired by the lead independent Director, who is also a member of the Audit Committee. Reports on the activity of the Board of Directors, the Governance and Social Responsibility Committee and the Audit Committee in 2018 are presented in Chapter 5 of this document. At the Annual Shareholders’ Meeting, the Group’s CSR policy is presented to shareholders to respond to any questions about its direction and objectives.

The Group’s CSR department is rolling out the “CSR Spirit” continuous improvement programme in France and abroad in coordination with the various subsidiary CSR departments. It works under the General Secretary of the Executive Committee and reports to that committee.



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In the subsidiaries and business lines

The Casino Group has created CSR departments in its main subsidiaries in France and abroad, coordinated by the Group CSR department. The following four committees also assist in deploying the CSR policy:

- the Human Resources Steering Committee;
- the Scientific Committee on Nutrition and Health;
- the Quality Committee for France;
- the CSR Committee in place locally.

The Group's six internal targets for 2020 were drawn and validated by Group management in 2016, in line with the CSR progress approach and the business model. They focus on disability, professional equality, the proportion of organic products in sales, energy efficiency, recycling and waste reduction. Certain indicators are taken into account in the variable compensation of executives (see section 3.5.1.3.3.). The Group has also pledged to reduce its greenhouse gas emissions by 2025 (see section 3.5.4.2.).

3.2. NON-FINANCIAL INFORMATION STATEMENT – NFIS

Pursuant to Article L. 225-102-1 of the French Commercial Code, the Company is required to prepare a consolidated non-financial information statement for 2018 complying with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in relation to those risks and the outcomes of those policies, including key performance indicators. The non-financial information

statement must include, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, information on how the company takes into account the human resources, environmental and societal consequences of its activity. Chapter 3, Chapter 1 and section 4.3 of Chapter 4 together comprise the non-financial information statement. For readers, a cross-reference table on pages 243 to 246 identifies the relevant information.

3.2.1. Business model

For a presentation of the activities and the business model, see Chapter 1 Presentation of the Casino Group – section 1.4. Business model.

3.2.2. Description of the main non-financial risks and challenges, and identification methodology used

The Casino Group's main CSR risks and opportunities are identified and assessed through risk mapping and materiality analyses.

(i) Identification of the main CSR challenges via Group risk mapping and the risk assessment process

The identification of the main CSR risks related to the Group's direct and indirect activities is based on the work done by the Risk Management and Compliance department created in January 2018 (see Chapter 4). It is tasked with:

- helping Casino Group entities, in France and abroad, identify, evaluate and monitor risks related to the Group's activities;

- updating risk maps;
- making sure that the Group's internal systems and policies comply with the main laws and regulations applying to Group operations;
- drafting, with the entities, action plans and corrective measures and ensuring their implementation.

The entire risk management system, including management of CSR risks, is aimed at reducing residual risk to a target level defined by Group management. Major risks are identified and addressed on the basis of a risk catalogue, in conjunction with criteria and rules for determining their probability and potential impact.

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The Group's major risk mapping, carried out annually and coordinated by the Risk and Compliance department, is based on a dual risk management approach in which risks are identified and assessed at both the parent company level and within each unit:

- at the parent company level, major risks are reviewed by a cross-functional working group made up of representatives of the Group Finance, Internal Audit, Risk Management and Compliance (since its creation in 2018), Insurance, Legal, Information Systems Security and Human Resources departments;
- within each of the entities, each Group Management Committee is tasked with identifying and assessing its ten major risks (in view of the degree of their impact and likelihood of occurrence), indicating the internal control activities implemented to manage each of them, and drafting action plans as needed to improve risk management if the objective set by the entity is to reduce the level of residual risk.

The Risk Management and Compliance department also takes initiatives to foster a risk culture within the Group. Each year, four to five Casino Group entities are assisted in the identification of their major risks. Interviews are conducted with about 40 process managers (marketing, purchasing, finance, operations, etc.) to raise awareness of risk management and identify the main risks related to their activities. The risks identified after these interviews are reported to the Management Committees of the units concerned so that they can compile a list of the top ten major risks on the basis of these items.

More details are provided in Chapter 4 of this Registration Document.

The risk management system takes into account the Group's human resources, societal and environmental challenges. The corresponding risks are included in the risk catalogues made available to the units' Management Committees to help them compile the list of their top ten major risks. Similarly, they are taken into consideration when major risks are defined for the parent company, with an emphasis on legal and regulatory non-compliance risks, image and reputational risks, and country and natural disaster risks.

In addition, the analysis of the corruption and influence peddling risks is conducted as part of a specific risk mapping approach described in more detail in section 3.4.3 of this chapter.

(ii) Identification of the main CSR opportunities via materiality analyses

The Group conducts materiality analyses to identify and respond to its major human resources, societal and environmental challenges, and to advocate responsible economic growth and business development.

To assess and update the Group CSR Policy, a study of the most strategic challenges faced at the Group level was carried out in 2015. Commissioned from an external third party, this materiality analysis served to prioritise CSR issues, and confirmed the relevance of the 15 priorities underpinning "CSR Spirit" since 2011, particularly in view of stakeholder interests, sector practices, risk factors and opportunities liable to have an impact on the Group's development and the consistency of the initiatives implemented by each of the Group's subsidiaries.

The study was backed up by analyses carried out at the Group's two biggest international subsidiaries so as to factor in the specific expectations of local stakeholders:

- In Colombia: in 2016, Éxito conducted a materiality study with a consulting firm to confirm and prioritise challenges while factoring in specific local expectations. It was updated in 2018 to facilitate the drafting of priority areas of action for the coming years in 2019.
- In Brazil: assisted by a consulting firm specialising in CSR, GPA developed its first materiality matrix in 2015. The associated work drew on documentary analysis, individual interviews with the company and external partners, and an online survey sent to GPA employees, suppliers and customers. It was rounded out in 2017, with the help of a specialised external firm, by an in-depth study taking into account the expectations expressed by the International Integrated Reporting Council (IIRC) and the 17 Sustainable Development Goals.

(iii) Main CSR risks and opportunities identified

The main CSR risks and opportunities identified in this way are presented for each of the four categories of information (social and environmental consequences, respect for human rights and the fight against corruption), in accordance with Article L. 225-102-1 of the French Commercial Code. The policies applied and the due diligence procedures implemented to prevent, identify and mitigate the occurrence of these risks are described in this chapter on the pages mentioned below, as are the outcomes of these policies, including key monitoring and/or performance indicators.

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Human resources/Societal

Main CSR risks	Description of the risks	Due diligence policies	Policy outcomes and key indicators
Risks related to human resources in the event of shortage of qualified personnel and departure of key people	<p>Impacts on the organisation (sustainability/business development)</p> <p>Impacts on employees' well-being at work, their level of commitment and motivation</p> <p>Consequences in terms of customer satisfaction (failure to provide the necessary level of service)</p> <p><i>See also section 4.3. Key risk factors – Human resources risks</i></p>	<p>Committed employer approach</p> <p>Acting for health, safety and well-being at work: actions to prevent occupational risks (e.g., prevention of psychosocial risks), improvement of living conditions at work and well-being of employees (e.g., benevolent management approach).</p> <p>Managing talent and supporting career development: e.g., internal mobility policy and succession plans.</p> <p>Training employees to develop their employability: implementation of training plans to promote career development and career paths (e.g., technical training in the Group's business lines, including food professions).</p> <p><i>See section 3.5.1.3. Providing an environment conducive to employee fulfilment</i></p>	<p>Absenteeism rate</p> <p>Frequency and severity rate of work-related accidents and occupational diseases <i>See section 3.5.1.3.6.</i></p> <p>Number of hours of training per employee <i>See section 3.5.1.3.8.</i></p> <p><i>See Key Performance Indicators, page 242</i></p>
Risks related to the quality, compliance and safety of products in the event of health scares and/or product withdrawal/recall	<p>Impacts on the organisation (image/reputation, financial)</p> <p>Risks to consumer health (food poisoning/indigestion)</p> <p><i>See also section 4.3. Key risk factors – Product quality, conformity and safety risks</i></p>	<p>Responsible retailer approach</p> <p>Ensuring product quality: quality management system (dedicated organisation and experts, IFS standard, regular audits, procedures and tools for traceability, withdrawal/recall and crisis management).</p> <p>Product withdrawal policy.</p> <p><i>See section 3.5.3.1. Ensuring product quality</i></p>	<p>Number of microbiological analyses performed during the year (France) <i>See section 3.5.3.1.</i></p>
Corruption			
Risks related to compliance with laws and regulations (including Sapin II) in the event of acts of corruption	<p>Impacts on the organisation (image/reputation, financial)</p> <p>Impact on the level of employee engagement</p> <p>Impact on the relationship with stakeholders (trust, quality of the relationship, etc.)</p> <p><i>See also section 4.3. Key risk factors – Risks related to compliance with laws and regulations</i></p>	<p>Respect for ethics and compliance</p> <p>Acting with integrity, fairness and honesty: Group Ethics Committee, Code of Ethics and Business Conduct, corruption risk mapping, network of ethics officers, training and awareness of the Group's ethics and anti-corruption policy.</p> <p><i>See section 3.4. Ethics and compliance</i></p>	<p>Number of people trained on the Group's ethics and anticorruption policy <i>See section 3.4. Ethics and compliance</i></p>

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Human resources/Societal

Main CSR risks	Description of the risks	Due diligence policies	Policy outcomes and key indicators
Environment			
Risks related to climate change in the event of exceptional weather events (heat waves, periods of intense cold, floods)	<p>Impacts on the organisation (disruption of supplies, loss of sales, etc.)</p> <p><i>See also section 4.3. Key risk factors – Risks related to climate change</i></p> <p>Impact on biodiversity (extinction of species, deforestation)</p> <p><i>See also section 3.5.3.4 Duty of care plan (law of 27 March 2017)/Risk mapping</i></p>	<p>Environmentally committed group approach</p> <p>Fighting climate change: low-carbon strategy to reduce the Group's greenhouse gas emissions, energy efficiency.</p> <p><i>See section 3.5.4.2. Casino's low carbon strategy to fight climate change</i></p> <p>Encouraging consumption that is more respectful of biodiversity: marketing a line-up of products that are more respectful of the environment and biodiversity, combating deforestation linked to the exploitation of raw materials, preserving fish resources and protecting endangered species.</p> <p><i>See section 3.5.4.5.</i></p>	<p>Greenhouse gas emissions (<i>kg eq.CO₂/sq.m.</i>)</p> <p>Electricity consumption (<i>kWh/sq.m.</i>)</p> <p><i>See sections 3.5.4.2. and 3.5.4.3.</i></p> <p><i>See Key Performance Indicators, page 242</i></p>
Human rights			
Risks related to the supply chain and ethical commitments made by the Group in the event of human rights violations (nonrespect of workers' fundamental rights)	<p>Impacts on the organisation (image/reputation, financial)</p> <p>Impacts on workers (health/safety, etc.) in the supply chain</p> <p><i>See also section 4.3. Key risk factors – Risks related to the supply chain and ethical commitments made by the Group</i></p>	<p>Responsible retailer approach</p> <p>Monitoring and improving the social impacts of the supply chain: evaluation of the societal and human risks of its suppliers and sectors, auditing and improvement of the suppliers of private-label products based in countries at risk, in particular with regard to the duty of care, and the related plan provided for in I of Article L. 225-102-4 of the French Commercial Code.</p> <p><i>See sections 3.5.3.3. and 3.5.3.4.</i></p>	<p>Number of ICS audits carried out in plants involved in the production of private-label products for the Group</p> <p>% of active plants audited in a country at risk awarded Acceptable status</p> <p><i>See section 3.5.3.4.</i></p>

The Casino Group is also attentive to the CSR opportunities created as part of its activities and related to its business model (see Chapter 1). In addition to the main CSR risks mentioned above, it accordingly also carries out actions contributing to:

- the fight against food waste (see section 3.5.4.4 of this chapter);
- the fight against food insecurity (see section 3.5.2.1 of this chapter);
- local roots (see section 3.5.4.2.3);
- development of a line-up of responsible products (see section 3.5.3.2.);
- development of healthy products (see section 3.5.3.2.);
- customer satisfaction (see section 3.5.3.1.);

- fight against discrimination and promotion of diversity (see section 3.5.1.1.);
- social dialogue/collective agreements and their impacts on company performance and working conditions (see section 3.5.1.3 of this chapter);
- circular economy commitments (see section 3.5.4.3 of this chapter);
- respect for animal welfare (see section 3.5.3.5 of this chapter).

In view of the late date of the amendment of Article L. 225-102-1 of the French Commercial Code (by law no. 2018-898 of 23 October 2018 on the fight against fraud), it was not possible to integrate tax evasion into CSR risk analysis. If it is found to be a major risk, this issue will be addressed next year.

3.3. STAKEHOLDER DIALOGUE

For many years now, the Group has maintained regular, constructive dialogue with local and national stakeholders in all its host countries. Open, meaningful discussions are encouraged for the purpose of developing and jointly creating

projects and innovative partnerships. Dialogue takes place through various means depending on the stakeholders, at both entity and Group level.

3.3.1. Employees and their representatives

Human resources and CSR policies are built on regular dialogue with employees and their representatives. The Group conducts many initiatives in favour of social dialogue, and works to establish tools for listening to and exchanging with employees. These programmes and tools are described in section 3.5.1.3.

Embracing this concept, Management and the representative trade unions decided to implement a Casino CSR agreement

in France in 2014. A second agreement has been signed for the 2017-2020 period.

In addition, the second edition of the CSR Trophies in 2018 rewarded local initiatives promoted by the Group's employees (Casino, Monoprix, Cdiscount). Eight awards crowned the teams' investment on issues of community outreach, the environment and responsible consumption.

3.3.2. Customers

Aimed at being in tune with customers and their expectations, the Group's policy for improving customer service promotes quality dialogue based on the following tools, broken down by banner:

- A dedicated organisation: each Group banner has a customer service centre open 24/7 by telephone (at a toll-free number), post or the Internet, where customers can obtain information on stores and products, and have their questions answered.
- Regular training programmes in customer satisfaction and listening to customers.
- Social networks: the Casino Group and its banners have accounts on the various social networks to allow them to exchange with their customers and answer their questions in real time.
- Satisfaction surveys and questionnaires in all the Group's banners. In France especially, all of the banners carry out customer surveys and organise store visits by specialised service providers. The questionnaires address a wide variety of issues that affect customer satisfaction, from store

cleanliness and service quality to the range of products on offer. Measured in all Group entities, customer satisfaction is monitored and analysed. In 2018, for example, the Assaí brand in Brazil had a customer satisfaction rate of over 96%. In Colombia, Éxito carries out about 100 customer surveys per store, in addition to online surveys. More than 53,000 customers were surveyed in 2018 to define and track satisfaction levels, which was over 91%.

- Reports are prepared and forwarded to the relevant departments (purchasing, marketing, and stores) so that corrective and preventive initiatives can be implemented, taking customer feedback into account in sourcing systems for instance.
- Loyalty programmes: the Group's main banners have established loyalty programmes to improve customers' satisfaction and monitor their needs. They are a key tool in meeting expectations, giving loyal customers access to preferential offers tailored to their shopping habits. For example, the Éxito programme brings together more than 5 million people and is Colombia's largest.

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The system as a whole serves to measure customer satisfaction and understand customer expectations. Feedback from these programmes helps the Group adapt its store concepts and product ranges to meet consumer expectations in terms of responsible consumption. To this end:

- The Group's banners, which already stock a broad, diversified range of responsible products, is also developing and expanding its responsible shopping presence. Naturalia operates more than 188 stores dedicated to organic products, including five all-vegan stores. Franprix introduced its new Noé concept focusing on organic products and more responsible consumption solutions (bulk, healthy products, etc.). Organic corners are central to new store concepts.

3.3.3. Suppliers

Since its inception, the Casino Group has maintained close relationships with its suppliers.

It engages in regular and constructive dialogue:

- (i) With its suppliers of private-label products, including SMEs.

In France, the Casino Group has appointed an SME representative to streamline relations with the purchasing hub and a mediator to handle commercial disputes. It works with the FEEF and *Association Nationale des Industries Alimentaires* (ANIA), as well as with the *Club d'Entreprise Agro-développement*, and supports the Open Agrifood think tank. It also organises biannual meetings within the SME forum to take into account the expectations and challenges of SMEs in their markets.

To support French suppliers in their CSR initiatives:

- the Casino Group encourages them to self-assess their CSR practices using the Valorise portal (www.valo-rise.com) set up with trade organisations ANIA, FEEF, COOP de France and FCD, of which the Group is a member. The portal (www.valo-rise.com) is designed to (i) make it easier for suppliers, from VSEs to large international corporations, to self-assess their CSR performance with one-time data input; (ii) optimise supplier CSR self-assessment with a single online questionnaire based on the ISO 26000 standard; (iii) facilitate the management of CSR initiatives; and (iv) promote engagement in CSR by stakeholders across the supply chain. This self-assessment helps ascertain suppliers' maturity levels. More than 300 Casino Group suppliers self-assessed their CSR policy in 2018 (171 in 2017);
- the banners also support the "Engaged Entrepreneurs" label developed by the FEEF to promote SMEs to consumers by providing reassurance as to a product's origin and production and helping people to shop more meaningfully;

In Colombia, Grupo Éxito is developing its Carulla Fresh Market stores, dedicated to responsible consumption, with an expanded selection of local, organically grown products. Each store offers nearly 3,000 SKUs, including 170 organic products, gluten-free products, low-sodium and/or low-sugar products, as well as vegetarian and vegan products.

- The Casino Group develops ranges of organically grown products and local produce, and supports initiatives such as "C'est qui le patron ?!", the consumer brand whose products are developed with consumer participation.
- Policies relating to ethics, animal welfare and the environmental impact of products are also of interest to consumers, mirroring the policies developed by the Group (see sections 3.5.3.3 to 3.5.3.5 and 3.5.4.2.3.).

- the Group's central purchasing hubs, in partnership with suppliers, develop innovative products that meet the expectations of consumers who are increasingly concerned about their health and the impact of their consumption on the environment. In France, for instance, the Casino Group's central purchasing hub (Achat Marchandises Casino – AMC) brought together 107 manufacturers at its CAP 2020 conference in 2018, which was attended by various banners including Monoprix, Franprix, Leader Price, Casino Supermarkets and Géant Casino. The objectives were to present the foundation of quality and CSR commitments shared by the Group's various units, and to offer to work together to develop or update products to meet the expectations of the Casino Group in terms of health and nutrition and packaging policies. In Colombia, Éxito is supporting local producers by forming partnerships with recognised NGOs and organisations, such as the Clinton Foundation and the Salva Terra Foundation. Producers are offered a programme of technical assistance, productivity improvements, delivery management and other support, along with a pledge to buy their products at the best possible price, which helps to drive local social and economic development.

Attesting to its commitment to SMEs, the Group received three Grés d'Or prizes rewarding the best collaborations between an SME and a retail banner. A panel of experts in media, consulting and services, selected by the Federation of Enterprises and Entrepreneurs of France (FEEF), rewards sustainable partnerships that rely on innovative solutions for customers.

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- (ii) With its main national brand suppliers in order to share CSR objectives and priorities, and/or set up collaborative projects: for example, the Group conducts operations jointly with its suppliers for the benefit of the French Federation of Food Banks and *Handi'chiens*. National-brand suppliers are also included in the CAP2020 approach.
- (iii) With production chains: the Group has forged several long-term partnerships with farm cooperatives and farm produce production chains. In 2018, it marked the French International Agricultural Show with its announcement of having signed a charter of mutual commitment to

develop products bearing the "Plaisir Charolais Label Rouge" logo in supermarkets and Géant Casino stores. It has also created an organic chicken production chain with farmers in Mayenne to promote sustainable organic poultry and constitute a strong sector involving each player. This commitment, made by the Casino banners directly to the local producers' group, covers a period of five years, with guaranteed production volumes. The Group has also announced the first specific supply chain under its new "Horizon" purchasing entity, which focuses on eggs laid by free-range hens raised in France on feed that is free from GMOs and antibiotics, to be sold under private-label brands.

3.3.4. Local authorities

With stores throughout France, in cities and rural areas, the Group contributes to the economic development of the areas where it operates.

Through the External Relations department, the Group maintains regular dialogue with local authorities as part of its activity. It has banners adapted to the features of specific areas (Petit Casino, Spar, Vival, Monoprix, etc.). It has partnered with organisations such as *Maires Ruraux de France*, *Association des Petites Villes de France* (APVF), *Centre-Ville en Mouvement* (CVM), *France Urbaine* and the *Association Nationale des Pays et des Pôles territoriaux et de Villes de France* to support the revitalisation of cities, towns and villages. Working closely with local authorities, Casino is helping rethink the balance between city centre retailing,

peripheral outlets and shopping centres, and is taking part in the nationwide "Action Cœur de Ville" programme. The Group engages in dialogue with local stakeholders when opening, developing or closing stores.

It also supports initiatives taken by local authorities, particularly in favour of employment and the fight against climate change. It has signed the Charter for Local Employment of the City of Paris and the Local Employment Charter of the Metropolis of Nice, as well as the Climate Action Plan of the City of Paris. The City's goal is to reduce greenhouse gas emissions in the Paris area by 75% by 2050 compared with 2004 through initiatives in several areas including mobility, housing, urban planning, resource and waste management, and food.

3.3.5. Local communities

The Group interacts with local communities through the community-based work of its Foundations (see section 3.5.2.) and initiatives conducted locally by its stores. In France, the stores organise several collections each year for local associations, including personal hygiene products for *Protection Civile* in Paris (4,000 kits collected by Monoprix stores) or *Fondation des Femmes* (155,000 products

collected by Monoprix stores). In South America, Extra has created a specific programme to interact with and meet the needs of communities living near its stores. Known as "Viva Bairro!", it aims to create links between stores and local communities. It covers more than 300 initiatives carried out to benefit local communities.

3.3.6. Partner organisations (NGOs and associations)

The Casino Group takes part in the work of the ILO Global Business and Disability Network, of which it is a founding member, as well as the Initiative for Compliance and Sustainability (ICS), and the Consumer Goods Forum's

Entreprises pour les Droits de l'Homme. It is a partner of the Earthworm Foundation, an NGO whose goal is to transform supply chains to make them more sustainable and to fight deforestation.

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In France, as of 2018, the Group is a member of various specialist associations such as CSR watchdog *Observatoire de la Responsabilité Sociétale des Entreprises* (ORSE), the French Association for the ILO (AFOIT), Global Compact France, UN Women, working parents observatory *Observatoire de la Parentalité*, equal opportunity education network *Réseau National des Entreprises au Service de l'Égalité des Chances dans l'Éducation* and anti-exclusion foundation *Fondation Agir Contre l'Exclusion*. For environmental challenges, the Group works with the City of Saint-Étienne eco-design and life cycle management unit, retail association *Perifem*, and environmental bodies such as *ÉcoSystèmes*, *Éco-Emballage*, *Corepile* and *Recylum*. In 2017, it entered into a partnership with three animal protection organisations – LFDA, CIWF and OABA – to contribute to the development of national labelling on animal welfare standards in the poultry sector (see section 3.5.3.5.). This partnership has helped to draw a baseline setting minimum welfare standards throughout animals' lives.

The international subsidiaries also foster dialogue with stakeholders. In Brazil, GPA is a member of the Ethos Institute, an industry CSR association, and supports the work of the Akatu Institute, which conducts information and engagement initiatives on responsible consumption. GPA also works with *Compromisso Empresarial Para Reciclagem* (CEMPRE), an industry association that seeks to encourage corporate waste reduction, reuse and recycling, and is a member of *Grupo de Trabalho para Pecuária Sustentável* (GTPS), a sustainable livestock working group, and the Global Compact. In Argentina, Libertad supports IARSE (Argentine CSR Institute) and the Global Compact. In Colombia, Éxito interacts with various national stakeholders including SENA (*National Apprenticeship Service*) and international bodies including TFA 2020, the Consumer Goods Forum, which it joined in 2007, WWF and BanCO₂.

In 2018, the Group responded to various requests and questionnaires from recognised NGOs, particularly on the issues of fishing, animal welfare, pesticides and deforestation.

3.3.7. Financial and non-financial community

The Group maintains regular dialogue with socially responsible investment (SRI) players, including rating agencies and investment funds, by taking part in interviews and providing information when requested. The Group responded to several requests and questionnaires in 2018, relating to nutrition issues, food waste, animal welfare and corporate governance. It responded to the 8 December 2017 statement of 22 investors, asset managers and insurers

concerning the mainstreaming of non-financial ratings by calling on Vigeo Eiris to issue a requested rating. A corporate rating is an independent rating of social responsibility and sustainability requested by issuers in support of a market transaction. The Group also responds to requests from other agencies including Sustainalytics, MSCI, ISS-OEKOM and, since 2013, CDP.

3.4. ETHICS AND COMPLIANCE

The Casino Group believes that acting with integrity, fairness and honesty is crucial to sustainable performance. The Group reaffirms its ethical principles with stakeholders in the Group Ethics Charter, which includes nine commitments, and with suppliers in the Supplier Ethics Charter (see section 3.5.3.4).

Through its membership of the UN Global Compact in 2009 and its Group Ethics Charter, Casino affirms its commitment to combating corruption and complying with national and international laws, principles, standards and regulations, as well as principles of transparency and good governance.

The implementation of the compliance and anti-corruption programme is the responsibility of the senior management of each of the Group's entities, which implement the Code of Ethics and Business Conduct and roll out its guidelines in accordance with the specific features of their activities and/or geographical location, as well as applicable regulations, while reporting to the Group's Ethics Committee.

3.4.1. Group Ethics Committee

The Group Ethics Committee, established in 2016, is responsible for steering the ethics system, particularly the fight against corruption, and ensuring that it is taken into account by Group entities.

Its main role is to:

- set out the framework of the ethics system and associated procedures;
- promote the presentation, understanding and implementation of the Group's ethics system, particularly in the fight against corruption;
- ensure the smooth running of the network of ethics officers within the Group, under the supervision of the Group Ethics Officer;

- ensure the conduct of training and anti-corruption awareness initiatives by Group entities.

As part of their responsibilities, the Group Ethics Committee and the Group Ethics Officer ensure the implementation and proper functioning of an anti-corruption system in accordance with legal requirements. They rely on the work of the Risk Management and Compliance department and the Internal Audit department. The Group Ethics Officer reports to the Governance and Social Responsibility Committee every six months on the policies and action plans implemented.

3.4.2. Code of Ethics and Conduct

In addition to the nine principles of the Group Ethics Charter, a Code of Conduct, applied within the Group, lays down the rules of conduct, principles and ethical obligations by which all members of personnel must abide at all times in their daily work.

Each employee is expected to act in strict compliance with laws and regulations, to be fair and honest, and to behave with exemplary professional ethics.

The Code of Ethics and Business Conduct sets out the Casino Group's policy on business ethics and individual behaviour. It is a reference guide applicable to all employees, managers and Directors of the Group and Casino Group companies, including subsidiaries and controlled companies. It describes the values that are central to the Group's culture: legal and regulatory compliance, integrity, loyalty, transparency, honesty and respect for others.

The Code, which contains concrete illustrations, covers the following topics: conflicts of interest, anti-corruption (including rules relating to gifts and invitations), relations with

public officials (including the prohibition of contributions on behalf of the Group to election candidates, political parties, organisations or other political entities), use of intermediaries, free competition, confidentiality of information (including protection of confidential or sensitive information and prevention of insider trading), protection of personal data, protection of the Group's assets, accuracy and reliability of financial information.

The Group condemns corruption in all its forms and works steadfastly to ensure that its employees are committed to upholding this principle. It has made a firm commitment to comply strictly with anti-corruption regulations in France and its host countries, to pursue a process of continuous improvement in the identification and prevention of corruption risks and to sanction improper or non-compliant practices.

The values and rules set by the Group are communicated to the Group's partners within the context of its activities (service providers, suppliers, customers, public authorities, temporary workers, etc.).

3.4.3. Mapping corruption risks

To comply with the provisions of the Sapin II law, the Group drew up the first map of its main corruption and influence peddling risks at Group level in June 2017. The mapping was presented to the Group Ethics Committee and the Audit Committee, and then updated in June 2018 based on monitoring of the implementation of action plans drafted and adopted at central level and/or entity level in order to remedy certain areas of weakness identified through the

risk mapping process. In the second half of 2018, the Group called on an external consultant to help it develop and roll out in two pilot entities a complementary bottom-up methodology for mapping corruption and influence peddling risks at entity level. This methodology will be gradually rolled out in 2019 in all Group units under the supervision of the Group Risk and Compliance department.

3.4.4. Network of ethics officers – prevention and alert

In 2017, the Group appointed a Group Ethics Officer, a member of the Ethics Committee, and a Chief Risks and Compliance Officer, tasked with applying the Group's ethics framework, facilitating the network of ethics officers established in each entity in France, and interacting with international subsidiaries, most of which have an ethics or similar committee. Group employees may contact the network of ethics officers by means of confidential and secure alert lines to report any acts they deem contrary to the Ethical Charter.

The network of ethics officers ensures that employees understand the Group's principles and values, responds to questions, receives alerts, analyses and processes them, ensures confidentiality and, depending on their materiality, informs the Group Ethics Officer and the Group Ethics Committee, respecting the anonymity of the whistleblowers and the people being reported, in accordance with the requirements of the Sapin II law.

In Brazil, Colombia and Argentina, whistleblowing systems for employees and external stakeholders are accessible 24/7. Promoted *via* internal or external communication media (entities' websites), they allow employees, customers, suppliers, shareholders and third parties with business or contractual relationships with the entity to report confidentially by email or phone any acts that may be in violation of principles of integrity, transparency, dignity or equality. Alerts submitted *via* these channels are transcribed into reports, which are in turn reviewed by the Ethics Committees of each of the entities concerned.

Statistics on the number of alerts received and processed, classified by type, are presented to the Governance and Social Responsibility Committee and the Group Audit Committee every six months.

3.4.5. Training and awareness

To develop a culture of ethics and transparency, training and awareness-raising mechanisms adopted within the Group's subsidiaries were continued in 2018.

In France, initiatives taken focus notably on:

- the training in 2017 and 2018 of more than 7,600 employees on the Group's ethics and anti-corruption policy, especially in 2018:
 - more than 1,000 employees among the populations considered most vulnerable to the risk of corruption were trained in 12 face-to-face sessions by members of the Risk and Compliance department, including the Group Ethics Officer, and a specialised lawyer,
 - more than 2,000 people received anti-corruption training in 2018;
- awareness-raising in entity management and executive committees *via* talks by the Group Ethics Officer at dedicated meetings (16 entities benefited from these measures in 2018, with remainder to follow in 2019);
- awareness raising for all employees, with a display on all administrative sites setting out the principles of the Code of Conduct, an explanatory brochure sent individually and messages communicated *via* intranets;
- online tutorials on the following topics:
 - procedure for reporting alerts,
 - third-party referencing,
 - prevention of corruption (update of the version published in late 2016);

- the reinforcement of measures taken during the referencing process of suppliers and the training of buyers in the reinforced control expected of them.

Internationally, the Colombian "Transparencia" programme is the subject of an annual poster campaign covering specific aspects of its ethics programme. In 2018, an internal communication campaign designed like a soap opera was conducted under the supervision of the Compliance department in coordination with the Internal Communication department. It had 16 episodes dealing with four topics: (i) transparency in relations with interest groups, (ii) conflicts of interest, (iii) prevention of/fight against money laundering and terrorism, and (iv) gifting policy. New hires also follow an e-learning course covering the topics in Éxito's transparency policy. In Argentina, a training programme has been rolled out to support the circulation of the Libertad Ethical Charter in order to raise employees' awareness about the fight against corruption.

In Brazil, GPA is organising training sessions as part of its anti-corruption system. It is given to managers considered to be at risk (notably in the Purchasing department), all newly hired employees, and suppliers. In 2018, 187 suppliers of construction and maintenance equipment were made aware of the issues and the good practices expected.

The assessment of the effectiveness of these mechanisms is recorded in the internal audit plan depending on the entity.

3.4.6. Other initiatives in the compliance programme

The other main initiatives in 2018 were focused on the rollout, starting in 2019, of an annual declaration of engagement and absence of conflict of interest in populations in contact with third parties, a gift and invitation policy and the setting of new key accounting controls.

The assessment of the effectiveness of these mechanisms is recorded in the internal audit plan depending on the entity.

3.4.7. Responsible lobbying

The Casino Group, through the External Relations department, lobbies in order to consult, discuss with and inform elected officials involved in drafting legislation, and participates in the work of the various bodies that represent its sectors. It nurtures regular and open dialogue, which is necessary for building public policy.

It responds to requests for information from the ministries concerned by its activities and for testimony in parliamentary hearings as required. The Group acts in accordance with the OECD Principles for Transparency and Integrity in Lobbying, and in line with the commitments set out in its Ethics Charter. As such, it ensures compliance with national and international standards, laws and principles, including the fight against corruption.

In accordance with legal requirements, the Group reported to the French High Authority for the Transparency of Public Life in 2018 on activities conducted among national

public officials in the second half of 2017 and the sums set aside for representing its interests. It declares its activities as an interest representative on the European Commission's Transparency Register. It is a member or partner of professional associations in its various sectors of activity (retailing, logistics, distance selling, solar power generation, etc.), as well as associations of local elected officials, with whom it interacts on topics of general interest (the revitalisation of town centres in particular).

The External Relations department has trained the 53 developers of the Group's banners in responsible lobbying. One of the aims of this training was to review the ethical rules relating to relations with local authorities and decentralised public services.

The External Relations department assists Group employees in their interactions with the public authorities.

3.4.8. Tax transparency

The Casino Group's tax policy is implemented by a dedicated team with access to all resources, in terms of both training and documentation, necessary to (i) take into account changes to the law and (ii) support operating teams in France and abroad.

This policy is based on the following focuses and commitments:

- The Group complies with all national tax legislation and pays all taxes due in all host countries in a timely manner. It complies with the recommendations of the OECD, notably with regard to intragroup transactions, and does not use structures located in "non-cooperative countries" tax jurisdictions as defined by regulations.

- The Casino Group maintains open, constructive relationships with the various administrative authorities, legislative bodies and courts in charge of performing tax audits, updating standards and settling disputes.

3.5. POLICIES AND INITIATIVES IN PLACE

3.5.1. The Casino Group, a committed employer

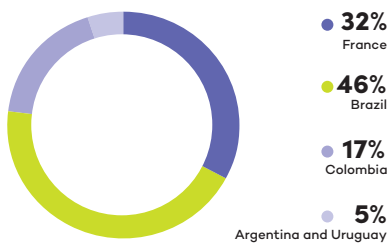
In every host country, the Casino Group develops and implements innovative human resources and management policies that are sensitive to local cultures. These policies are designed to foster the professional development of employees and enhance their talents, combat discrimination and support equal opportunity, nurture constructive, innovative social dialogue, employee health, safety and well-being in the workplace, and offer fair, progressive compensation and benefits.

Each unit's human resources department is responsible for defining its policies in line with the core principles laid

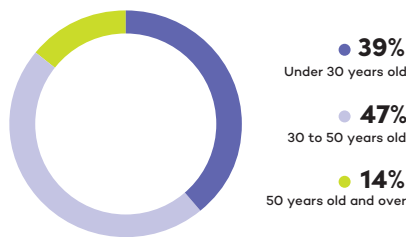
down by Corporate Human Resources, which are based on i) developing a shared culture of business, social and environmental performance; ii) creating synergies and deploying tools to improve human resources management; and iii) respecting the unique identity and culture of every subsidiary. The Group is a leading employer in most of its host countries, particularly France, Brazil and Colombia.

The Casino Group has 220,060 employees, 53% of whom are women. 32% of employees are based in France and 68% in South America.

Workforce by country



Workforce by country age



Workforce by gender



The vast majority of Group employees (94%) have been hired under permanent contracts, with fixed-term contracts used primarily to replace staff on leave or to support in-store teams during peak seasonal periods. 83% of employees work full time.

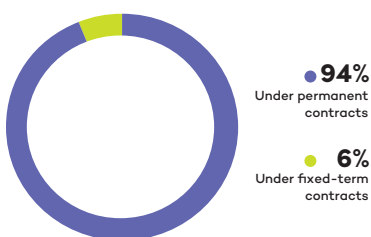
Trends in the Group's businesses resulted in the hiring of more than 115,650 people on permanent or fixed-term contracts in 2018, an increase of 6% compared with 2017. 45% of hires were on permanent contracts. Separations due to corporate reorganisations are the subject of extensive negotiations with employee representatives and are accompanied by a wide range of placement and support measures.

The Group's turnover rate was 25.8% in 2018, with significant differences between entities reflecting specific contexts. It was 17.5% at Casino and 31.6% in Brazil, which is below local rates.

Organisation of working hours

Casino is committed to respecting each employee's working hours, rest periods and regular holidays. Measures have been taken to address issues arising from atypical working hours (weekends, on-call) or specific needs (people with disabilities, for example) and to meet employee expectations for a more satisfying work-life balance.

Permanent/fixed-term workforce



Full-time/part-time workforce



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Employee working hours comply with the local host-country legislation applicable to each unit. In addition, initiatives have been deployed concerning:

- part-time working: although most employees hold full-time contracts, the Group has undertaken in France to give priority to part-time employees when filling a new full-time position. Casino has established a proactive policy that since 2012 has enabled more than 2,700 people (an increase of 15% between 2017 and 2018) to switch from a part-time to a full-time contract;
- the issues involved in atypical working hours, such as night work, weekend work, inter-shift breaks (maximum number allowed), on-call or stand-by hours, etc. In France, Sunday work is governed by agreements negotiated with employee representatives, which reaffirm the Group's commitment to ensuring that employees working regular Sunday hours do so on a voluntary basis and are paid at an overtime rate. In addition, these agreements exceed the standards set in the industry-wide labour agreements for daily working hours, inter-shift breaks and minimum part-time working hours. Internationally, through internal policies or collective agreements, the subsidiaries also manage the organisation of working hours, the associated rules and the systems designed to compensate atypical hours with measures including payment for transport and meals, and rotating employee shifts on a voluntary basis. Systems are in place to track and verify working hours. For example, Éxito and Libertad stores have all been equipped with a biometric time clock accessible to employee representatives and union delegates, and both entities have a line that employees can use to report problems with working hours or workload issues;
- the issues arising from specific needs, particularly those of employees with disabilities. In 2011, the Group introduced an initiative to support and assist employees acting as caregivers to a frail or highly dependent family member or loved one. This was followed in 2013 by a collective agreement on family caregiver leave that allows employees, under certain conditions, to take up to 12 working days of paid leave per year to care for a loved one. Since the beginning, more than 2,130 days of leave have been donated to the programme, enabling 220 family caregivers to take time off. Employees concerned can request a specially published caregiver booklet, get free, confidential advice on a dedicated platform and attend talks on various caregiving issues. In 2018, parental support workshops and conferences on such topics as "caring for others and for yourself" were organised for caregiving employees in order to review the programmes and procedures in place across the organisation;

- the work-life balance expectations of employees, particularly consideration for their civic commitment and measures to develop support for employees that are parents. These measures are described in section 3.5.1.3.6.

3.5.1.1. PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

The Casino Group has been committed to combating all forms of discrimination since 1993. Convinced that diversity is a driver of business performance, it is pursuing an assertive commitment to hiring people from diverse backgrounds, promoting equal opportunity at every level and in all business processes.

3.5.1.1.1. Combating discrimination and stereotypes

This commitment is based on several action principles, including fighting the stereotypes that underpin discrimination, building policies jointly with representative employee organisations, addressing all areas of discrimination and measuring the effectiveness of initiatives.

In 2009, the Casino Group was the first French retailer to earn the Diversity Label, awarded by Afnor Certification to companies leading the way in this area. Following an audit, the label was renewed for four years in 2012 and again in 2016, when it was also extended to Monoprix.

In France, the Group was honoured with three LSA Diversity and CSR Awards in 2018, presented by a panel of retailing and agrifoods professionals.

Led by the Corporate Human Resources department, these policies are deployed in every unit across the Group.

Commitment

The Group has pledged above all to fight discrimination based on national or ethnic origin, social background, gender, disability, age, sexual orientation, religious affiliation, union membership or physical appearance. It actively fights discrimination on the 23 criteria defined by French law.

All of the Group's entities have formalised their commitment to promoting diversity in line with the Group policy.

- In France, the Group is a signatory of the Diversity Charter and a holder of the Diversity Label awarded by Afnor, demonstrating its commitment and the quality of its actions. The units also express their commitment through agreements negotiated with employee representatives. In 2017, for example, Monoprix signed a three-year diversity and quality of worklife agreement.

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- In Colombia, Éxito has signed the “Diversity Principles” declaration and formalised a diversity and insertion policy and related objectives validated by senior management and monitored by a diversity committee.
- In Brazil, through its Diversity Charter, GPA undertakes to roll out action plans covering the years to 2020 in all subsidiaries, in five priority areas: disability, ethnic or national origin, sexual orientation, gender identity, and gender equality in the workplace.

The French and Brazilian entities are also signatories of the LGBT Commitment Charter, pledging to ensure equal rights and treatment for all employees regardless of their sexual orientation. In 2018, GPA also joined the Business Forum for LGBT Rights, which has five main objectives, including a review of all internal processes and policies (wages, recruitment, promotion, etc.).

Organisation

Each subsidiary’s human resources department is responsible for promoting diversity in all its forms, calling on internal and external experts.

- In France, the diversity process is supported notably by a Diversity Promotion department and a network of more than 70 Diversity Outreach Correspondents and experts. Policy implementation is led by the Group Diversity Committee, which is made up of seven employee representatives and seven senior executives.
- In Colombia, the policy’s implementation is driven by an 11-member Inclusion and Diversity Sponsorship Committee, which monitors the correct implementation of the Diversity and Social Inclusion Policy.
- In Brazil, GPA’s Human Resources department implements various action plans and control procedures in collaboration with each banner’s management team. It also receives support from committees, notably the LGBT Committee and the Madiba Committee, which fights racial discrimination. These committees are made up of employees and interact with human resources departments to draft action plans.

Action plans

● Awareness and training

The banners raise awareness and train the relevant managers and employees to (i) uphold and promote the application of the principle of non-discrimination in all its forms and at every stage of the human resources management process, particularly hiring, training, promotion and career development, (ii) endeavour to reflect all of society’s cultural diversity across the entire workforce, (iii) inform every employee of this commitment to non-discrimination and diversity, and (iv) inform them of its outcomes.

In France, several guidebooks have been published for employees, including:

- “Managing Religious Diversity in the Workplace”;
- “Changing our Perception of Young People”;
- “Physical Appearance: Deconstructing Stereotypes, Overcoming Prejudice”;
- “Sexual Orientation and Gender Identity: Best Practices in the Workplace”;
- “Gender Equality in the Workplace: Combating Everyday Sexism”;
- “Disabilities in the Workplace: Fighting Stereotypes, Supporting Jobs for the People with Disabilities”, rolled out in 2018.

Diversity awareness campaigns are organised within the Group’s entities. To this end:

- Cdiscount organised an awareness and information week for its employees in 2018, on diversity-related topics. Events held during the week included a pop-up diversity bookstore, a workshop on religious diversity and another on parenthood;
- GPA organises an annual Diversity Week in its offices, stores and warehouses. It features a wide variety of training sessions, conferences, debates, surveys and other events addressing such issues as people with disabilities, non-discrimination on the basis of ethnic or national origin, young people and seniors, and respect for the rights of LGBT people. To mark the occasion, more than 1,000 GPA employees attended 25 talks given by experts, members of NGOs, consultants and representatives of educational institutions. The 2018 edition was the occasion to establish the “GPA Madiba” group to advance action against discrimination related to origins. Assaí also organised workshops to raise awareness about diversity stereotypes in stores, warehouses and head offices. More than 1,850 managers took part.

In 2018, Casino and Monoprix launched a training programme designed to support employees experiencing situations of health-related vulnerability.

● Responsible hiring

Non-discriminatory hiring methods and systems have been widely deployed across the Group.

- A non-discriminatory hiring module has been deployed in France for human resources teams, store managers and other people likely to be involved in the hiring process, with the aim of training all people concerned.

Training is also being offered to people in charge of hiring in the international units.

- In France, when opening new stores, Casino uses the simulation (role-play) recruitment method (SRM); Franprix introduced recruitment without a CV in 2018. These two methods facilitate hiring based on the applicant’s aptitudes, regardless of their educational background, by putting them in real-life situations (public speaking, debates, business games, etc.).

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When hiring managers and supervisors, the Group asks applicants to take a satisfaction survey that covers diversity issues. In 2018, the satisfaction rate was 94%. These departments also use highly diversified sourcing channels to reach applicants from diverse backgrounds, such as Mozaïk RH, Our Neighbourhoods Have Talent (NQT) and the Foundation for Action Against Exclusion (FACE), and have participated in more than 40 job forums (including the "Hello Handicap" forum) and meetings with staffing agencies such as local employment offices and Second Chance Schools.

● Commitment control

Systems have been introduced to track the proper application of policies and procedures. Non-discrimination testing based on national or ethnic origin is performed every three years. The latest round, in 2016, covered additional tests related to sexual orientation. In 2017 and 2018, the French entities rolled out action plans based on the outcomes of this testing (training, securing the hiring process, raising the awareness of employees and management bodies, etc.).

At the end of 2017, an equal opportunity and diversity perception survey was carried out in the Casino and Monoprix units. Conducted by specialised firm Kantar TNS-Sofres, the survey polled 8,400 employees. It revealed a very good perception of the Group's commitment to diversity (87% of employees surveyed) and a high score for the equal opportunities climate (6/10, versus a nationwide average of 3.9/10). It also confirmed that diversity is a factor in hiring within the Casino Group (90% of employees surveyed agree that there is no discrimination in hiring). Age was perceived as the first criterion of discrimination for 38% of respondents; corrective actions are already being rolled out in that area.

Lastly, the Group's entities have discrimination counselling and advice units offering the possibility for all employees to blow the whistle, on a confidential basis, whenever they experience or witness actual or perceived discrimination.

3.5.1.1.2 Acting for the integration and retention of workers with disabilities

Commitment

The Casino Group has been assertively engaged in hiring and retaining employees with disabilities since 1995, and reaffirmed its commitment in October 2015 by signing the International Labour Organization's Global Business and Disability Network Charter. In addition, GPA has pledged to uphold the Diversity Promotion Charter of the Brazilian Entrepreneurs' Network for the Inclusion of People with Disabilities, with the support of the ILO.

The inclusion of people with disabilities is one of the internal objectives set for 2020. It is also a factor in determining a GPA manager's bonus, with the goal of increasing the

percentage of people with disabilities in the workforce to 5% by 2020.

This deep commitment has been expressed in the undertakings, action plans and performance targets defined, in particular, in a number of agreements with trade unions. As such, the seventh such agreement, signed with employee representatives and covering the 2017-2020 period, provides for the hiring of 100 people with disabilities, the ramp-up of work/study programmes and a contingent of 120 interns. In 2017, Monoprix negotiated its fifth agreement, which includes undertakings to i) pursue an active hiring policy designed to bring in 180 new employees and 60 interns over the three-year period; ii) fund measures to retain employees who become disabled during their careers; and iii) conduct disability-related training.

Action plans

Action plans have been deployed across the Group by the human resources departments, with three underlying objectives:

- hire people with disabilities:

To meet their targets for hiring people with disabilities, the banners are facilitating the recruitment process by partnering with dedicated organisations. Monoprix, for instance, has joined forces with *Cap Emploi*. Cdiscount participates in specialised job forums (*Forum Emploi Handicap*) and posts vacancies on specialised employment websites such as *hanploi.com*. In 2018, Casino made a commitment to FAGERH, a recognised national federation for the vocational rehabilitation of people with disabilities. GPA takes part in job forums for people with disabilities and hired 229 applicants in 2018.

- In Colombia, 117 people with disabilities have joined the "Inclusión laboral" programme initiated in 2006 in partnership with *Fundación para la Investigación y el Desarrollo de la Educación Especial* (FIDES), a foundation specialised in the integration of people with cognitive disorders; 25 trainees were welcomed in 2018, along with six recruits with cognitive impairment including Asperger's syndrome. Since 2006, the "Inclusión laboral" programme has supported more than 2,200 people with disabilities who had been abused or had suffered from vulnerable situations or hardship;
- In Brazil, GPA has taken several measures to facilitate the hiring of people with disabilities, including a dedicated team, analysis of the difficulties faced by employees in their jobs and a partnership with *Ser Especial* (specialised in the recruitment and training of people with disabilities). In 2018, in partnership with APAE, the "Sementes" programme was set up to support the professional integration of people with intellectual disabilities: 49 people were offered internships in 2018, with 23 of them subsequently hired by GPA.

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The Group's entities are also developing partnerships with companies in the protected sector employing people with disabilities;

- educate and raise awareness:

In 2018, the Casino Group produced a specific guide and circulated it among employees.

- In France, a number of employee awareness-raising and training initiatives have been established throughout the Group, particularly to mark the European Disability Employment Week, with activities, workshops and questionnaires to help raise awareness of all forms of disability. Guidebooks have been issued to Group managers and employees to help them integrate people with disabilities. Training modules are in place for recruitment teams and other stakeholders. They include "Overcoming Disability" used at Monoprix and Cdiscount, and two modules deployed by Casino, Leader Price and Franprix: "Non-Discriminatory Hiring", which covers disabilities, and "Making Every Shopper Feel Welcome", which facilitates store access and improves the shopping experience for people with motor, sight, hearing, mental or psychological impairments.

- Internationally, Éxito has produced a guide to help managers welcome people with Asperger's syndrome. In Brazil, Assaí, a GPA subsidiary, deals with the subject of disability in workshops organised in stores, warehouses and head offices to combat stereotypes linked to disability;

- allow people with disabilities to retain employment throughout their working lives:

The Group is committed to retaining employees who become disabled during their careers by deploying technical, organisational or technological solutions to realign their jobs or workstations, conducting ergonomic studies, performing career assessments and offering training.

Lastly, cause-related marketing campaigns are organised to enhance shopper awareness. Casino was able to pass on more than €50,000 to the Handi'chiens association in 2018.

Performance

The Group measures the performance of its policies in favour of people with disabilities by monitoring the share of the workforce concerned:

- The Group has 8,134 employees classified as having a disability working under permanent or fixed-term contracts, representing an increase of 11% compared with 2017 and 21% since 2015.
- Casino, which has been implementing a proactive disability policy for more than 20 years, has a rate of 13.14% employees legally classified as having a disability (after statutory adjustments).
- Since 2015, the number of employees classified as having a disability has increased by 61% in Brazil. GPA banner Assaí, which is deploying a growing number of employee awareness and training initiatives, ended 2018 with 5.3% of its employees classified as having a disability, an outstanding achievement for the retail industry in Brazil.

See Key Performance Indicators, page 242.

3.5.1.1.3 Acting for intergenerational diversity

Commitment and action plans

As part of its commitment to breaking down the barriers to entry into the job market for young people, the Group has undertaken to:

- develop work/study programmes and offer young people initial job experience

Programmes to facilitate the hiring and integration of work/study trainees have been introduced in every unit.

- In France, Casino organised a Work/Study Celebration Day for the seventh consecutive year. The event, which is unmatched in the French mass retailing sector, brought together more than 450 mentors and work/study trainees from educational backgrounds ranging from vocational trade certificates (CAP) to Master's degrees. A panel of banner executives honoured the winners of the 2018 Best Work/Study Trainees Contest. To promote the training of young apprentices in service departments (food professionals), positions that are harder to fill in the labour market, Monoprix has partnered with specialised schools CEPROC (European Centre for Culinary Professions) and SAGEFORM. More than 90 apprentices were welcomed in 2018. Monoprix has also set the target of maintaining the proportion of work/study trainees in its workforce at a minimum of 3%.

- In South America, Éxito, Libertad and GPA partner with educational institutions and national apprenticeship organisations (schools, universities, SENAC in Brazil, SENA in Colombia), and participate in a wide range of job fairs. Libertad has been running a vocational training programme since 2017 in association with *Universidad Empresarial Siglo 21* in Córdoba, and is a partner in the "Primer Paso" plan initiated by the Córdoba provincial government. In 2017, more than 60 young people were welcomed for their first work experience. The initiative continued in 2018, with the welcome of an additional 10 students at Libertad. Éxito is participating in the Colombian Labour Ministry's "40,000 first jobs" programme, which is helping to break down the barriers to entry into the job market for young adults aged 18 to 28 and enable them to gain their first work experience in private companies.

- facilitate student guidance and integration

The Group works very closely with schools and educational organisations to promote its jobs and diversify its sources of new hiring. The Casino Group's recruitment teams took part in more than 190 initiatives in favour of the insertion and recruitment of young people in 2018, including information sessions on different jobs, store visits and help in preparing a curriculum vitae and a covering letter. They also visited more than 100 educational institutions.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

- combat stereotypes

A guidebook entitled “Changing our perception of young people” is handed out to all employees to help them understand preconceptions about young people and encourage intergenerational dialogue.

- specific initiatives to help young people who are poorly qualified or from underprivileged backgrounds

The Casino Group has pledged to recruit within a store's immediate employment area and to promote local employment. In 1993, it signed a national partnership agreement with the French Ministry for Urban Development (renewed in 2013), an agreement with local employment agencies and the Businesses and Neighbourhoods Charter sponsored by the Ministry for Urban Development.

In France, Casino, Monoprix and Cdiscount are implementing agreements designed to deploy intergenerational initiatives, such as training, mentoring and special support, for young adults (under 26) and older employees. The Casino transmission of knowledge agreement sets a minimum percentage for the hiring of young people and older employees, the retention of a given percentage of young adults and a dedicated orientation programme called “C Duo Génération”, which assigns a mentor to facilitate the integration of young employees, as well as housing assistance for work/study trainees.

Performance

Employees aged under 30 account for 39% of the consolidated workforce, while those aged 50 and over represent 14%. In 2018, Casino hired 1,166 people from underprivileged neighbourhoods under permanent or fixed-term contracts, 407 interns and 90 work/study trainees. The Group employs more than 8,500 work/study trainees (see Key Performance Indicators, page 242).

3.5.1.2. FOSTERING GENDER EQUALITY IN THE WORKPLACE

Gender equality is one of the Group's flagship commitments. The increase in the number of women executives within the Group is one of the two CSR criteria taken into account in the variable compensation of executives in France.

Since 2002, the Group has sought to enhance the gender diversity of its teams at every level of the organisation through an assertive policy on gender equality across job categories, career management, human resources processes (compensation, access to training, hiring and promotion) and parenthood. In recognition of this commitment, Casino was awarded the “AFNOR Workplace Equality Label” in 2013.

The Board of Directors' diversity policy is presented in Chapter 5 of the Board of Directors' report on corporate governance (starting on page 283).

Commitment

The Group has undertaken a number of commitments to external and internal stakeholders.

The Casino Group has:

- pledged to uphold the Women's Empowerment Principles developed by UN Women, thereby strengthening its resolve and its initiatives aimed at combating discrimination and promoting gender equality in the workplace in France and Latin America;
- signed the “Gender Equality Manifesto” issued by the Group's “C'avec Elles” women managers network created in 2011. In so doing, the members of the Executive Committee and all the Management Committees of the France units reaffirmed the Group's determination to lead the way in driving progress towards equal opportunity and gender equality. The Manifesto is organised around five priority objectives, supported by effective real-world initiatives: Combat gender discrimination and sexism – Guarantee equal opportunity for everyone throughout their careers – Hire women – Support parenthood – Encourage gender equality in the world.

In France, professional equality is the subject of an agreement with the unions. The agreement signed by Casino includes undertakings to support equal pay, conduct a compensation survey and expand training programmes for managers when employees return from maternity, adoption or long-term parental leave.

In South America, Éxito began the process of certifying its gender equality process in 2016, working in partnership with the Colombian Ministry of Labour and under the auspices of the United Nations Development Programme (UNDP). A risk assessment was performed by UNDP representatives with the goal of earning the “Equipares” label, awarded to companies that have fostered conditions and implemented actions, particularly to transform their corporate culture, in order to promote gender equality. Éxito's professional equality policy is coordinated by a 16-member Inclusion and Diversity Sponsorship Committee, which met twice in 2018.

To mark Diversity Week, GPA announced the establishment of a Committee on Equal Opportunities for Women and Men, and the signature by male managers of the Manifesto for Equal Opportunities.

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Action plans

Action plans in each country are structured around the seven Women's Empowerment Principles developed by UN Women:

1. establish high-level corporate leadership for gender equality;
2. treat all women and men fairly at work – respect and support human rights and non-discrimination;
3. ensure the health, safety and well-being of all women and men workers;
4. promote education, training and professional development for women;
5. implement enterprise development, supply chain and marketing practices that empower women;
6. promote equality through community initiatives and advocacy;
7. measure and publicly report on progress to achieve gender equality.

To steadily increase the proportion of women in managerial positions, each subsidiary's human resources department tracks six strategic indicators, whose performance outcomes are presented to the Governance and CSR Committee every six months.

The main initiatives undertaken in this area in 2018 included:

- Communication on commitments to employees and customers:

In 2018, the Group continued its commitment to UN Women, and worked actively on the Orange Day campaign. For the campaign, Casino sought to raise its employees' awareness through communication initiatives, discussion workshops, breakfasts and conferences led by UN Women, and brought its customers onboard through a continuation of cause-related campaigns in all banners and *via* social networks. Franprix and Monoprix were awarded the "Orange Day Champion Award" by UN Women.

- In Brazil, "Fale com Elas" events for senior management have been created to strengthen the presence of women in positions of responsibility. Several meetings were organised in 2018. They brought together 150 senior managers to raise their awareness about the importance of commitment from men. GPA also held a further round of professional equality forums in 2018. Two forums brought together nearly 500 Group Directors and managers were organised on the topic of "Female leadership" and "What's the issue with gender equality?". Created in 2011 in Brazil, the "Diálogos do Movimento Mulher 360" network (360° Women's Movement) encourages companies to work together on events to promote leadership among women. In July, GPA put 50 women from different member companies in the spotlight for the sixth edition of this event.

- In Colombia, a major month-long communication campaign was held to publicise International Women's Day. Mailshots, testimonials, videos and internal newsletters were used to highlight women occupying positions of responsibility, within Éxito and more widely throughout the country. To mark the occasion, the CEO and six other Éxito executives sent a letter to more than 2,000 women employees to acknowledge and commend their commitment and their work.

The Group's entities are also committed to combating gender stereotypes. To raise their awareness, employees in France have received a guide designed to fight ordinary sexism. Éxito has surveyed its senior managers on "unconscious bias" and "gender stereotypes" and their impact on the company.

- Initiatives to ensure equal pay:

Following the audit measuring the pay gap between women and men conducted by an external firm across the entire Casino group in France (excluding Vindédia) in 2017, unjustified differences were the subject of targeted corrective measures through dedicated budgets set aside for the annual wage negotiations or earmarked for women/men on maternity/paternity leave in the calculation of annual bonuses.

A study on professional inequalities including a compensation audit was also conducted in partnership with the Colombian Labour Ministry. The findings will be shared with Éxito's Executive Committee for Equality between Women and Men, and will be used to devise improvement plans if necessary.

- Initiatives to support parents:

As part of its parental support policies, Casino has deployed a wide range of initiatives. It grants an additional day of paternity leave (*i.e.* 12 days instead of 11), tops up the social security benefit paid to employees on paternity leave so as to maintain their salary, raises employee and manager awareness with parenthood guidebooks, and offers parental services (access to Yoopies.fr for finding childcare solutions). Casino has continued its support work for children at school with the provision of a web platform with educational content to help parents. New agreements on the development of telecommuting were also signed in 2018. Internationally, GPA employees can take up to six months maternity leave instead of four as provided by law.

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- Initiatives to support women's career development:

An array of support and training schemes have been implemented to facilitate and accelerate the career development of women. In 2017, for example, the Group introduced the "Lead Her Ship" e-learning programme to improve the managerial skills of women managers. It has been offered to more than 1,230 of the Group's female employees. Group senior executives mentored members of the "C'avec Elles" women managers' network as part of the programme's fourth round, which has involved more than 125 mentoring partners since 2015. The C'avec Elles women's advocacy network held networking events, including personal development workshops, for its 900 members in 2018.

Éxito continues its "Mujeres Líderes de la Operación" programme (Women Leaders in Operational Professions), which offers a year's training and support for women in the company. In 2018, 13 women benefited.

To ensure gender parity, the Group carefully maintains an equal number of men and women in programmes intended for future executives. For example, parity is a core focus of the Group's Talent Pool initiative under way since 2009.

Performance

The percentage of women in management was 38.9% in 2018, an increase of approximately 1 percentage point compared with 2017 (see Key Performance Indicators, page 242).

Casino won the "Human Resources" prize for its commitment to the fight against sexism with the C'avec Elles network and the 2018 LSA CSR Award for its training programme against sexual harassment at the fourth ESSEC Grand Prix du Commerce Responsable.

3.5.1.3. PROVIDING AN ENVIRONMENT CONDUCTIVE TO EMPLOYEE FULFILMENT

3.5.1.3.1 Encouraging social dialogue

The Group's commitment to social dialogue, the right to organise and the collective bargaining process is supported by innovative labour relations policies.

Commitment

The sixth commitment in the Group Ethics Charter, issued in 2011, is to "support effective social dialogue" across the enterprise. As a signatory of the United Nations Global Compact, the Group and its subsidiaries acknowledge their commitment to upholding freedom of association and the right to collective bargaining. The Supplier Ethics Charter specifies the Group's expectations regarding freedom of association, which must be respected across the supply chain.

Action plans

These commitments, which are led by the Group's human resources departments, are as follows:

(i) Participation in collective bargaining with employee representatives and implementation of the resulting agreements

Every unit across the Group has signed collective bargaining agreements with its representative unions, covering issues such as working hours and compensation. Specific agreements are also signed and monitored regularly.

Casino maintains regular dialogue with the trade unions. More than 10 agreements and action plans are currently in force, covering the employment of people with disabilities, gender equality, workplace health and safety, benefits and compensation, and more broadly CSR, where the agreement applied in 2017 reaffirms the parties' determination to integrate CSR into the company's business and human resources model, and addresses the main labour, societal and environmental issues that have been identified. The implementation of these agreements is regularly monitored and their outcomes are presented to the representative trade unions every year.

In 2018, the main agreements signed on the working conditions of employees and the economic performance of the company concerned – In France:

- agreements on gender equality, which maintain and reinforce the Group's commitments by adding an additional pillar, namely the fight against sexism;
- agreements on the approach for anticipating and facilitating changes and transformations, with the aim of meeting the Group's needs in terms of skills and professions in line with its strategy, promoting the employability of staff by strengthening career development, and developing mobility by improving connections between Group companies;
- agreements relating to health expenses and the employee benefits scheme, as an extension of a social welfare policy dating back to 1905, which makes it possible to maintain the provision of quality services to employees at the best cost in terms of health and welfare costs;
- agreements on employee savings plans and retirement savings plans, including an increase in the company's contribution.

Measures in favour of employees are also negotiated each year as part of annual negotiations with the trade unions on wage increases and improvements in benefits and working conditions. They include the establishment of concierge services, the development of telecommuting and even, at Casino in 2018, the establishment of "C mon Logement", a housing search assistance platform, and school and educational support dubbed "Campus parentalité".

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In South America, Éxito considers social dialogue to be one of the three strategic pillars of its human resources commitment, and has reaffirmed its compliance with national and international standards in agreements signed with its representative trade unions. These agreements cover the wage conditions of Éxito employees, bonuses and other financial benefits, guarantees granted to employee representatives (union recognition, freedom of association, training, etc.) and organisational rules applied to the company (working hours, special leave, etc.). In 2018, GPA maintained regular dialogue with over 320 trade unions, either directly or through federations. All GPA employees are represented by a trade union and covered by a collective agreement.

(ii) The allocation of facilities and equipment and the recognition of union involvement

Under the social dialogue agreement signed in France, the resources allocated to trade unions have been increased, so that they can perform their duties and represent employee interests more effectively. These resources include offices, equipment (mobile phones, computers, printers, internet access, etc.), and a contribution to operating costs in the form of a further 22,000 paid hours for representation purposes in addition to the allowance provided by law. The agreement also calls for skills and vocational training for employee representatives with an outside organisation, the introduction of a validation of acquired experience (VAE) programme, and the publication of a booklet reviewing the principles of trade union legislation and social dialogue for managers.

To encourage union involvement, a Union Career Charter has been issued, which, in alignment with the fight against discrimination, expresses the Group's commitment to:

- educate and train managers in the social dialogue process;
- recognise union activities as part of an employee's career path with the Group by i) facilitating the balance between union involvement and career development; ii) providing support for union representatives throughout their involvement; iii) facilitating access to training and recognising the experience acquired in performing their union duties; and iv) ensuring fair compensation for union representatives;
- encourage the sharing of union responsibilities between women and men.

In South America, Éxito is actively committed to guaranteeing and supporting respect for union rights and social dialogue, with such policies as employer-paid transport and housing costs, protection of unionised employees, a confidential whistle-blowing system and training for union representatives.

3.5.1.3.2 Measuring the employee relations climate and establishing tools to foster dialogue

Group entities conduct engagement studies with their employees.

- In France, a survey was conducted in 2018 among employees in stores and the central services of the Monoprix units. The response rate was 77%. The results, which will be released in 2019, will help identify priority measures to be taken.
- Internationally, Éxito is rolling out a programme designed to measure and monitor the climate in the workplace, including the completion of Great Place to Work surveys every two years, the treatment of the suggestions and opinions of employees collected thanks to the "Buzón de Sentimientos" (opinion box) available in stores and warehouses, and the establishment of a workplace climate committee made up of management and operational staff who meet monthly to monitor the implementation of practical initiatives on a site-by-site basis. The sites with the lowest scores are subject to special monitoring. The survey's 2018 edition recorded a high response rate of 91%, and revealed an engagement score of 86%, up from 80% in 2016. As part of its "Yo Soy Libertad" programme, Libertad in Argentina conducts internal satisfaction surveys among employees to measure and identify actions to be implemented to ensure harmonious labour relations within the company. The 2017 survey, which focused on the themes of interpersonal relationships, sense of belonging and recognition, showed a satisfaction score of 68%, up 11% from the previous round.

3.5.1.3.3 Incentivising compensation to drive individual, collective and CSR performance

The principles of Group executive compensation are presented in Chapter 6 (starting on page 337).

The Group's compensation policy takes into account each employee's:

- skills;
- level of responsibility; and
- experience.

The Group is committed to offering at least the legal minimum wage, with fair, competitive compensation in line with market practices observed for each job and tailored to the specific local characteristics of each host country. Surveys are carried out regularly in France and other host countries to assess the competitiveness of the Group's compensation compared with its peers. These surveys mainly concern management positions and jobs that are difficult to fill.

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To encourage individual and group performance, most managers, supervisors and employees are eligible for variable compensation (bonuses) based on the fulfilment of quantitative and/or qualitative objectives.

Management bonuses are determined on the basis of:

- Group financial objectives;
- Group quantitative non-financial (CSR) objectives (see below);
- individual quantitative and qualitative objectives; and
- an assessment of Managerial Attitudes and Behaviours (MAB) for the population based in France, aimed at strengthening a management culture that upholds Group values. The MAB score accounts for 25% of the variable compensation.

Group quantitative non-financial (CSR) objectives:

The Group's CSR commitment is an integral factor in the assessment and variable compensation systems in place for all of its management teams, in France and internationally.

- As such, 10% of the target amount of the variable compensation of the Casino Group's Chairman and Chief Executive Officer is based on the average rating given to Casino, Guichard-Perrachon by rating agencies FTSE Group and Vigeo Eiris, and management company RobecoSam (DJSI). A target level (average of the most recent ratings obtained by Casino in 2018) and a minimum level (average of the ratings obtained by Casino over the last four years) has been set. The proportionate variable compensation fluctuates linearly between these minimum and target thresholds (the target compensation is also the maximum compensation on this criterion).
- 5% of executive variable compensation in France is assessed based on a quantifiable CSR objective, consisting of two criteria:
 - the "percentage of women executives" to cover gender equality,
 - the "annual electricity consumption per square metre of retail space" to cover the environmental policy.

The members of the Casino Group's Executive Committee, excluding the Chairman and Chief Executive Officer, for whom the quantifiable CSR criterion is described above, are also covered by this system.

This decision reaffirms Casino Group's tangible commitment to making CSR central to its business and social model.

- In Brazil and Colombia, approximately 5% of the variable compensation of executives is similarly subject to the achievement of quantitative CSR targets covering environmental indicators (energy efficiency and reduction of the carbon footprint), social indicators (gender equality and disability) and/or societal indicators.

3.5.1.3.4 Providing benefits to employees and their families

Casino Group proposes employee benefits, which may include medical cover, death and disability insurance and other benefits compliant with the legislation and practices of each country, which top up the compulsory plans. This coverage is partially financed by the employer.

- In France, discretionary and statutory profit-sharing agreements and savings schemes are also in place, in particular for Casino, Monoprix and Cdiscount employees. Most employees also get discounts on their in-store purchases, as well as financial assistance for housing and recreation, notably through the works councils.
- Internationally, Éxito employees have access to the "Presente" fund, whose benefits include health coverage, an insurance system and access to holiday parks at preferential rates.

3.5.1.3.5 Offering employee savings schemes

Statutory profit sharing

In France, the initial statutory profit-sharing agreement signed by Casino in 1969 has been frequently updated, while similar agreements are in place at Monoprix, Franprix, Leader Price and Cdiscount.

Incentive

The Group's first discretionary profit-sharing plan was signed in 1986 in France for employees of the Casino banner. The February 2016 agreement provides that 60% of the so-called "across-the-board" profit share is awarded in proportion to the employee's annual compensation (as opposed to 80% in the previous agreement) and 40% in proportion to his or her length of service (as opposed to 20% in the previous agreement). The so-called "local" profit-share is awarded entirely in proportion to the employee's annual compensation, and may be paid on an annual or half-yearly basis, depending on the unit. Other Group companies (including Monoprix, Cdiscount, Codim, Vindémia and certain Franprix and Leader Price entities) have also set up discretionary profit-sharing schemes for their employees.

In this way, more than 75,000 employees in France are covered by a statutory and/or discretionary profit-sharing plan, which led to the payment of a total €23.4 million in respect to 2017 (€13 million in statutory profit-shares and €10.4 million in discretionary profit-shares).

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Savings plan

In France, Group employees are offered the opportunity to invest in a savings plan in a number of ways, including the payment of their profit-shares into the plan, voluntary monthly or occasional payments, or the transfer of paid leave from their time savings account. Certain Group companies contribute to these savings by matching the investments made by their employees, under various terms and conditions.

At 31 December 2018, around 93,600 current and former Group employees in France were invested in a PEE and/or PERCO employee savings plan, representing total assets of €188.5 million or approximately €2,015 per investor. During the year, the French companies paid €5 million in matching contributions into employee savings plans.

3.5.1.3.6 Fostering health, safety and well-being at work

Commitment

The Group is actively engaged in improving the safety and physical and mental health of its employees.

The related policies are being applied by each subsidiary's human resources department with the support of:

- management, which is responsible for implementing risk prevention plans and taking the necessary steps to eradicate situations at risk;
- employees, who are informed of the issues and empowered to play an active role in ensuring their safety and improving their working conditions;
- external personnel, who are required to comply with safety rules in the Group's stores.

Action plans

In France, the workplace health and safety process is governed by multi-year health, safety and quality of worklife agreements and action plans negotiated with employee representatives, which all provide for the implementation of initiatives and the tracking of their outcomes and indicators. A collaborative project with the Health, Safety and Quality of Worklife Correspondents network validated the new set of core health, safety and quality of worklife commitments in the divisions and subsidiaries.

The Group's process is based on three principles:

(i) Rolling out preventive measures to improve in-store safety and attenuate occupational risks

To improve its health and safety performance, the Group deployed an occupational risk prevention process several years ago that was defined in France with the trade unions and governed by agreements specifying the objectives, methods and expected outcomes concerning the prevention of psychosocial risks, workplace health and safety, and the prevention of difficult working conditions.

Occupational risk assessment campaigns are conducted annually in every Group unit, with a focus on the prevention of musculoskeletal disorders and psychosocial risks. At the same time, the Group leads or takes part in working groups in connection with the recommendations issued by national reference bodies, in order to identify and prevent risks in jobs specific to the Group's business activities, such as logistics or shelf-stacking (process/working methods, lifting equipment, PPE, etc.), logistics or societal risks, such as those related to road safety.

To further attenuate occupational risks, a large number of training courses are offered in proper gestures and posture, safety rules, fire prevention, etc. In 2018: Casino undertook a vast campaign to prevent risks related to travel in line with the commitment charter signed with the interministerial delegate for road safety; 4,000 Monoprix employees were trained on fire risk; a best practice guide on the safety of people and goods was rolled out at Leader Price stores; Éxito continued its programme of identification and management of occupational risks; GPA continued its PPRA (Environmental Risk Prevention Programme) and PCMSO (Medical Control and Occupational Health Programme) prevention programmes to assess potential environmental, medical, and accident risks, and adopt prevention plans. For 10 years, GPA has also carried out awareness-raising campaigns in all stores during Workplace Safety Awareness Week. Every two years, it also performs studies on workstation ergonomics in its stores and at head office.

(ii) Improving the quality of life at work and the well-being of employees

To improve the quality of worklife and employee well-being, action programmes have been rolled out in every Group unit, in particular to:

- Increase motivation, reduce workplace stress and support employees in difficulty.

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In a demanding business environment and constantly changing world, the Casino Group has chosen to invest in developing motivation, to enhance employee well-being and drive corporate performance, by encouraging the caring exercise of managerial responsibilities.

In France, the Human Resources department initiated an outreach and training programme on caring management practices in 2014, with the support of the Executive Committee and the assistance of a doctor specialising in workplace well-being. The programme is designed to increase employee motivation by reducing workplace stress. These initiatives helped to raise the awareness of more than 5,330 managers (including members of the Group Executive Committee, unit management committees, etc.) through presentations by external consultants (111 conferences organised to date) and the roll-out of an e-learning platform where any manager can extend the learning experience and access practical, useful content (videos, quizzes, etc.). A network of more than 1,200 “buddies” has been deployed to identify employees who may be in difficulty, befriend them and steer them in the right direction, to the occupational physician, for example, or to managers, the HR department, or a support and assistance platform. The buddies receive dedicated training to assist them in their duties. The eight levers of caring management have been integrated into the managerial training curricula and the new hires induction programme. A “Caring Management Practices” module has been added to the “Trade and Retail” masters’ programme at Jean Monnet University in Saint-Étienne. 34 managers have completed it since its creation.

Casino Group employees expressed their views in a 2017 survey conducted by a third party on the impact of the Caring Management approach on their motivation at work and their participation in the programme. The findings, released in 2018, showed a level of engagement above the nationwide benchmark, and a high level of motivation. A book entitled “Caring little stories taken from our stores” was published to recount the experiences of cashiers, employees and managers of banners in France and Latin America: Géant Casino, Casino Supermarchés, Casino Proximités, Casino Restauration, Franprix, Leader Price, Monoprix, Pão de Açúcar, Extra and Éxito. It highlights the benevolence of teams on a daily basis and the relationship of trust woven daily with customers.

To combat and prevent the antisocial behaviour that may be experienced in the workplace, employees are offered training and in-store sensitivity campaigns are conducted to raise customer awareness. An initiative was also undertaken in

2017 within retail stores in France to support employees who are victims of potentially traumatic events, including the introduction of an emergency number, the provision of legal, administrative and social assistance, and the creation of a listening and mediation unit for victims, with counselling by a clinical psychologist.

To effectively assist employees facing administrative, legal or financial difficulties, the Group recommends an array of advisory and support services provided by specialised organisations, which assisted more than 680 people in 2018.

- Adjusting working conditions and fostering an appropriate work-life balance.

To support a more satisfying balance between work and private life, an important vector of employee well-being, a number of initiatives have been deployed across the Group:

- Adjustments to working hours (part-time options, family caregiver leave, see page 196). In 2018, to improve work-life balance, GPA rolled out two flextime programmes that define the rules and procedures currently applicable to employees, particularly when a child is born.
- Telework: agreements have been concluded with the unions in France for the adoption of telecommuting. In Colombia, the telecommuting programme piloted by Éxito in 2017 has been extended.
- Right to disconnect: all employees in France have been given an information kit reviewing their “right to disconnect” from work-related electronic communications. Managers have received a “Positive Habits” module presenting the right to disconnect and the related best practices for using email and organising meetings.
- Personal life: the Group recognises and encourages its employees in France to get involved in volunteer activities. In particular, in 2017 Casino distributed a guide reviewing the procedures for implementing volunteer projects and informed employees about the possibilities for training and for certifying the skills acquired during their volunteer work. During the year, Éxito continued its “tiempo para ti” (time for you) employee programme in 2018, which is designed to facilitate a healthy work-life balance with flexible hours and days off for personal or family activities or for graduations. More than 118,000 hours have been used, benefiting over 16,600 employees. In Brazil, Assaí has expanded its “Assaí Pensando em Você” programme, which celebrates events such as Mother’s Day, Father’s Day and Children’s Day at the head office and in the stores. More than 18,000 gifts were distributed to the children of employees on Children’s Day.

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(iii) Conducting awareness and screening campaigns on major public health issues

The Group organises information days to raise employee awareness about major public health issues. Casino holds “At the Heart of Health” days that offer head office, store and warehouse employees an opportunity to meet with healthcare professionals (occupational doctors, nutritionists, hearing and sight screenings, yoga in the office, etc.), participate in workshops (smoking prevention, nutrition, cardiac rehabilitation, etc.), get blood tests (cholesterol, blood sugar, etc.) and receive individual support. Lastly, in 2017, the Group joined with France’s National Cancer Institute to sign the Charter of 11 “Cancer and Work” Commitments, reaffirming its pledge to effectively improve support for employees who have developed cancer, by maintaining them on payroll and preparing for their return after remission. An e-learning course on “providing support for people experiencing health-related vulnerability” has been developed. Éxito also conducts anti-cancer and cardiovascular health campaigns among its employees by raising their awareness and training them.

French and foreign units act for their employees’ physical health by facilitating sport through an offer of negotiated prices for fitness clubs and an annual flu vaccination campaign. 51% of Multivarejo employees in Brazil were vaccinated in 2018.

Performance

The Group measures the performance of its health, safety and well-being at work policies by monitoring indicators showing the frequency and severity rates of work-related accidents and the absenteeism rate attributable to work-related accidents and occupational diseases.

Improvement was noted across all indicators in 2018:

- The accident frequency rate was 16.7 in 2018, down 11% compared with 2017.
- The severity rate was 0.67, down 15% compared with 2017.
- The absenteeism rate attributable to work-related accidents and occupational diseases was down 11% compared with 2017 at 4.3%.

See Key Performance Indicators, page 242.

3.5.1.3.7 Managing talent and supporting career development

Since the beginning, Casino has been committed to providing career growth opportunities for its employees, who are the driving force behind its operating performance. The diversity of the Group’s job families, its global footprint and its multi-format retailing model offer employees a myriad of opportunities for mobility and professional growth. Internal mobility is a priority for the Group, and one of the keystones of its human resources policy. Casino, for example, is committed to filling 50% of management positions by promoting from within.

The mobility policy has two major objectives:

- facilitate employee career development within the Group, develop and retain talents;
- ensure that the Group has adequate resources to meet its current and future needs. To this end, the Group is increasing the number of opportunities for employees to transfer to jobs seen as harder to fill.

Several systems are in place within the Group:

- performance appraisals and/or professional interviews;
- Career and Mobility Committees that identify needs and facilitate internal mobility. The agreement on anticipating and supporting changes and transformations within the Casino Group signed in 2018 reinforced the Group’s commitment to developing and facilitating internal and external mobility by improving connections between Group companies. It provides for the creation of a service shared by all French banners, dedicated to internal mobility;
- succession plans and, in France, the career development, employability and skills agreement, which facilitates the implementation of individualised training paths;
- high-potential talent programmes, such as the Group-level “Young International Talents” initiative designed to nurture the potential of future international managers, enhance the international culture of the Group’s teams, develop synergies, facilitate the sharing of best practices among the units and retain talent by offering compelling career opportunities. Another example is the “Talent Pool” in France, which comprises three programmes for employees with three to ten years’ experience, identified by human resources teams through individual reviews, or by the Development Committee and the Career Committees. These programmes are all focused on helping participants to build their career plans and measure their potential, while providing carefully crafted support to enhance their performance. These types of programmes are also in place in local Group subsidiaries.

3.5.1.3.8 Developing employability with training

Training is one of the key pillars of employee growth and sustained employability.

In line with Group targets, each subsidiary’s human resources department offers training plans to support growth and career development and to guarantee the smooth integration of new hires. These plans are carefully aligned with changing jobs and skills requirements, with employee expectations, as expressed in their annual performance reviews, and with changes in the organisation and in legal and regulatory obligations.

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In every unit, training focuses on four main subjects:

- health, safety and quality rules and practices, in compliance with the Group's occupational health and safety policies and applicable legislation;
- technical training in the Group's businesses, which plays a key role in successfully deploying the Group's strategy to increase professionalism and maintain its leadership in the fresh produce segment. The number of training courses for food professionals (butchers, fishmongers, and pastry chefs) was further increased in 2018;
- training in customer service, a strategic concern for the Group. In 2018, Éxito trained more than 15,500 customer service employees via its *Servicio Superior* programme, and Assaí more than 500 via its Customer Service programme;
- management and leadership training. In 2018, Libertad continued the "Desarrollo de Lideres" training programme, which was attended by approximately 80 managers during the year. Assaí continued to roll out its trainee operations programme, which is educating the future leaders of tomorrow. In all, 122 new leaders participated in the programme during the year. In addition, the "Grow Programme" helped to hone the leadership and management skills of more than 1,715 section managers. More than 2,900 executives were trained in leadership with Éxito's "Escuela de Liderazgo" programme in 2018.

Training in the Group is delivered by dedicated teams:

- "Campus Casino", "Assaí University", "Leader Price University": in-house training centres offering a diversified range of classroom and e-learning programmes designed to address all of the skills development needs of Group employees in the retail trades, the acquisition of technical capabilities and management practices.

Franprix inaugurated the Acadibus in 2018 to bring it closer to teams in stores. The bus transports trainers from store to store, together with a team of employees to fill in for the store employees while they are in training.

- Éxito's "training schools", dedicated to mass-retailing jobs, are accelerated the process of shifting their courses to digital formats in 2018, with a view to reaching more employees. As part of this process, digital training courses were created in the textile, butcher shop, pastry, and fruit & vegetables schools for the Éxito, Surtimax and Carulla banners. Éxito also created a virtual school dedicated to the digital professions in 2018.

The Group believes that its training capabilities are a powerful driver of employability and upward social mobility:

- The banners in France are expanding the number of trade certification programmes, such as those delivering professional qualification certificates (CQP). These certificates are recognised nationwide in the French retailing industry. In 2018, 540 Group employees in France benefited.
- The French banners are also stepping up schemes for unskilled employees like the *CléA* certificate attesting to proficiency in basic knowledge and vocational skills, which is aimed at people with a lack of trade certifications. More than 190 people earned *CléA* certification in 2018. The French banners are also supporting employees in validating their acquired experience under France's VAE programme, which allows them to earn a diploma based on their job experience. Assaí provides its employees and their families with the "Learn + school Training" programme for basic skills.

Performance

The Group measures the performance of its policies, including the total number of hours of training completed during the year and the number of hours of training per person. Both indicators improved in 2018, with a 4% increase in the overall number of training hours completed during the year and an extra hour of training per person compared with 2017 (see Key Performance Indicators, page 242).

3.5.2. The Casino Group, a local corporate citizen

As a local retailer with strong roots in city centre, suburban and rural communities, the Casino Group contributes to local economic development, community outreach and support, social cohesion and the fight against poverty and exclusion. It encourages its banners to get more involved in community support partnerships with food banks and other leading non-profit associations, to develop local in-store community initiatives and to support the actions of its Foundations. The Group is dedicated to meeting the diverse needs of associations present in its host communities.

Through its foundations and outreach partnerships, the Group is engaged in four main types of programme: food aid for the most vulnerable, support for children in difficulty, initiatives to break down the barriers to entry into the job market for underprivileged youth and the fight against social exclusion in all its forms.

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3.5.2.1. SUPPORTING FOOD RELIEF

Many people in the Group's host countries live below the poverty line and rely on food aid for sustenance. The Group actively supports food bank associations in these countries, and contributes to them i) by organising daily in-store recovery of produce and still edible products nearing their sell-by date and ii) by participating in national collection drives.

In 2018, the Group's collection and donation initiatives resulted in the donation of more than 25,100 tonnes of products, or the equivalent of 50 million meals (7 million more than in 2017 at constant scope), to food banks or other social welfare organisations. A total of 3,208 tonnes were collected during the nationwide collection (up from 2,711 tonnes in 2017 at constant scope), and 21,911 tonnes donated by the Group's stores and warehouses (compared with 18,612 tonnes in 2017 at constant scope).

In France, the Group is helping the most deprived members of society by encouraging its stores and customers to support the French food bank network (FFBA). It first partnered with FFBA in 2009, and plans to extend its partnership for a further three years in 2019. Under this agreement, through its banners, the Group acts by donating products with a short best-before date and takes part in the nationwide food bank collection day at the end of November each year, with the participation of volunteers. These donations go not only to local food banks, but also to a number of French charitable associations, such as the French Red Cross, Secours Populaire and Restos du Cœur.

GPA has implemented a similar approach in Brazil. Since 2013, GPA has organised an annual "Dia de Solidariedade" (solidarity day) in the Group's stores in Brazil. Driven by countless volunteer employees, it is a day devoted to the collection of essential food products that are then redistributed to vulnerable families and the homeless. Instituto GPA has set up a matching contribution representing 15% of the total collected. In 2018, the event was held in nearly 900 stores, resulting in the collection of more than 1,100 tonnes. Pão de Açúcar is also a partner of "Amigos do Bem", an organisation with which it encourages donations, notably via an online platform enabling consumers to buy a basket of basic products. Nearly 400 baskets of food were collected in 2018. In 2018, Assaí increased its donations by improving its internal processes to allow the donation of fruit and vegetables to food banks. It was recognised as one of the largest contributors by Mesa Brasil, Brazil's biggest food bank programme.

In Argentina, Libertad has been supporting the *Red Bancos de Alimentos* food bank network since 2013. This year, the network took action to support the new legal framework favouring food donations (known as the Donal law). The partnership has also been developed with the creation of three new networks in the cities of San Juan, Chaco and Villa María.

In Colombia, Grupo Éxito is pursuing the partnership initiated several years ago with local food banks and donated around 1,900 tonnes of merchandise in 2018.

3.5.2.2. SUPPORTING CHILDREN IN NEED

In France, Brazil and Colombia, the Casino Group is committed to helping children through a variety of programmes deployed by its four foundations to provide educational opportunities and combat child malnutrition.

3.5.2.2.1 Education through theatre and music

Created in 2009, the Casino Foundation helps foster social inclusion by supporting the education of children through theatre, offering them a collective artistic experience, access to culture, self-expression and interaction with others.

It has developed two major theatre-based programmes:

- "Artistes à l'École", in partnership with France's Ministry of National Education and the Odéon-Théâtre de l'Europe. It is enabling around 2,000 children to attend a two-year comprehensive artistic and cultural education programme covering an introduction to theatre and the theatrical professions, drama and playwriting workshops and stage productions. Projects are selected by an artistic committee comprising members of the Foundation's Board of Directors, as well as artistic and educational experts. The third two-year programme ended in June 2018, and the winning student troupe was invited by the Foundation to perform its production at the Odéon-Théâtre de l'Europe, during a gala evening event attended by students, parents, teachers, artists and Group employees. Following a new call for projects in 2018, 12 "Artistes à l'École" drama projects are now being funded and tracked by the Foundation. The winning project of the fourth class will be performed in June 2020.
- "Parrains Engagés", which supports children's education through theatre projects developed by associations, with a focus on projects recommended and championed by Group employees. In 2018, around ten education through theatre projects run by associations were selected nationwide by a committee of Group employees. The projects, which reached more than 250 children in 2018, were especially designed to use drama to raise the cultural awareness of young audiences.

The Casino Foundation gets employees involved in its commitment to theatre through "Tous en scène", a national giving programme conducted every year in Casino, Franprix Leader Price and Cdiscount stores, as well as in the Group's restaurants, warehouses and offices. The fourth edition raised €116,000 for the Foundation's partner associations, *Apprentis d'Auteuil*, *L'Envol* and *Tréteaux Blancs*, to develop 10 new theatre projects that benefited children with little access to culture.

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In Brazil, GPA is also committed to fostering social inclusion through education.

Founded in 1998, Instituto GPA offers educational programmes for young people from disadvantaged neighbourhoods in the cities of São Paulo, Osasco, Santos, Rio de Janeiro and Brasília, including a musical education programme known as “Musica & Orquestra Instituto GPA” to allow young talents to bloom. In over 15 years’ existence, the programme has trained more than 15,000 disadvantaged children between the ages of 10 and 18. It offers two years of free music theory and practice classes for young people from underprivileged backgrounds. The orchestra performs in stores as well as in theatres and at festivals in Brazil and abroad. In 2018, a partnership was set up with the Brazilian Symphony Orchestra (OSB) as part of the “Musical Connections” programme, which offers intensive training for music students from Instituto GPA. More than 370 students benefited in 2018.

3.5.2.2 Fighting childhood malnutrition

As a major pillar of its action for children, *Fundación Éxito* in Colombia has developed national expertise widely recognised by stakeholders in the fight against childhood malnutrition. It takes action through its “Gen Cero” programme, which aims to ensure that no Colombian child under five suffers from malnutrition by 2030. Through its numerous partnerships formed with major Colombian public authorities, *Fundación Éxito* provides financial support to ensure healthy, balanced diets for children and pregnant women from disadvantaged backgrounds, while raising awareness about better nutrition. The latest national survey has shown that the percentage of malnourished children in Colombia declined by around three points between 2010 and 2015. In 2018, more than €5 million was invested in programmes reaching more than 63,480 children.

In August 2018, *Éxito* celebrated the fourth consecutive annual “Childhood Nutrition Month”. Launched by *Fundación Éxito* and the UN World Food Programme, the initiative is intended to raise awareness of chronic childhood malnutrition issues, with the support, in particular, of the Office of the President of Colombia.

3.5.2.3 Other children’s support programmes

To address the wide diversity of needs, the Group organises a variety of events and initiatives for associations working on behalf of children.

In France in 2018, the Casino Group, chiefly within its banners, lent its support to *Les Amis de Mikhy*, an association that is helping to develop supportive care for children hospitalised with brain tumours and other forms of cancer, and on a smaller scale for the benefit of the French league against multiple sclerosis. Franprix also led cause-related marketing campaigns on behalf of the *Petits Princes* association and the French Muscular Dystrophy

Association and organised product donations to support the *Princesse Margot* charity. Lastly, for the 2017 Universal Children’s Day, the Monoprix Foundation supported child welfare associations following a call for projects addressing “Childhood and Solitude in the City” created in partnership with the *Ulule* crowdfunding platform.

In Argentina, Libertad’s “Donemos sonrisas” outreach programme supports local children’s aid initiatives through the in-store collection of small change donated by customers. The programme raised nearly €1 million, exceeding the amount collected in 2017. More than ten foundations and organisations receive funding every year. Similarly, the Disco Group banners in Uruguay help to finance various foundations focused on child welfare. Since 2016, GPA has been involved in the “Movimiento Arredondar” project run by *Instituto Arredondar*, carried out in partnership with an NGO working with unschooled and disadvantaged children to unlock their talents and self-esteem through cultural and artistic activities.

3.5.2.3. HELPING YOUNG PEOPLE ENTER THE WORKFORCE

The Group has deployed a number of programmes to support local community associations that are helping young people from underprivileged backgrounds to enter the work world.

The Group is involved in several partnerships to support young people including the Civic Service Agency, the Civic Engagement Institute, the Business Network for Equal Opportunity in Education, *Nos Quartiers ont du Talent* (NQT) and *Talents des Cités*.

Casino has been heavily involved with civic service since 2011, when it signed the Charter for the Promotion of Civic Service in Business to recognise the experience gained during the service and to undertake to promote the system among recruitment teams. Created in 2010, the French government’s Civic Service programme enables young people aged 16 to 25 to volunteer for public interest projects for periods ranging from 6 to 12 months in one of the nine priority areas recognised by the government. Within this framework, the various Group entities take part in events to promote the skills acquired during Civic Service.

In 2018, the Casino Group organised a round table with the young people in Civic Service present for the Bastille Day parade on the issue of job seeking and how to present their experience in recruitment interviews. It also took part in Promotion of Civic Service Club meetings with the aim of presenting the skill set acquired by young people during their service. In 2018, young Civic Service volunteers were also hired during the “Trampoline” days organised by *Unis-Cité*, and several managers participated in *Institut de l’Engagement* selection interviews. Lastly, Monoprix supports *Unis-Cité* and the “Inter-generous” programme, which offers many Civic Service missions.

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In April, the Casino Group and its banners organised the fifth edition of “Cap sur le Groupe Casino”, which offers middle school students from disadvantaged neighbourhoods vocational guidance. For the 2018 edition, 250 middle school students came to discover the Group’s businesses during a half-day spent in one of the eight sites mobilised for the occasion. In partnership with *Le Réseau*, an association created in 2007 by large companies and the Ministry of Education, this unifying event attests to the Group’s commitment to the professional integration of young people and to equal opportunities.

Since February 2016 and the signing of the Local Employment Development Charter, the Casino Group has partnered with the City of Paris as part of the “1,000 Sponsors for 1,000 Jobs” programme, which in 2017 brought together 60 employee volunteers, guided by teams from the City of Paris and its partners, to actively assist Parisian job seekers. Monoprix offers coaching, internships for school-leavers who lack basic skills and paper qualifications, and other opportunities in Second Chance Schools, local missions, and the *Epide* organisation, which helps young people get back into the job market.

Franprix is partnering the *Étincelles* network, which guides young people in difficulty back into the working world by introducing them to new job families, organising meetings with professionals and presenting opportunities. In 2017, it also formed a partnership with *France Terre d’Asile*, which hires people recognised as asylum seekers. Through its “Cap jeunesse” programme, the banner organised practical internships for the reintegration of young people in difficulty, coupled with skills training. Several actions are developed for “young dropouts”, including store visits, information workshops, internships and recruitment.

Instituto GPA is continuing its training activities for disadvantaged young people and, in partnership with the government of Rio de Janeiro, also supports the NATA professional training centre where over 360 students from low-income families can train for jobs in the baking and dairy sectors. GPA and “Fundação Getulio Vargas” (FGV) finance the education of young people with high potential, in renowned high schools in Brazil. A total of 45 students receive support, and seven graduated in 2018.

3.5.2.4. FIGHTING SOCIAL EXCLUSION

As a founding member of the Foundation for Action Against Exclusion (FACE) and a retailer with deep local roots, the Casino Group acts as a vector of social cohesion in its host communities and engages in a wide range of initiatives to reach out to people suffering from exclusion. The Group addresses these highly diverse community needs not only through its foundations, but also through the actions undertaken by its banners, stores and offices.

In 2011 in France, the Casino Group initiated a partnership with *microDon*, a social economy enterprise to launch and roll out the “Arrondi en caisse” programme at Franprix stores

in 2014 and Naturalia stores in 2016, allowing customers to round up the amount of their purchase to the nearest euro. More than €1 million in donations were collected in this way to support associations such as the French Red Cross, Emmaus, *Secours Populaire* and *Les Jardins de Cocagne*. The system has been extended to payment terminals and introduced in Monoprix for the *Unis-Cités* “inter generous” programme.

In 2018, the Monoprix Foundation, which focuses on combating social isolation in cities, raised a total of €276,000 for 19 charity projects, including *Dons Solidaires*, *Le Rocher* and *Wake up Café*. The Foundation has also launched a new call for projects on the theme “Generations United” in partnership with Ulule, a crowdfunding platform. Of the 82 applications received, 12 projects were funded. The Foundation is also pursuing its three-year partnership with *Unis-Cité* to support the “Intergénéreux” programme, which helps to ease social isolation among the elderly by having teams of young civic service volunteers visit them in retirement communities or at home, to share conversation, offer outings and listen to memories and personal stories. In 2018, 20 stores took part in outreach initiatives as part of this programme.

Cdiscount has partnered with “Un Rien c’est Tout” to reaffirm its support for community life through practical social cohesion projects. The e-retailer’s customers can now make donations starting at 1 euro with a simple click when paying for their shopping basket, for one or more causes: the right to dignity with the *Secours Populaire Paris/Père Noël Verts*, childhood and education with *L’Académie Younus*, health with *Fête du Mur* or the environment with *Envie Gironde*.

3.5.2.5. ENCOURAGING THE CIVIC ENGAGEMENT OF EMPLOYEES

The Group encourages employees to make a difference in the civic life of their communities, considering that this type of engagement fosters personal and professional growth.

After an internal survey confirmed that employees were interested in volunteering with charitable associations, the Casino Foundation, which believes that civic engagement is a source of employee fulfilment and skills development, launched the “Citizen Engagement” skills-sharing volunteer programme in 2016. It includes access to a dedicated on-line catalogue of volunteer opportunities to work with the Casino Foundation’s partner associations. Since the launch in 2017, 123 missions have been carried out. A Citizen Engagement Guidebook has also been distributed to employees. In 2017, the Casino Foundation joined with the *Institut de l’Engagement* to create the Citizen Engagement Award, which honours employees who have volunteered to work with an association. The second Civic Engagement prize will be awarded in 2019. The foundation continues to support volunteer employees through the “committed sponsors” programme, through which financial support is provided each year to associations in which employees volunteer.

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In another form of engagement, in December 2017, the Casino Group signed an agreement with the French Ministry of the Armed Forces to support the nation's military reserve policy. In line with its citizens' commitments, the Group's objective is to facilitate the exercise of reserve periods by salaried operational reservists. Reservists among the Group's operational employees can now benefit from a more favourable and more protective contractual regime than the previous system, which it is hoped will encourage more volunteering. Lastly, to make this system an innovative,

collective, shared commitment, the Group has established an "operational reserve leave fund" based on the donation of days-off by supportive non-reservist employees, with matching contributions from the employer. In this way, the fund will finance the additional days of leave granted to reservist employees. Actions have also been taken in favour of the engagement of employees as volunteer fire fighters, who now receive a day's paid leave, and parent delegates in schools, who can benefit from an adjustment of their working time.

3.5.3. The Casino Group, a responsible retailer

Food and nutrition are leading public health issues and major concerns in today's society.

In response, the Casino Group is pursuing a product policy combining safety, flavour, healthfulness, nutritional balance, environmental stewardship and sensitivity to production conditions.

The Group's corporate by-line, "nourish a world of diversity", expresses this commitment to offering everyone affordable, top-quality products so that its customers can shop more responsibly.

The Group is driving progress towards these goals by improving its own private-label brands, encouraging national brands to align their practices with its CSR continuous improvement process, keeping consumers better informed about products and responsible shopping, and supporting its suppliers.

As part of its commitment to improving working and environmental conditions across the supply chain, the Group has undertaken to (i) strengthen the social compliance initiative and audit plans for private-label production plants located in countries at risk; (ii) encourage suppliers and SMEs to deploy CSR programmes; and (iii) support local production chains.

3.5.3.1. ENSURING PRODUCT QUALITY

Product quality and safety are top priorities for the Group, across every private-label product range. From product specifications to store operations, an end-to-end system ensures that the Group sells safe, healthy products of the highest quality.

The quality management system deployed within the Group is based on:

- a Group Quality Charter shared with subsidiaries;
- a dedicated organisation and employee expertise:
 - the Group Quality department coordinates meetings with subsidiary quality departments to share best practices and procedures in such areas as product quality and safety policies, traceability, supplier audits, crisis management, and product withdrawal and recall,

- the subsidiary quality departments guarantee the quality standards applied to the private-label products and ensure that every product sold is safe for the consumer;

- the International Featured Standards (IFS) and the recommendations of the Global Food Safety Initiative (GFSI). The Casino Group is a member of the Consumer Goods Forum's GFSI, and its subsidiary Libertad is a member of the GFSI South Latam Group. The GFSI is a global benchmark for food safety standards throughout the supply chain;

- regular on-site audits of production facilities, with particular emphasis on the management of health and safety risks in compliance with Hazard Analysis Critical Control Point (HACCP) principles. The Casino Group audits:

- suppliers of private-label food products. Supplier facilities that have not been IFS-certified are regularly inspected to ensure that they comply both with applicable legislation and with Casino's specific standards,
- its warehouses, to verify that best practice procedures and guidelines are being properly followed. All Casino warehouses have earned final IFS Logistics certification,
- hypermarkets and supermarkets in France, which are inspected twice a year in accordance with the Food Store Quality Standard;

- strict specifications defined for every sourced private-label product, which ensure that the supplier delivers a product that complies both with applicable legislation and the quality grade expected by the banners in terms of ingredients, taste and the origin and traceability of the raw materials. These specifications, which are contractually binding on both the Group and the supplier, consist of descriptive technical data, compliance statements and analysis reports. They provide a clear, shared definition of the product upstream of its marketing;

- collaborative management tools shared with food manufacturers to ensure compliance with specifications and effective product tracking;

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- traceability, withdrawal, recall and crisis management procedures and systems, implemented as soon as necessary;
- product quality controls conducted throughout the year:
 - in-store product control plans. Each private-label product is analysed several times by independent laboratories, while the banners' quality departments conduct microbiology and other analyses to manage any potentially serious health risks,
 - monitoring taste, aroma and sensory characteristics using sensory analyses conducted with consumers. Operations in France and Brazil have their own sensory evaluation laboratories,
 - grading of fresh fruit, vegetables and butcher meats in warehouses, with approximately 320,000 inspections of products sold in Casino stores each year,
 - each breach of compliance detected is analysed and addressed with an action plan.

The subsidiaries have also deployed their own programmes.

GPA, for example, improves and expands the following programmes every year:

- "Quality from the Source", which is improving the quality and traceability of fruit, vegetables and eggs by inspecting production conditions early in the process (such as water use, soil management and waste management), product transport and storage conditions, and the use of pesticides. Depending on the supplier's risk assessment, GPA controls and tracks, as required, the proper implementation of the defined corrective action plans and, if necessary, excludes suppliers of any products that fail to comply with programme standards. 22 crops were prioritised in 2017 and 17 others were added in 2018;
- "Programa Evolutivo de Qualidade" (PEQ), which assists suppliers in developing safe, high-quality private-label food products and in seeking internationally recognised certification from an independent body. The programme is extended to new product categories each year.

Performance

In France, the Group conducted a total of 33,994 microbiology tests to control food, household and health/beauty products.

3.5.3.2. TAKING ACTION TO PROTECT CONSUMERS

The Group's health and nutrition programme, initiated in 2005, capitalises on the experience and expertise it has acquired since 1901, when the first Casino private-label product was created. It has since been strengthened:

- in 2008, with the signing of a charter of voluntary nutritional progress commitments with the French Ministry of Health, under the National Health and Nutrition Plan (PNNS). Applying the charter in France led to improvements in more than 2,000 recipes and the inclusion of dedicated nutritional criteria in private-label food product specifications;

- in 2010, with the creation of a Health Committee that meets four times a year to analyse data, the latest scientific trends and consumer expectations in the field of health. It issues recommendations on controversial ingredients such as aspartame, endocrine disruptors, bisphenol, pesticides and titanium dioxide, and supports the Group in developing special private-label product lines in France, such as poultry raised without antibiotics and frozen vegetables that are guaranteed to be free of quantified pesticide residues.

Today, the Group is actively engaged in:

- improving the nutritional profile and ingredients of its private-label products by reducing their salt, fat or simple sugar content, replacing certain fats with others offering better nutritional profiles, and reducing exposure to controversial substances;
- developing product ranges for special nutritional needs, such as baby food, gluten intolerance, diabetes and low-fat products;
- introducing more legible nutrition labelling to keep consumers better informed;
- conducting research into innovative products and production methods;
- promoting healthy, balanced lifestyles and eating habits.

3.5.3.2.1. Improving the nutritional profile and ingredients of private-label products (controversial substances, GMO)

For many years, the Group has defined strict criteria in its private-label specifications both for food products (free from GMO ingredients, additives or flavourings, no irradiated ingredients, etc.) and for household and health/beauty products (no parabens, triclosan, etc.).

To actively contribute to the public debate on the connection between food and health and respond to stakeholder expectations, the Group has identified the controversial substances present in its private-label brands in France and undertaken to eliminate them as soon as possible. This process addresses the need to fight against cardiovascular disease, obesity and other chronic disorders, and to attenuate the risks related to endocrine disruptors, antibiotic resistance or allergens. The introduction of a set of core commitments for the Group's private-label brands is helping to align of the banner-specific programmes over the 2018-2020 period.

- Since 1997, for example, the Group has guaranteed that the ingredients, additives and flavourings used in its private-label products sold in Casino, Monoprix, Leader Price and Franprix stores in France are entirely GMO-free. Outside France, the subsidiaries' private-label products comply with applicable legislation and labelling rules. In Brazil, for example, products are inspected, and indicate the presence of GMO ingredients in excess of 1%.

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- Since 2008, the Casino brand has made a considerable effort to reduce the salt, sugar and fat in the recipes of more than 2,000 items, in accordance with PNNS recommendations. The new content standards have been incorporated into the product specifications. Monoprix has expressed its commitments in a Sustainable Nutrition Charter, which covers nutritional standards, the banning of controversial ingredients, the traceability of raw materials, and raw materials quality standards. In 2018, the Casino brand expanded its commitments by banning the highly controversial E171 additive (titanium dioxide) from all its food products, even though its use is still authorised.
- Franprix is leading an in-depth programme across its entire food line in partnership with SIGA, a French start-up that has developed a system that rates how much processing a food product has undergone, to encourage people to eat a varied diet of healthy, natural, less processed food. Under the programme, in 2018, Franprix removed azo dyes, intense sweeteners, flavour enhancers, labelled nanoparticles (titanium dioxide, silicon dioxide, iron oxide and hydroxide) from its food assortments. In resonance with consumer expectations and current health issues, the goal is to halve the number of additives used in Franprix brand products by the end of 2021. In addition, the banner is improving the nutritional quality of the fat and sugar content in its private-label products. In 2018, for example, it worked with its suppliers to eliminate glucose-fructose syrup from all of its private-label products.
- Internationally, Éxito is optimising its food products by pursuing the action plans that were defined in the nutritional assessment conducted in 2015. The nutritional profiles of more than 2,800 products were reviewed in 2018, with a focus on enhancing the healthcare product lines developed as part of the banner's "Bueno para ti" (Good for you) programme, which also includes a wide range of initiatives to build shopper awareness of the need for healthier lifestyles.

3.5.3.2.2. Offering products free of pesticide residues and antibiotics

The Group's banners are developing and championing innovative farming initiatives that are beneficial for the environment, farmers and consumer health.

Launched in 2016, the Casino AgriPlus programme enables Casino stores to offer:

- frozen and fresh fruits and vegetables guaranteed to be free of pesticide residues. This innovation stems from an engaged process of improving agroecological practices and quality, in order to address the leading concern of consumers by eliminating all traces of pesticides in food. The pesticide-free guarantee is backed by the precautions taken at each stage of the farm production cycle by Casino partners, who apply sustainable farming practices (carefully selected crop land and seeds, crop protection plan, etc.). The absence of quantified residual insecticides, fungicides, herbicides or other pesticides is verified by an accredited independent laboratory;

- Casino private-label chickens and Terre & Saveurs salmon that are raised entirely without antibiotics. Antibiotic resistance is a public health issue and the use of antibiotics in livestock farming is the second food risk concern cited by French consumers. For this reason, Casino has been working for several years with livestock associations that are focusing on natural practices and feed quality to develop antibiotic-free production chains. In this way, it has developed chicken and pork production chains that are antibiotic-free across the animal life cycle. This approach helps to combat antibiotic resistance, in line with the French Ministry for Agriculture's 2017 Ecoantibio plan to reduce the use of antibiotics in farming by 25% over five years. New antibiotic-free pork products were introduced in 2018. Monoprix is also taking part in the initiative and markets antibiotic-free poultry, pork, veal and fish products under its private-label brands.

In addition, all of the banners carry organic products (see paragraph 3.5.4.5. on page 238) that guarantee the use of best production practices.

3.5.3.2.3. Developing specific product ranges

In addition to requiring suppliers to comply with nutritional and health criteria for private-label products, the Casino Group markets several product ranges aligned with the nutritional needs of certain consumers who require gluten-free, sugar-free, lactose-free and other special diets. Casino, for example, features sugar-free and gluten-free products developed in association with the French Diabetes Federation (FFD) and the French Association of Gluten Intolerance (AFDIAG); Naturalia stores also carry a line of organic, AFDIAG-certified gluten-free products, as well as enhanced assortments of salt-free and lactose-free products. Taea, the Group's private label marketed in Colombia and Brazil, also includes products suitable for gluten-free, sugar-free and lactose-intolerant diets.

3.5.3.2.4. Informing consumers about product nutritional profiles and encouraging balanced eating habits

The Group believes in providing consumers with better information about the nutritional qualities and health impact of its merchandise.

In France, private-label food products feature nutritional labels stating the energy value, the quantity of protein, carbohydrates, sugar, lipids, saturated fats, dietary fibre and sodium, and any allergens in the list of ingredients, as well as the origin of meat in ready meals. At its own initiative, the Casino brand displays these labels even on the product families that are not subject to the regulations.

Casino helped to fund and participated in national trials to define a simplified nutritional labelling process, whose purpose was to choose the most effective system to guide shoppers, and particularly the least advantaged, in their food choices. Following the trials, French authorities decided in 2017 to support the voluntary use of the “Nutri-Score” labelling system based on nutritional analysis, to inform consumers about the nutritional value of pre-packaged foods and facilitate their purchase decisions. The colour-coded logo ranks products in five categories, ranging from the most nutritional (Green/A) to the least (Red/E), based on favourable nutrient and food content (fibre, protein, fruits and vegetables) and unfavourable nutrient content (calories, saturated fatty acids, sugars and sodium). Since 2018, the Casino Group has reported its private-label nutritional information to the Open Food Facts database used by nutritional applications to display a product’s Nutri-Score when scanned by a shopper.

Casino is also the first retailer to use Allergobox.com, a French website for people with allergies or food sensitivities. Its database now includes 3,300 Casino-brand food products that consumers can look up to see if they are compatible with their dietary restrictions.

Internationally, Éxito is continuing to roll out its voluntary nutritional labelling system to more than 1,330 of its private-label products. It is based on the Guideline Daily Amounts (GDA) standards, which indicate the calorie and macro-nutrient content of food as a proportion of recommended dietary allowances (RDA). RDAs are based on scientific evidence of dietary requirements, and provide guidance on the average amount of key nutrients needed for a balanced diet. The system is part of the “Bueno para ti”; campaign launched in 2017, which covers gluten-free, organic and nutritionally beneficial products, as well as recommended “Bueno Para Ti” menus. Under the same programme, Éxito partnered with the Consumer Goods Forum to deploy the in-store “Dale un giro saludable a tu vida” (Give your life a healthy twist) initiative to raise shopper awareness. GPA further improved its nutritional labelling system on its Taaq private-label products, indicating the levels of saturated fats, fibre, sodium and vitamins, and continued to highlight the presence of any allergens or additives in the list of ingredients. All Libertad private-label food products also carry detailed nutritional labels.

3.5.3.3. MONITORING AND IMPROVING THE SOCIAL AND ENVIRONMENTAL IMPACTS OF THE SUPPLY CHAIN

One of the primary goals of CSR policy is to monitor and improve the social and environmental impacts of the supply chain by:

- deploying a process to assess social, human and environmental risks at supplier level and across the production chains;
- strengthening inspection and improvement procedures for suppliers of private-label products based in countries at risk, particularly with respect to duty of care;
- supporting local production chains;
- facilitating suppliers’ CSR initiatives.

Commitment

Through the nine commitments in its Ethics Charter, the Group has reaffirmed its respect for the values, principles and human rights defined in:

- the Universal Declaration of Human Rights;
- the International Covenant on Civil and Political Rights;
- the International Covenant on Economic, Social and Cultural Rights;
- the eight Fundamental Conventions of the International Labour Organization (ILO) on freedom of association and the effective recognition of the right to collective bargaining (Convention 87: Freedom of Association and Protection of the Right to Organise and Convention 98: Right to Organise and Collective Bargaining); the elimination of all forms of forced or compulsory labour (Convention 29: Forced Labour and Convention 105: Abolition of Forced Labour); the effective abolition of child labour (Convention 138: Minimum Age and Convention 182: Worst Forms of Child Labour); the elimination of discrimination in respect of employment and occupation (Convention 100: Equal Remuneration and Convention 111: Discrimination).

It has also pledged to uphold:

- the 10 Principles of the United Nations Global Compact, since 2009. The Group’s commitments are reflected in these principles, particularly Principle 2: Businesses should make sure that they are not complicit in human rights abuses; Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour; Principle 5: Businesses should uphold the effective abolition of child labour; and Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery;
- the Women’s Empowerment Principles developed by UN Women, since 2016 (Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination);

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The Group supports the 17 UN Sustainable Development Goals, particularly SDG 5 on gender equality; SDG 8 on decent work and economic growth; and SDG 12 on responsible consumption and production.

As a founding member of the Businesses for Human Rights (EDH) association, the Casino Group supports cross-industry initiatives to identify and prevent risks in the areas of human rights violations, employee health and safety and serious damage to the environment.

The Group supports and takes part in multi-stakeholder initiatives, namely:

- the Consumer Goods Forum (CGF), by supporting its resolution calling for the eradication of forced labour;
- the Initiative for Compliance and Sustainability (ICS), of which it has been a member since 2000 and whose audit protocol it uses to monitor and improve working and environmental conditions in the production facilities;
- the Business Social Compliance Initiative (amfori BSCI), of which it has been a member since 2017, to help harmonise standards and strengthen its audit plans;
- the Accord on Fire and Building Safety since 2012, to support the multi-stakeholder efforts to improve safety conditions in factories in Bangladesh, in alignment with local practices;
- the *Associação Brasileira do Varejo Têxtil* (ABVText) in Brazil, which brings together mass and speciality retailers to monitor and improve production conditions in local garment factories;
- the *Cerrado Manifesto* Statement of Support to protect Brazil's Cerrado from deforestation;
- Valo-rise, the web-based CSR self-assessment portal for suppliers, based on the ISO 26000 standard and designed in collaboration with four French trade federations (ANIA, COOP de France, FCD and FEEF). The platform was launched in 2017 in partnership with seven other French-based retailers to identify and describe their suppliers' CSR programmes and to support them in deploying their CSR policies.

These commitments are demonstrated to:

- employees, through the Group Ethics Charter and the Code of Ethics and Conduct issued in 2017 to reaffirm, in particular, the Group's commitment to combating corruption (see section 3.4.2.);
- stakeholders, through the Group's support for global and industry initiatives (see the above paragraph) and its CSR strategy, deployed since 2011;
- suppliers, particularly through the Supplier Ethics Charter.

Lastly, the Casino Group fosters open, constructive dialogue with stakeholders (see section 3.3). In 2014, for example, it signed an initial CSR agreement with the four representative trade unions, which was renewed in 2016 for a further three-year period. Through the agreement, the parties acknowledge the importance of:

- encouraging suppliers to address CSR issues in their own supply chain and to promote their responsible products;

- their duty of care;
- the need (i) to continue training buyers in the standards defined in the Supplier Ethics Charter and to take working conditions and environmental criteria into account when selecting suppliers; and (ii) to audit supplier production facilities in countries deemed at risk and to assist them, to the extent possible or necessary, in deploying corrective action plans.

The Group's main initiatives in this area are described in section 3.5.3.4.

3.5.3.4. DUTY OF CARE PLAN (ACT OF 27 MARCH 2017)

3.5.3.4.1. Action principles

The Casino Group's duty of care plan is built on the undertakings it has made to stakeholders and the initiatives it has been involved in since the early 2000s (see paragraph below).

Duty of Care Committee

In 2017, the Casino Group set up a Duty of Care Committee, whose members include the Secretary of the Board of Directors, the Group General Secretary, the Chairman's Advisor on Legal Security and Prevention, the Director of Production, Innovation, Quality and Mediation at AMC, the Group Risk Director, the Group Compliance Director, the Group CSR Director, the Group Insurance Director, the Group Internal Control Director and the Group Quality Director.

Its role is to:

- ensure proper implementation of French law 2017-399 of 27 March 2017 on the Duty of Care of Parent Companies and Ordering Parties, which is designed to identify risks and prevent serious violations of human rights and fundamental freedoms, serious harm to the health and safety of persons, and serious damage to the environment resulting from the operations of the company, the companies it controls and its supply chain;
- define the risk mapping methodology and effectively map the risks involved in the operations of the Group and its suppliers;
- analyse the findings of the risk mapping exercise;
- ensure that action plans are in place to mitigate risks and prevent serious violations or harm;
- ensure that an alert mechanism is in place to report potential violations.

The risk mapping exercise is tracked and reviewed annually, to reflect the Group's action plans and input from stakeholders.

The Committee met six times in 2018.

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Risk mapping and regular assessment procedures

To analyse in more detail the risks involved in the Group's business operations (see section 4.3 – Main Risk Factors), in 2017, the Duty of Care Committee defined the methodology for mapping the specific risks of causing serious violations of human rights and fundamental freedoms, serious harm to employee health and safety, or serious damage to the environment:

- due to the direct operations of the Group, in respect to the procedures in place. Existing procedures intended to prevent these risks were assessed in the light of the human resources, quality, purchasing, CSR and environmental policies in place;
- due to the operations of suppliers. The risk map identifies the risks related to the purchase of national-brand and private-label merchandise for resale and of goods and services for general and administrative purposes.

Given the Group's business operations, 12 major risks were addressed

Human rights and fundamental freedoms
1. Forced or child labour
2. Respect for labour rights (unreported work, discrimination, freedom of association, working hours, etc.)
3. Respect for fundamental rights (women's rights, harassment, etc.)
4. Armed conflicts (conflict zones or resources, border disputes, etc.)
People's health and safety
1. Respect for employee health and safety
2. Employee handling of hazardous products
3. Consumer risks
The environment
1. Water and soil pollution (pesticides, chemicals, etc.)
2. Greenhouse gas emissions (polluting processes, energy-intensive processes)
3. Deforestation
4. Harm to biodiversity
5. Sustainable management of resources and waste

Each risk was weighted to reflect the relative seriousness of each one in relation to the Group's business operations.

Supplier risks were mapped using the following methodology:

- Assess the risks related to products sold: for each substance contained in a marketed product, the level of risk in the 12 categories defined above was systematically analysed using documentary sources (international studies, NGO reports, surveys, media reports) and in-house assays. In this way, 200 substances at risk were identified, assessed and classified according to their level of criticality in each of the 12 risk categories (risk severity). Then, the level of risk in products sold was defined based on the amount of the substances in question in each one (risk probability).

- Assess the risks related to the country of supply or production of the product and any assessed substance content: in recent years, the Group has analysed risks in the countries where its private-label products are manufactured, enabling it to assess and address, for each product, the risks stemming from its country of manufacture or known origin.

This country risk analysis measures and combines a number of indicators, such as:

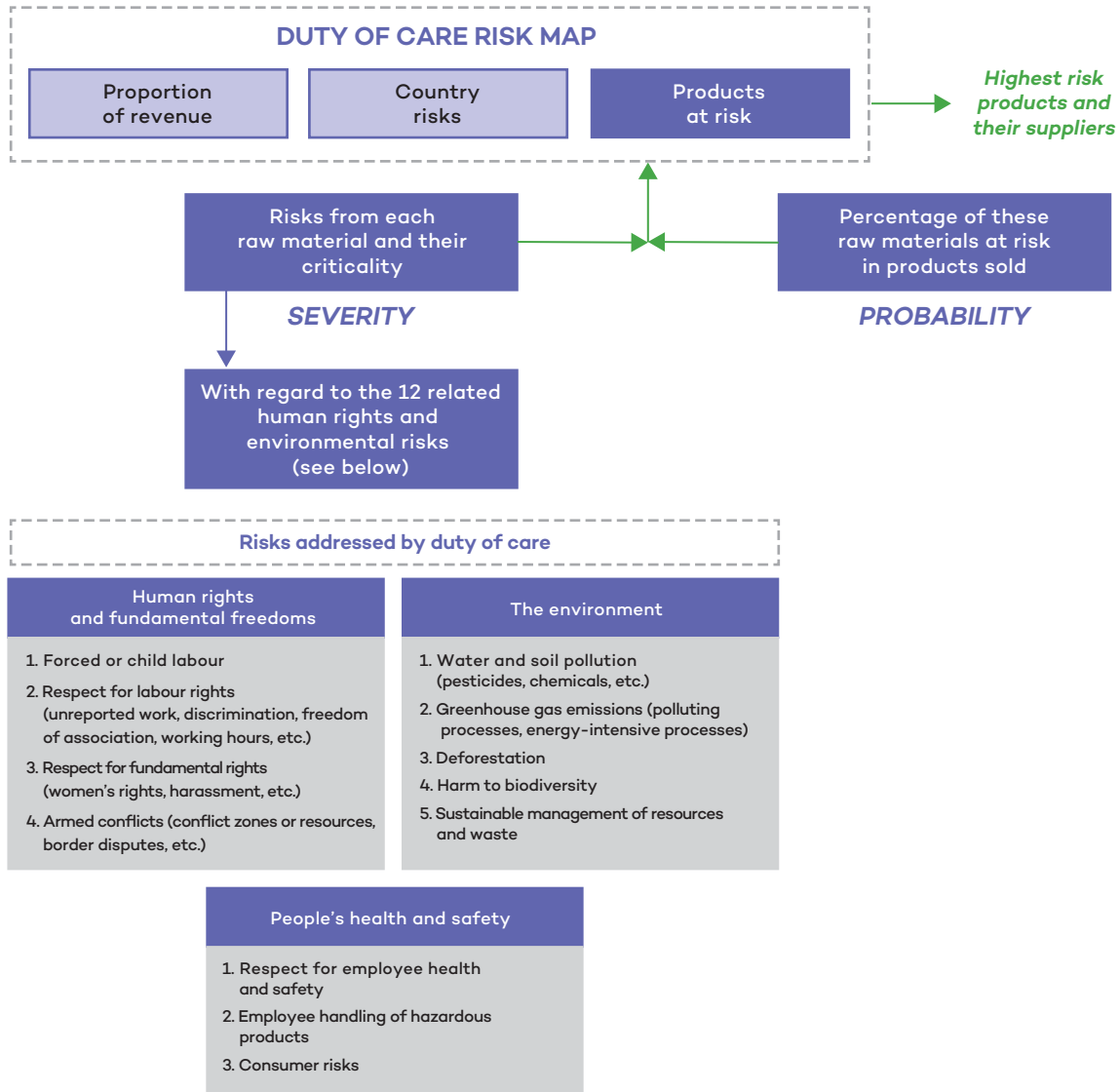
- the number of fundamental ILO conventions ratified by the country;
- the Human Development Index (HDI) of the United Nations Development Programme (UNDP);
- the percentage of child labour in the country, according to UNICEF;
- the prevalence of forced labour, as measured by the ILO;
- the Worldwide Governance Indicators (WGI) issued by the World Bank;
- the Environmental Performance Index (EPI) developed by Yale University and Columbia University.

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It will be reviewed in 2019.

- Determine product purchasing volumes: the likelihood that the Group will incur the risk increases with volume;
- Identify the number of vendors per product category: a larger number of small suppliers makes auditing the upstream production chains a more complex process.

To assess the overall sourced product risk from the standpoint of duty of care, the risk criteria described above were weighted according to the following criteria, in descending order of importance: product criticality based on its content, country of supply, purchase volumes and number of vendors.



Note that these analyses reflect a certain number of issues specific to the Casino Group, which is primarily a food retailer, with a smaller range of non-food merchandise.

It carries a multitude of products, which means that it works with a very large number of suppliers from a wide variety of backgrounds, including:

- suppliers of leading or national brands, which represent a significant share of consolidated revenue. Very often, these companies must also comply with duty of care legislation. The Group identified the 15 suppliers presenting the highest risk products, in order to initiate talks concerning the implementation of their duty of care plans in 2018;
- suppliers of private-label products, manufactured in accordance with specifications defined by the Group's purchasing organisations. These companies may be based in our host countries, but the product is often made in another country, including some that have been deemed at risk by the Group. They are a priority focus of the duty of care plan's mitigation initiatives (see below) and are subject to the Group's SCOP supplier compliance programme;
- a very large number of suppliers, most of whom are SME/VSEs, cooperatives and farmers who supply the Group's stores locally, especially with fruit, vegetables, meat and other fresh products. In Colombia, for example, Grupo Éxito sources more than 80% of its fruits and vegetables locally;

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- Suppliers of goods and services for general and administrative purposes, including service providers (security, cleaning, etc.) that may involve specific risks, such as discrimination in hiring. Most of these goods and services are purchased locally.

In addition to the measures described below, since 2017, all of these suppliers in France have been requested to self-assess their CSR performance on the Valorise portal developed with FCD, ANIA, COOP de France and FEEF. In all, 502 suppliers, representing 849 production facilities located in 27 countries, participated in the 2018 campaign.

This analysis made it possible to map the Group's purchasing risks and rank them by criticality. It also highlighted the product categories whose content presented the highest risk profiles, according to the 12 identified risks. These included:

- private-label apparel made in Bangladesh and other countries at risk;
- private-label food products containing palm oil;
- products sourced from cattle ranches and sold in our stores in Brazil. Beef accounts for a significant proportion of local banner sales and represents a material risk with regard to duty of care compliance.

Suppliers of these products are the focus of priority duty of care action plans.

In 2017, deployment of the supplier risk map was presented to TFT Earth, a specialist in the impact of supply chains and raw materials on the environment and deforestation. In 2018, GPA commissioned a consulting firm to perform a supplementary review, which confirmed the Group's risk map while identifying specific risks related to locally best-selling products.

Procedures for regularly assessing suppliers as part of the risk mapping exercise are described in section 3.5.3.4.3. (annual social audit campaign).

Lastly, risks in the subsidiaries are mapped using the following methodology: After validation by the Duty of Care Committee, a questionnaire covering the 12 risks mentioned above and two issues related more specifically to the management system and to purchasing and supplier management practices was sent to each of the international subsidiaries so that they could self-assess their risks. Each of the 118 questions was rated low-, medium- or high-risk, so that the answers could be used to determine a level of overall risk for each subsidiary. When necessary, additional information was requested to enable a more precise determination. The analysis was performed by the Corporate Social Responsibility department.

The following issues were addressed:

Social issues:

- Child labour and young workers;
- Forced labour;
- Discrimination;
- Violation of freedom of association;
- Violation of working hours;
- Non-payment of wages, violation of minimum wage and benefits legislation;
- Health and safety;
- Respecting local communities;
- Product safety;
- Right to information.

Environmental issues:

- Environmental policies;
- Combating climate change;
- Sustainable use of resources;
- The circular economy;
- Protection of ecosystems (natural habitats);
- Chemicals/hazardous substances.

Management system issues:

- Management system;
- Training;
- Incentives for buyers;
- Distribution of the ethics policy to employees;
- Supplier accreditation;
- Termination of a business relationship;
- Data management and security.

Purchasing practices and supplier management issues:

- Sourcing;
- Traceability;
- Subcontracting;
- Direct procurement;
- Business intermediaries for suppliers;
- Franchisees;
- Business partners (projects);
- Service providers.

The main identified risks concern:

- discrimination and harassment in three subsidiaries, where it was decided to strengthen existing prevention systems;
- risks of non-compliance with supplier management procedures (accreditation rules and authorised sub-contracting guidelines, etc.). In particular, given the type and complexity of the procedures in place and the number of people involved in their implementation, there was a risk of non-compliance with all of the requested measures in three subsidiaries.

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Alert and report compilation mechanisms

The Casino Group has set up an alert mechanism and a system for compiling reports of alleged or actual risk of causing the serious violations, harm or damage described in French Law 2017-399 of 27 March 2017. Any such alert or report may be notified to the Casino Group at the following address: contact75g@deontologue.com. The alert and report compilation system was deployed at the same time as the alert mechanism for Sapin II Act violations introduced after consultations with employee representatives.

Reports are reviewed by the Group Ethics Officer, who notifies the relevant corporate services as warranted. Reports are also discussed during Duty of Care Committee meetings.

A total of 28 reports were received in 2018, of which one concerned a breach of duty of care.

This system expands on the internal alert mechanism already available to employees (see paragraph 3.4.4.).

3.5.3.4.2. Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent the Group's business operations from causing any serious violations, harm or damage

As seen in this chapter, the Casino Group has been implementing the prevention plans and risk mitigation programmes mandated by the new French duty of care law for many years now.

Among the prevention programmes introduced and strengthened over this period to address the identified internal risks arising from the Group's operations, many are designed to avoid the risk of abusing human rights, harming employee health and safety or seriously damaging the environment.

The programmes and the outcomes of the various initiatives in 2018 and other years are described in the sections of this chapter dealing with:

- the Group's human resources policies, social dialogue and workplace health and safety, and the Group's diversity and gender equality policies (see section 3.5.1.);
- community outreach, procurement and quality policies (see sections 3.5.2. and 3.5.3.);
- environmental policies (see section 3.5.4.).

In addition, in the questionnaire used for their risk mapping exercise, the subsidiaries were asked to verify the proper application of all the management guidelines defined in the Group's Supplier Compliance Programme Manual (SCOP). Analysis of the questionnaires highlighted the need to strengthen processes in certain areas and to plan additional initiatives for the international subsidiaries, in particular concerning supplier management. More resources have to be allocated to combating unreported subcontracting and

accreditation procedures need to be improved, notably (i) by including additional requirements in certain subsidiaries' supplier contracts or marketing agreements (for example, systematically specifying the possibility of terminating business relations in the event of a violation of the Ethics Charter); and (ii) by expanding training for buyers, accreditation employees and other people in contact with suppliers.

As a result, in October 2018, a report summarising the main areas of improvement identified during the exercise was sent to all of the international subsidiaries, so that they could undertake any required remedial action and perform additional risk audits of their processes. The findings of these subsidiary audits and the related corrective action plans were reported to the Group CSR department. Lastly, digital training courses have been introduced, particularly in the purchasing hub in France, to ensure that the Group's social and environmental supplier compliance program is properly distributed and understood.

3.5.3.4.3. Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent suppliers from causing any serious violations, harm or damage, and implementation outcomes

(i) Suppliers of private-label apparel and other products made in countries at risk

● Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage

For the highest risk product categories, such as private-label apparel, in recent years the Group has been deploying risk prevention and mitigation plans in its supply chain. These initiatives have been regularly reviewed and upgraded since 2015.

Supplier Ethics Charter

The Supplier Ethics Charter, which is applicable across the entire supply chain, reaffirms the Group's commitment to promoting responsible retailing and more specifically to:

- banning all illegal practices in business relations and requiring compliance with applicable laws, principles, international and national standards and regulations in force, as well as the Group's anti-corruption policies;
- upholding human rights (prohibiting child and forced labour, combating discrimination and abuse, respecting freedom of association, offering at least the legal minimum wage, etc.), and ensuring occupational health and safety;
- taking constant care to protect the environment, particularly by optimising the use of natural resources, diligently managing waste and abating pollution;

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The distribution and signing of the Supplier Ethics Charter is a key step in the process of approving the production facilities that manufacture the Group's private-label products. By signing the Charter, suppliers recognise the primacy of the principles contained in the following documents:

- the Universal Declaration of Human Rights;
- international conventions on fundamental human rights;
- fundamental international labour standards, as defined by the ILO Declaration;
- other applicable international labour standards (ILO conventions).

By endorsing the Charter, suppliers embrace the Group's commitments and may not sub-contract without the Group's formal agreement. Suppliers also agree to undergo audits to make sure that they comply with their commitments in accordance with the conditions set out in Casino's "Supplier Compliance Programme Manual" (SCOP).

Production plant approval policies in countries at risk

Since 2002, the Casino Group has deployed a social ethics initiative with its apparel and other private-label suppliers in an effort to monitor and help to improve the working and environmental conditions in which these products sold by the Group are manufactured. Managed by the Corporate CSR department in liaison with the purchasing departments, the initiative has been rolled out in the business units with the support of specially appointed social ethics representatives.

The initiative is based on a strict supplier selection and approval procedure, covering endorsement of the Supplier Ethics Charter, outside inspections performed by independent audit firms, and, when necessary, the implementation of corrective action plans.

The CSR department updates the country risk analysis and the production facility selection and approval guidelines, in line with the degree of country and industry risk. The country risk analysis (see the paragraph on risk mapping) defines the list of countries where sourcing is authorised, prohibited or subject to tighter audit procedures, such as Bangladesh, India and China.

The inspection and audit procedure, as well as the undertakings to be upheld by the supplier and the manufacturing facilities, are specified in the Group's "Supplier Compliance Programme Manual" (SCOP), given to every accredited supplier.

Annual social audit campaign

The Group supports compliance with consistent, strict standards at both the national and international levels. Involved since 2000 in the Initiative for Compliance and Sustainability (ICS), it joined the Business Social Compliance Initiative (amfori BSCI) in 2017. It also supports the international initiatives being led by the Consumer Goods Forum (CGF), particularly its resolution calling for the

eradication of forced labour. In Brazil, GPA is a member of the national apparel retailers association (ABVTex), which certifies national suppliers and subcontractors based on 18 ethical conduct criteria, including the prohibition of child labour and forced labour. Lastly, the Group has endorsed the Accord on Fire and Building Safety in a commitment to supporting the drive to improve safety conditions in factories in Bangladesh.

Every year, an audit campaign is conducted with a priority focus on (i) plants based in countries most likely at risk of violating human rights (child labour, forced labour, employee health and safety abuses) and working standards; and (ii) the highest risk product categories based on the duty of care risk map. Recurring audits are performed in China, India and Bangladesh.

These audits, which may be semi-announced or unannounced, are carried out by specialised independent firms in accordance with ICS standards. Based on the resulting audit score, the Group may decide to terminate its relationship with a production facility.

The audit process comprises:

- a preliminary analysis of the plant: the Casino Global Sourcing teams or the subsidiary Ethics Coordinators use an internal grid to assess the risk that the facility will fail to comply with the Group's standards and therefore the probability that the findings of the ICS audit will not be satisfactory. To measure the risks of approving a given facility, the teams conduct on-site visits and/or desktop reviews of the certifications, social, technical or quality audit reports and other documents provided by the plant, agent or importer;
- an initial audit: an independent audit firm, selected by the Group from among the nine that have been accredited by ICS, performs a semi-announced or unannounced ICS social audit over a period of at least three weeks. If the audit conclusion is sufficient, the plant may be approved. When the audit is completed, a corrective action plan is systematically submitted to the plant. It is also sent, sometimes with a photo report, to the agent or importer working with the plant, so that they can assist the facility in correcting the notified non-compliances within a timeframe depending on their criticality. If the audit report contains an ICS critical alert, particularly as concerns a risk of forced or child labour, disproportionate discipline, attempted bribery or forgery, the plant may not work with the Group under any circumstances;
- follow-up audits: depending on the number and criticality of the remedial actions that the facility has to implement, the Group may commission unannounced or semi-announced follow-up audits from independent ICS-accredited audit firms. Their frequency depends on the criticality of the non-compliances reported during the previous audits. In the event that a factory does not implement the requested corrective action plans, the Group will initiate proceedings to terminate the business relationship;

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- **special audits:** special audits may be performed by the Group, in particular to inspect building structures and verify compliance with fire safety rules (by organising employee fire drills, for example).

Audit findings are inputted into the ICS database, which enables the Group and other member companies to share all of the findings and track the corrective action plans of audits performed in plants they use in common. Pooling the findings helps to reduce the number of audits conducted in the plants, attenuates audit fatigue and facilitates the on-site implementation of corrective action plans. In the same spirit, social audits performed in line with the BSCI standard may be accepted instead of ICS audits, *via* an equivalency procedure and under certain conditions defined by the Group.

The Group's goal is for all of the facilities producing private-label products in countries at risk to be covered by a valid ICS social audit performed within the previous two years.

Support for suppliers

Audit reports are issued following audits of production facilities and, when necessary, corrective action plans are prepared that the non-compliant plants undertake to implement within a given time frame.

The Group's local offices and subsidiary Ethics Coordinators play an essential role in helping suppliers and their factories to properly understand the Group's expectations and the implementation of any corrective action plans.

Internal and external follow-up audits are performed to ensure that the plan's remedial actions are effectively implemented.

The main non-compliances concern working hours, remuneration and employee health and safety. Given the Group's relatively small contribution to the revenue stream of its partner production facilities, it prefers to support ICS initiatives involving joint remedial actions in plants shared with other ICS members.

To improve their ability to report the outcomes of these remedial actions, the Group and other ICS members have requested that accredited audit firms be able to monitor the action plans directly in the ICS database using an automated, consolidated system. This process will enable participants to track, on a real-time, Group-wide, consolidated basis, the number of remedial actions remaining to be implemented in each plant, the number already under way and the number whose effective implementation must be verified during the next follow-up audit or complete re-audit. This tracking is performed by each team under the supervision of the Group Social Ethics Officer.

Educating and training buyers

The CSR department regularly organises awareness-building initiatives for purchasing teams and local offices to ensure that the Group's social and environmental supplier compliance programme is properly understood and implemented.

● **Implementation outcomes**

All of the preventive measures described above were deployed in 2018 to mitigate and prevent the risk that the production of private-label apparel and other products in countries at risk could cause serious abuse, harm or damage. The name and location of each private-label production facility were systematically identified. When the facility was located in a country at risk, an ICS audit was commissioned according to the procedure described above, so as to prevent the risk of serious human rights violations, particularly in the areas of child labour, forced labour and excessive working hours. Corrective action plans were tracked to support the plants in deploying best practices and attenuating the risks.

The following indicators are used to report the outcomes of the remedial actions, which are tracked and coordinated by the Group CSR department in liaison with the audit plan leaders in the subsidiaries concerned.

As part of the reporting process, the CSR department tracks:

- the number and location of active plants based in countries at risk and producing private-label products for one of the Group's banners;
- the social audits performed in these facilities (number, country where performed, type of product, type of audit, etc.);
- the alerts reported after the audits (type, number, severity, etc.);
- the corrective action plans (number of actions, implementation, etc.);
- the plants' degree of compliance and changes over time.

The number of audits enables the Group to track progress on these action plans, while the plant's rating indicates their effectiveness.

The Group's goal is to have all its plants covered in 2019 by a valid ICS audit performed within the previous two years. This required a larger number of audits and improved sharing of outcomes with other ICS members. The following indicators show the outcomes from the actions undertaken.

Of the 109 countries where sourcing is authorised by the Group, 71 are subject to stricter procedures and 42 were home to plants working for the Group in 2018. 94% of the private-label production facilities are located in 10 countries.

More than 90% of the buyers concerned were trained over the 2017-2018 period. Digital training courses have been introduced in France both for current employees, as needed, and for all new hires.

Plants in countries at risk and outcomes of the audit campaigns

	2017	2018
Number of active plants* based in countries at risk and producing private-label products for the Group	1,578	1,510
Of which in China	1,009	946
Of which in India	150	174
Of which in Turkey	77	64
Of which in Bangladesh	35	44
Of which in other countries at risk	307	282
Number of ICS audits performed in plants involved in the production of private-label products for the Group	1,245	1,460**
Of which performed in plants located in countries at risk	1,064	1,295
Of which directly commissioned by the Group	885	1,042
Of which converted from an eligible BSCI audit	11	39
Of which commissioned by another ICS member	360	418
Of which initial audits	62%	52%
Of which follow-up audits	16%	21%
Of which re-audits	22%	27%
Breakdown by purchasing category of ICS audits performed in plants involved in the production of private-label products for the Group		
Food	20%	22%
Apparel	41%	46%
Other non-food	39%	32%
Breakdown by country of plants audited by the Group in countries at risk		
China	61%	59%
India	14%	11%
Turkey	5%	5%
Bangladesh	7%	5%
Other high-risk countries	13%	20%

* Active plants work either for Group suppliers, agents or importers or else for Casino Global Sourcing, our internal sourcing subsidiary.

** Of the 1,460 ICS audits performed in facilities used by the Group's suppliers, 118 were commissioned by Grupo Éxito in Colombian production plants and 26 by GPA in Brazilian plants. In addition, 115 Brazilian apparel factories were certified by ABVText in 2018.

Tracking mechanism

Based on the findings of the ICS audits, each plant is assigned a rating that reflects its level of risk and supports the deployment of remedial actions to mitigate the risks of causing serious harm to employees. Corrective action plans are tracked to ensure that the appropriate measures have been taken and that the risks are being effectively addressed.

In 2018, to improve its ability to track proper implementation of the corrective action plans, the Casino Group supported the deployment of an automated action plan monitoring system using the ICS database. Since 2019, action plans have been prepared directly on the ICS platform, which makes it easier to track and properly report the corrective actions undertaken. The 1,510 audited factories are displayed on a map and the corporate and subsidiary Ethics Officers have real-time access to all of their data (location, facilities information, audit reports, corrective action plans, photos, etc.).

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The following table shows the effectiveness of the actions undertaken.

% of audited active plants located in a country at risk that are rated:	2017	2018
Acceptable***	61%	68%
Acceptable with issues (level 1)***	17%	20%
Acceptable with issues (level 2)***	18%	10%
Probationary***	4%	2%
Number of plants removed from the supplier list for ethical reasons	40	70
% of plants removed from the supplier list for ethical reasons	3.2%	4.8%

*** A plant's rating is assigned by the Ethics Coordinator of the subsidiary working with the plant, according to the procedures described in the SCOP and depending on the plant's latest ICS audit score.

Preventive measures are primarily undertaken in factories rated Probationary and Acceptable with issues. Note, however, that given the Group's relatively small contribution to a plant's order book (less than 3% on average for apparel-makers), the requested remedial actions can only be deployed through joint initiatives undertaken in collaboration with other plant customers. This is why the Group cooperates with other companies as part of the ICS. When a plant fails to implement the requested actions, it is removed from the Group's list of approved suppliers.

The measures taken in 2018 helped to ease human rights and other risks, with a reduction in the percentage of facilities flagged with the most non-compliances.

Outcomes of the alerts notified during ICS audits

ICS alerts help to prevent the risk of serious violations, damage or harm by proactively identifying potential risks, which are addressed with carefully tracked remedial actions.

	2018
Number of ICS audits commissioned by the Group in plants located in countries at risk and flagged with at least one alert****	207
% of alerts notified during plant audits in China	61%
% of alerts notified during plant audits in India	11%
% of alerts notified during plant audits in Turkey	4%
% of alerts notified during plant audits in Bangladesh	2%
% of alerts notified during plant audits in another country at risk	22%

**** An alert notification is raised when an audit finds very critical non-compliances, which are addressed and tracked in post-audit corrective action plans.

Breakdown of alerts by ICS chapter (as a % of total alerts notified during ICS audits mandated by the Group in 2018)

Management system	17%
Child labour	2%
Forced labour	1%
Discrimination and disciplinary practices	6%
Freedom of association	0%
Working hours and overtime	3%
Remuneration, benefits and working conditions	35%
Health and safety	36%

For example, an alert notification of a risk of child labour may be raised when the auditor finds documentary evidence or hears employee testimony that plant management does not verify employee ages when hiring or does not keep a copy of the employees' identity papers, making it impossible to confirm that the plant only hires people older than the legal working age.

Focus on ready-made garment factories

Given the level of risk of the apparel suppliers identified in the duty of care risk map, private-label garment factories are subject to particularly strict oversight, notably when they are in Bangladesh. These factories are covered by the working and environmental conditions monitoring program described above.

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Specific measures have been put in place for factories located in:

Bangladesh

No ready-made garment factory may be approved as a Group supplier unless it has been disclosed to the Accord on Fire and Building Safety, which the Group pledged to uphold in July 2013 to support the ongoing collective and collaborative process and improve safety conditions in local factories. Accordingly, Group subsidiaries Casino Global Sourcing and Monoprix have disclosed the RMG factories in Bangladesh to the Accord, which has audited all of the facilities. In the interest of seeing the Accord continue its operations in Bangladesh, the Casino Group co-signed letters from ICS, OIOS and the Accord to support extending its permission to operate and maintaining its current framework in Bangladesh.

All of the local tier-one factories working for the Group's private-label garment brands were systematically inspected with unannounced ICS audits prior to accreditation.

Brazil

Private-label garment factories in Brazil are covered by an inspection and certification programme conducted with the Brazilian Garment Retailers Association (ABVTex), which was founded in 1999. Based on the findings of independent audits, this initiative certifies the Brazilian garment factories, so as to ensure decent working conditions for their employees and the spread of best labour practices across the supply chain.

As of end-December 2018, all of GPA's 79 garment, footwear and accessories plants had been certified by ABVTex.

Expanded audits

The Group supported the introduction of a new ICS audit protocol for environmental issues, so that it could continue to share the findings of audits performed in plants used by several members and to pool the remedial action plans. This supplementary environmental audit campaign is now being rolled out in facilities whose processes pose the highest environmental risk in the manufacture of household linens, denim apparel and leather goods. So far, 23 environmental audits, including 11 commissioned by the Group, have been performed in garment factories using such processes as tanning, dyeing, distressing and fading.

Lastly, the Casino Group has issued its apparel suppliers a handbook of best practices in the most widely used denim processing techniques. For each one, it describes the main risks involved and, on the facing page, the recommended safety guidelines and personal protective equipment. It also specifies best chemicals management practices as well as the environmental issues to be addressed in managing the effluent and waste generated by denim wet processing. The handbook has been shared with the ICS so that it can be used by all of the member banners, their suppliers and the factories manufacturing denim products.

Apparel tracking indicators

	2017	2018
Number of active garment factories producing private-label apparel for the Group in countries at risk	652	631
% of active garment factories producing private-label apparel in countries at risk covered by a valid ICS audit	69%	94%
Bangladesh		
Number of active RMG factories producing private-label apparel for the Group in Bangladesh	31	36
% of active RMG factories tracked by the Accord on Fire and Building Safety	100%	100%
Number of employees working in RMG factories supplying the Group and tracked by the Accord	N/A	63,828
Average compliance rate in the RMG factories supplying the Group and disclosed to the Accord (based on Accord standards)	80%	94%

(ii) Suppliers of private-label products containing palm oil**● Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage**

Many private-label products contain palm oil, which raises risks of deforestation, particularly in Indonesia and Malaysia, soil erosion, water pollution and poor working conditions on palm oil plantations (risk of child labour, forced labour and workplace health and safety).

Palm oil is purchased from refiners or importers by the Group's direct suppliers, who are expected to guarantee that the ingredient will eventually comply with the No Deforestation, No Exploitation commitments defined by the Group's partner, the Earthworm Foundation.

The Casino Group was one of the first retailers to curtail the use of palm oil in 2010, when it dropped a large number of its organic and other private-label products. In 2011, it addressed a variety of stakeholder concerns by joining the Roundtable on Sustainable Palm Oil (RSPO), while in 2015, with the support of TFT, it pledged to:

- ensure transparent traceability of the palm oil used in its private-label brands, by first identifying the refiner or initial marketer in order to open visibility throughout the supply chain, from tree to mill;
- using palm oil produced without causing any deforestation or exploitation, *i.e.* palm oil from plantations that (i) adopt ecologically sound policies with regard to high conservation value forests⁽¹⁾, carbon-rich forests⁽²⁾ and peatlands⁽³⁾; (ii) support the development of small producers; and (iii) respect local communities and workers' rights;
- support responsible local producers in the Group's host countries, Brazil and Colombia;
- share progress reports and information regarding initiatives and next steps.

The Group believes that close collaboration among stakeholders across the production chain – NGOs, refiners, growers and manufacturers – is the only way to achieve the common goal of using only palm oil produced without causing deforestation or exploitation.

In 2015, the Group undertook several initiatives to get private-label suppliers involved in this process, sending them letters describing its palm oil policy and organising awareness-raising working seminars in Brazil. It also

published the "Casino Group Palm Oil Procurement" guide to promote the policy among employees, and held several working meetings to engage the teams concerned in the various banners.

● Implementation outcomes

The Group calculated the palm oil footprint of its private-label food products and gathered information such as names and addresses to trace the palm oil content back to the initial importer and/or refiner. Based on prior-year volumes, this data is collected every year by sending a questionnaire to each direct supplier whose products contain palm oil.

The questionnaire is designed to trace the palm oil content, so as to identify all of the stakeholders across the supply chain to the first importer from the producing countries.

The palm oil footprint of the Group's Casino, Monoprix, Franprix and Leader Price private-label products in France is estimated at 4,300 tonnes (3,610 tonnes in 2016; 4,900 in 2015), sourced from 45 direct suppliers.

Around two-thirds of the palm oil is RSPO-certified, of which 68% is delivered through a segregated supply chain. In the case of food products, which represent 70% of total palm oil volumes, more than 54% of the palm oil content is traceable to the first importer. Of these traceable volumes, more than 80% are supplied by the top four importers. The No-Deforestation commitments of these first importers were analysed with TFT in 2016, 2017 and 2018, with a focus on four fundamental criteria:

- the Company's palm oil policy and stated commitments;
- the Company's reputation in its palm oil business and practices;
- the transparency of its supply chain;
- the initiatives undertaken to apply its policies or improve its sources.

According to these criteria, the top four importers do not present much risk, except in the third criterion for one of them.

Following on from these annual analyses, a webinar was organised to present the findings to the suppliers concerned in France and to enjoin them to promote the policy with the identified refiners. Suppliers who fail to provide sufficient evidence of their commitment are requested by the Group to deploy and monitor the actions needed to better comply with their zero deforestation policy.

(1) High conservation value areas are areas of high biological, social and cultural value that are important to conserve, and that contain rare species and habitats. For more information, visit <https://www.hcvnetwork.org/>

(2) High carbon stock areas include primary forests, high-, medium- and low-density forests, and young regenerating forests. For more information, visit: <http://highcarbonstock.org/the-hcs-approach-toolkit/>

(3) Peatlands are areas where the soil contains more than 65% organic matter.

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Given that the Group does not deal directly with refiners, in January 2019, it joined the Palm Oil Transparency Coalition (POTC) to take collective action in association with other retailers who share the same commitment and, in many cases, the same refiners. Joint initiatives also have a more effective impact on tier-two suppliers. On behalf of the POTC members, assessment questionnaires have been sent to the initial palm oil importers to get a precise picture of their commitment to sustainable palm oil. The findings will then be shared with all of the coalition members so that they can align their future purchases accordingly.

In Brazil and Colombia, the vast majority of palm oil used in private-label products is sourced locally, where the risk of deforestation is lower than in Indonesia and Malaysia, which supply the palm oil used in France. The palm oil footprint of GPA's private-label products was estimated at 300 tonnes in 2017. In Colombia, Grupo Éxito is supporting TFA 2020, a multi-stakeholder initiative launched in 2012 after the Rio+20 Summit, whose objective is to reduce tropical deforestation related to palm oil, soya and beef (www.tfa2020.org). Éxito also signed the TFA's Palm Oil National Agreement, which supports joint stakeholder efforts to eliminate deforestation in the palm oil supply chain.

(iii) Beef suppliers in Brazil

● Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage

Beef, which accounts for a significant proportion of the Group's store revenue in Brazil, is sourced directly from local suppliers by Brazilian subsidiary GPA.

The review of the social and environmental risks in GPA's supply chain, conducted in 2014 by GPA's Risk Management department in conjunction with the CSR department, identified beef sales in Brazil as a possible source of serious human rights abuses (risks of child labour, forced labour and workplace health and safety abuses) and of serious harm to the environment (particularly the risk of deforestation in the Amazon). This finding was confirmed during the risk mapping exercise performed in compliance with the duty of care act.

The responsible beef sourcing policy, which was introduced in March 2016 in partnership with The Forest Trust (TFT) Brazil, leverages traceability across the supply chain to ensure that the cattle were not sourced directly from a ranch on illegally deforested land or a ranch involved in forced labour or any illegal encroachment on indigenous lands.

It is based on the five social and environmental criteria for cattle sourcing defined in 2009 for Brazilian slaughterhouses, which are applicable nationwide:

1. Do not source from ranches that have encroached on indigenous land;
2. Do not source from ranches that have encroached on conservation areas;
3. Do not source from ranches that have been implicated in forced labour-like practices;
4. Do not source from ranches that have been embargoed by the Ministry of the Environment due to an environmental offence;
5. In the Amazon, do not source from ranches that have cleared forest land after October 2009.

The GPA sourcing policy implemented to attenuate the risks of deforestation and human rights abuses across the cattle supply chain is grounded in seven commitments:

- map the various links in the supply chain to identify the different types of industry suppliers;
- identify the exact coordinates of the ranches that directly deliver cattle to GPA suppliers;
- train direct slaughterhouses so that they can deploy, in their own operations, traceability and geo-monitoring solutions to verify that cattle suppliers comply with the defined purchasing criteria;
- roll-out dedicated action plans to address the risks identified in each indirect supply chain;
- provide suppliers with a manual presenting GPA policies and procedures;
- collaborate with market stakeholders, public agencies and NGOs combating deforestation to converge best practices and work on developing systemic solutions;
- promote these commitments to suppliers.

Initially applied to purchases by Multivarejo, the policy was extended in 2017 to the Assaí banner, the first cash-and-carry retailer in Brazil to take a stand on this issue. Today, all of the suppliers have embraced GPA's policy and development programme.

Supported by TFT, GPA has mapped all of its beef suppliers and identified origins, traceability, husbandry conditions and potential risks across the production chain.

● Implementation outcomes

The new policy has been endorsed by GPA's top three suppliers, who represent the vast majority of beef purchases in Brazil, and a majority of its smaller suppliers. However, 14 suppliers have refused to abide by the policy and can therefore no longer supply GPA.

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The main outcomes of the new policy are as follows:

- all of the suppliers have pledged to support GPA's policy and development programme;
- 94.3% of the meat sold in GPA stores is sourced from 22 suppliers;
 - of these, 14 use geo-monitoring systems to track the origin of their sourced cattle, which account for 97.4% of their purchases;
- 26,752 direct ranches providing cattle to GPA suppliers have been identified and verified using the suppliers' geo-monitoring systems;
- the remaining beef is sourced from 11 processors who buy from outside slaughterhouses and therefore do not have direct access to cattle origin data. In 2018, GPA identified 69 slaughterhouses working indirectly for the Group, of which 18 are direct suppliers and therefore already support the policy in place;
- since the policy was introduced, more than 20 meetings have been organised to present it to suppliers.

In addition, GPA also participates in multi-stakeholder initiatives addressing the social and environmental issues posed by cattle farming in Brazil. In this way, it can help to deploy collaborative solutions, which the Casino Group and GPA feel are the most effective, given the complexity of the issues and the number of stakeholders.

In 2018, GPA participated in:

- the Responsible Livestock working group formed by the Brazilian Ministry of the Environment to discuss the challenges faced by the different private sector, associative and public sector stakeholders and to explore solutions and synergies between their various initiatives;
- the Brazilian Roundtable for Sustainable Livestock (GTPS), which promotes the development of sustainable livestock through supply chain linkage, continuous improvement and the dissemination of information;
- the TFT project, co-funded by GPA and NORAD, to develop training materials for slaughterhouse employees. In 2018, project members met with GPA slaughterhouses that have demonstrated best practices in tracing their purchased cattle in the state of Pará, and identified the key factors in achieving their level of performance;
- the annual process to monitor enforcement of the commitments of the National Pact to Eradicate Slave Labour (InPACTO), which GPA has upheld since 2005.

In addition to working with all of Brazil's industrial meat processors, GPA continues to support the 22 livestock farmers who have exclusively supplied its Rubia Gallega private-label brand for the past ten years. These ranchers can trace their cattle across their entire life cycle, from insemination to pre-slaughter fattening. In 2017, GPA formed a partnership with the *Aliança da Terra* NGO to engage

farmers in continuous improvement initiatives based on audits covering social, environmental, animal welfare and quality criteria. In 2018, all of the farmers were assessed and individual action plans were deployed so that they could improve their practices. They will be supported by *Aliança da Terra* over several years to guarantee consumers that their meat is of the finest quality.

For more information, please visit www.gpabr.com/en/sustainability/transforming-the-value-chain/

3.5.3.5. ENSURING ANIMAL WELFARE

Commitment

For many years now, the Casino Group has been working closely with suppliers, local production chains and animal rights organisations in a commitment to offering products that are more respectful of animal welfare.

To drive a cycle of continuous improvement, the Group favours dialogue with a wide range of stakeholders, including NGOs, veterinarians, suppliers, production chains, consumers and employees. It hopes that these initiatives will improve and broaden the array of animal-welfare friendly products on its store shelves and enable customers to enjoy better quality products made from more ethically treated animals.

The chosen approach consists of both monitoring conditions in the breeding, transport and slaughtering process and supporting the production chains as they transition to better, more welfare-friendly practices. The Group's assertive commitment was recognised by the Business Benchmark on Animal Farm Welfare (BBFAW), which in 2018 rated its performance as Tier 3, at the top of French retailers on this issue.

Consumer awareness plays a critical role in improving the treatment of farm animals, and to inform shoppers about the animal welfare aspects of the products they buy, the Group developed a labelling system in collaboration with three recognised animal rights organisations, which will help to support standardised animal welfare labelling in France. The labels were initially prepared for broiler chickens, with the first labelled products appearing in stores in December 2018. They will later be extended to other brands and products. Additional details about the programme may be found at www.etiquettebienetreanimal.fr. In this way, the Group hopes to encourage consumers to choose the most welfare-friendly products.

The Group's approach to animal welfare is part of an inclusive dynamic of innovation and progress, involving all of the stakeholders concerned:

- upstream: the Group is committed to fostering constructive dialogue with cattle ranchers, cooperatives and slaughterhouses, with the aim of continuously improving their practices;

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- animal rights stakeholders: the Group is supported by such partner NGOs as *La Fondation Droit Animal* (LFDA), *Compassion in World Farming France* (CIWF France) and *Œuvre d'Assistance aux Bêtes d'Abattoirs* (OABA);
- veterinarians and animal welfare scientists: the Group also relies on experts to guide it in addressing animal welfare issues more effectively across the supply chain;
- consumers: the Group is totally dedicated to product quality, one of whose core components is the ethical treatment of animals. It therefore strives to keep shoppers better informed about animal welfare issues, in particular through the animal welfare labels that have been displayed in stores since December 2018;
- stores: all of the banners participate in showcasing products sourced from more animal-friendly production chains;
- employees: special attention is paid to raising employee awareness of animal welfare issues.

In deploying its animal welfare policies, the Casino Group upholds the five fundamental freedoms established by the Farm Animal Welfare Council and accepted as the baseline in this area.

In the case of its private-label products in France, the Casino Group has pledged to:

- define the minimum animal welfare standards applicable to its private-label products during the husbandry, transport and slaughtering phases of the meat, eggs, milk and fish production chains;
- define action plans for the meat, eggs, milk and fish production chain to gradually improve animal welfare in each;
- increase the number of animal-welfare friendly products available in stores;
- improve the supplier audit procedure concerning animal welfare, starting with the inspection of slaughtering conditions in the meat production chain;
- improve consumer information by developing and testing animal welfare labels in the stores and by helping to roll out a standardised national animal welfare labelling system in France.

In accordance with French legislation, the use of antibiotics to promote growth and of meat and bone meal to feed farmed animals is prohibited.

Organisation

Animal welfare policies and their management have been presented to the Executive Committee.

In France, implementation is led by an Animal Welfare Steering Committee, which comprises a multidisciplinary team involving all of the stakeholders concerned:

- Corporate social responsibility (CSR);
- Quality – including an animal welfare officer;

- Purchasing;
- Marketing.

The Animal Welfare Steering Committee is tasked with:

- coordinating operational deployment of the policies;
- monitoring developments and benchmarking performance;
- defining key animal welfare performance indicators;
- regularly tracking progress;
- capitalising on observed best practices;
- defining improvement action plans.

Action plans

● Egg sourcing

The Group is committed to improving husbandry conditions for laying hens.

It was the first retailer in France and Brazil to announce that it would stop selling eggs from caged hens, undertaking some of the industry's most ambitious commitments:

- In France, Monoprix discontinued the sale of eggs from caged hens under its private label in 2013 and by national brands in 2016. In 2017, the Casino, Franprix and Leader Price banners undertook a similar commitment for 2020. In June 2018, 67% of eggs sold in the Group's French banners were from cage-free hens.

During the year, all of these banners pledged to stop using eggs and egg products from caged hens in their private-label products by 2025.

- In Brazil, GPA has committed to selling only eggs from cage-free hens under its own brands by 2025, in line with the public health standards and regulations defined by the Brazilian Ministry of Agriculture.

In 2017, GPA launched a line of eggs from cage-free hens that has extended its organic and free-range egg products.

Through these commitments, the Casino Group is demonstrating the special attention it pays to the farming and production conditions of the products sold in its stores.

● Milk sourcing

All of the banners market private-label organic milk, as well as other milk offering better guarantees under their private labels:

- All Monoprix milk complies with "Who's the Boss?!" specifications, which guarantee that the cows have had three to six months of grazing. This is a significant undertaking by the banner to improve welfare standards for dairy cows.
- Casino supports the "Lait des éleveurs du Monts du Forez" label, which offers better husbandry conditions. On the small family farms in the Monts du Forez region, the cows are mainly fed grass and spend over six months of the year in pastures located more than 700 metres above sea level;

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- Under the Lait de la Vallée du Lot brand, Franprix sells “Cant’Avey’Lot” milk that is locally produced by 30 dairy farmers in the Cantal, Aveyron and Lot departments in compliance with the “Bleu Blanc Cœur” Charter.

● Broiler chicken sourcing

In the same way as for eggs and milk, the Casino Group is sensitive to the welfare of the broiler chickens sourced for its private labels:

- Monoprix has undertaken several commitments. Since October 2018, the banner no longer sells fast growing broilers under its private label and its stores now carry only medium or slow-growing breeds. In addition, all of the rotisserie chickens comply with EU organic standards, with access to open air areas, low stocking densities and a minimum slaughter age of 81 days. They are also raised without antibiotics and fed GMO-free feed.
- Casino’s animal welfare labels transparently inform consumers about the hatching, rearing, transport and slaughtering conditions of the chickens sold in its stores. To date, Terre & Saveurs brand chickens have all been rated “Good” or “Superior” in animal welfare.

● Improving slaughtering conditions

The Group has deployed a slaughterhouse inspection programme in France. In 2014, Casino defined a dedicated audit procedure to ensure that slaughtering operations meet ethical animal protection standards and keep suffering

to a minimum in such key phases as transport, stunning and killing. Performed since 2015 by veterinarians, these preliminary audits cover more than 70 control points in the slaughterhouses. To date, 46 slaughterhouses have been audited for compliance with animal welfare standards. These facilities mainly slaughter cattle and pigs, but also lambs and horses, and more recently poultry. All of the private-label raw beef, pork and lamb products are sourced from audited slaughterhouses. Each audit helps to raise the awareness of the Group’s suppliers and encourage them to improve their practices, with remedial actions requested as needed. The auditing procedure is regularly reviewed, with input from an ethology and research firm specialised in animal welfare.

● Improving consumer information

To help create a standardised animal welfare label in France, the Casino Group worked with its partners LFDA, CIWF France and OABA to develop a labelling system. As part of this process, assessment standards were defined, with nearly 230 criteria covering very stage in an animal’s life, from farrowing and raising to transport and slaughtering. Compliance with each criteria is assessed through annual external audits performed by independent firms. The first labelled products, sourced from broiler farms, appeared in stores in December 2018. The labelling system will later be extended to other brands and products. Additional details about the programme may be found at www.etiquettebienetreanimal.fr

3.5.4. The Casino Group, actively committed to the environment

3.5.4.1. ENVIRONMENTAL POLICY

Commitment

The Casino Group’s environmental policy is built on three pillars:

- the low-carbon strategy, to reduce the Group’s greenhouse gas emissions and fight against climate change;
- the preservation and conservation of resources, to support the circular economy and the fight against food waste;
- the preservation of biodiversity.

It is supported and implemented by the Group based on:

- the objectives of the 2015 United Nations Climate Change Conference (COP 21);
- the UN Sustainable Development Goals;
- the objectives of the Montreal Protocol;

- national legislation, such as France’s Energy Transition Act;
- the recommendations of the French Agency for Environment and Energy Management (ADEME), in its 2030-2050 roadmaps;
- voluntary undertakings it has pledged to support, such as:
 - the Act4Nature “Business for Biodiversity” manifesto,
 - the *Cerrado Manifesto* Statement of Support,
 - the TFA 2020 initiative, through its Grupo Éxito subsidiary, to fight against deforestation,
 - the Paris Climate Action Charter and the Charter for Sustainable Urban Logistics issued by the City of Paris,
 - the agreement between the French government and the French Trade and Retail Federation (FCD) to have doors fitted on 75% of refrigerated display cases containing fresh products by 2020.

Lastly, in 2018, the Group joined the Science Based Targets (SBT) initiative.

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Organisation

To lead this process, in 2012 the Group strengthened its organisation by creating an Environment department as part of the CSR department and tasking it with coordinating environmental priorities, sharing best practices and monitoring action plans. Each Group unit is responsible for locally implementing the organisation and action plans required to meet the predefined objectives, in alignment with local circumstances and practices.

The subsidiaries are responsible for:

- pursuing the Group's environmental priorities;
- deploying an environmental management system supported by the environmental indicators needed to manage the action plans for the defined priorities. The performance outcomes are shared with each unit's managers and employees and reviewed annually by the CSR department with the unit's Management Committee.

Action plans

To meet its environmental objectives, the Casino Group has defined three main avenues to improvement:

- reducing the direct and indirect carbon emissions from its business operations;
- conserving resources by fighting waste and supporting a more circular economy;
- encouraging consumption that helps to preserve biodiversity.

These priorities for action to reduce the Group's direct and indirect environmental impact are being pursued by all of the banners, stores and warehouses.

3.5.4.2. THE LOW-CARBON STRATEGY TO FIGHT AGAINST CLIMATE CHANGE

Commitment

In line with international objectives and its commitment to the Science Based Targets initiative, the Casino Group has undertaken to reduce its Scopes 1 and 2 greenhouse gas emissions by 18% between 2015 and 2025. The Group's low-carbon scenarios, including for Scope 3 emissions, will be submitted to Science Based Targets in 2019.

The main sources of the Group's greenhouse gas emissions are:

- direct fugitive emissions from refrigeration systems (80% of Scope 1 emissions);
- emissions from the consumption of purchased electricity (99% of Scope 2 emissions);

- emissions from the purchase of merchandise for resale, the purchase of services, the sale of fuel in service stations, the transport of goods and people, and waste treatment processes (Scope 3 emissions). In 2012, Scope 3 emissions for the Casino banner were measured with the support of a specialised consultancy. In 2016, the Scope 3 impact was confirmed by a study of the Group's biodiversity impact in France conducted in association with the Henri Fayol Institute in Saint-Étienne. In 2017 and 2018, the Group estimated its Scope 3 greenhouse gas emissions at around 30 million tonnes of CO₂ equivalent per year, based on internal data and the related emission factors. The material sources of Scope 3 indirect emissions are, in descending order, merchandise sold (excluding fuel), fuel sold, customer mobility, goods transport and employee commuting.

Action plans

The greenhouse gas reduction targets have been defined in alignment with the below 2 °C scenario proposed by the Paris Agreement in 2015, with progress being driven in five ways:

- reducing emissions from refrigerated display cases;
- attenuating the impact of energy consumption;
- supporting the circular economy and reducing food waste;
- opting for more sustainable mobility;
- lowering the carbon footprint of store merchandise.

3.5.4.2.1. Reducing fugitive emissions of refrigerants (Scope 1)

In order to comply with the Kigali amendment to the Montreal Protocol, the Group is committed to reducing its fugitive emissions of high global warming potential refrigerants by 18% between 2015 and 2025.

As part of this process, the Group partnered with ADEME to publish the Sustainable Cold Chain Guide, in order to (i) raise awareness among technical teams of the importance of reducing greenhouse gas emissions from store refrigeration units; and (ii) identify actionable low-carbon commercial refrigeration solutions.

The main measures introduced are designed to:

- reinforce leak containment systems in existing piping by scheduling preventive maintenance based on constantly monitored refrigerant levels;
- increase the proportion of low global warming potential refrigerants (hydrocarbons, CO₂ and NH₃) in new installations.

In France, Casino supermarkets and Monoprix stores are reducing their initial HFC refrigerant load by commissioning hybrid refrigeration systems producing their negative cold with climate-neutral natural coolants. The most recent new systems installed in Monoprix outlets and Casino convenience stores use only natural refrigerants, like CO₂ or hydrocarbons.

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In South America, GPA and Éxito have been testing similar installations with their technical partners since 2017. New Éxito stores, such as Éxito La Felicidad and Éxito Tunja in 2018, are now equipped with CO₂ installations, while in Brazil, refrigeration systems now run on CO₂ and XP40 in seven Multivarejo stores and on transcritical CO₂ in two Assaí stores.

3.5.4.2.2. Reducing emissions related to energy (Scope 2)

Current projects are focused on improving the energy efficiency of stores and decarbonising consumed electricity by increasing the proportion of self-consumed power from renewable sources, such as the solar panels installed on store roofs or solar canopies (see paragraph 3.5.4.3.1.).

3.5.4.2.3. Reducing all other emissions (Scope 3)

(i) Choosing more sustainable modes of transport

The Group is committed to reducing emissions generated by the transport of goods, by activating the following levers:

- reducing kilometres travelled by increasing the load capacity of its store delivery lorries and optimising delivery schedules and fill rates;
- increasing loads carried per delivery, for example, by using double-deck trailers at GPA, increasing the proportion of 40ft units in the container fleet at Monoprix (293 20ft containers replaced by 96 40ft units in 2018) and optimising the use of space in packages shipped by Cdiscount;
- using railways and inland waterways as alternatives to overland carriage. Franprix, for example, restocks its Parisian stores via the Seine river and is continuing to modernise its lorry fleet with Euro VI-compliant vehicles. In 2018, Monoprix introduced a home delivery service by bike courier from a centralised distribution hub;
- upgrading the vehicle fleet, with CNG-fuelled, hybrid and Euro VI-compliant vehicles. Casino's logistics subsidiary Easydis is transitioning to a 100% clean lorry fleet, led by the acquisition of 400 compressed natural gas (CNG) vehicles by 2020, or more than 40% of the total fleet. Using biogenic compressed natural gas (CNG) fuel reduces particulate matter emissions by 85% and greenhouse gas emissions by 60%. Franprix and Monoprix are moving in the same direction;
- using low-carbon fuels like biomethane. Monoprix supports the use of biomethane fuel in its CNG lorries, while in Brazil, GPA is continuing to upgrade its fleet with lorries that emit less CO₂ and particulate matter;
- training in eco-driving.

To lower emissions from customer and employee travel, the Group is also assertively encouraging electric mobility

by purchasing EVs for its corporate fleet and installing charging stations in its store and office car parks. As part of its Corporate Mobility Plan, Éxito is deploying ride-sharing systems, in particular through mobile apps like Try My Ride.

(ii) Encouraging consumers to eat more vegetable protein

Sold merchandise represents the primary source of indirect emissions. To implement a low carbon strategy, the Group needs to support the shift in production and consumption practices towards low carbon products offering a better balance between animal and vegetable protein in a store's merchandise mix. It also requires reducing food waste by up to 60% (ADEME's 2050 forward-looking vision report).

To reduce the impact of what we eat on the climate and the environment, several studies have demonstrated the need to change the carbon footprint of the average French person's diet by eating less animal protein and more fruits, vegetables and legumes.

To support this transition, retailers need to offer more vegetable protein options in a variety of product categories and encourage shoppers to buy less, but better quality, animal protein, in accordance with PNNS recommendations. Three of the ways in which the Group is responding are by developing scoop and weigh concepts for legumes, broadening the private-label vegan lines and providing consumers with more detailed animal welfare information. It is also developing several lines of vegetarian and vegan products that resonate with new consumer expectations. Casino, for example, has launched the "Veggie" line of vegetarian ready meals and organic vegetable drinks, while Monoprix markets the "Le Végétal" range of primarily vegetable-based dishes. Naturalia is expanding its base of organic, 100% vegan stores stocked with 2,000 staple foods that are entirely vegetable-based, Franprix Noé offers a diversified range of vegan products and GPA introduced 15 new vegan SKUs in 2018. The Group is also supporting agroecological farming methods that use less chemical fertiliser and fewer pesticides, and encouraging people to improve their nutritional balance by embracing a more vegetable-based diet (see paragraph 3.5.4.5).

(iii) Promoting local products

Working with local producers, the Group's banners are developing and promoting product lines that are local in origin.

Local producers are supported in making their production and supply chains, production standards and administrative management more professional, enabling them to expand their business beyond their commercial relationship with Casino. One of the Group's objectives is to make local products more visible to its shoppers.

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Since 2011, Casino has marketed the “Le Meilleur d’Ici” line of local products made within a radius of about 80 km around Casino supermarkets and Géant hypermarkets. In 2017, the Group created and launched the 1000PRO platform connecting local producers and the Casino Shop, Spar, Vival and other convenience banners. It is helping to facilitate the short-channel marketing of farm products by enabling producers to supply their products to local stores of their choosing.

Across France, Monoprix carries a “Made in Pas Très Loin” range of products produced within 100 kilometres of the store, which totalled more than 4,500 grocery, beverage, produce and frozen SKUs in 2018 (200 more than in 2017).

In all, more than 19,560 locavore products are on store shelves in France, sourced from more than 1,520 local producers.

In 2018, around 90% of the fruits and vegetables marketed in Grupo Éxito banners were grown in Columbia, of which more than 80% were sourced locally and directly from small farmers. Éxito is also continuing to roll out its supplier training programme in partnership with EAFIT University, with participants strengthening their business management skills by earning the “Diplomado de Fortalecimiento en la Gestión Empresarial”. A dedicated module for small farmers was introduced in 2018. To support deployment of its nutrition policy, Éxito also offers workshops on reformulating edible fats and oils in sourced products, which were attended by 34 suppliers in 2018. In addition, Éxito periodically brings together its fruit and vegetable producers to engage them in the process of meeting Global Good Agricultural Practice standards, with the goal of achieving compliance across the entire fruit and vegetable supply chain.

In Brazil, GPA is expanding the “Caras do Brasil” programme, which offers craft cooperatives the opportunity to sell their products in Pão de Açúcar stores. Social and environmental criteria are also used in selecting producers to supply the range, which is regularly promoted in stores.

(iv) Informing shoppers about the environmental impact of products to shift them to low-carbon consumption

Since 2007, to enable customers to shift their purchases to lower-carbon products, the Casino Group has supported the display of standardised environmental labels on food products. In 2008, Casino was the first retailer to pioneer carbon labelling on its private-label products. Over the years, the carbon index has been gradually replaced by the environmental index. In 2017, a new milestone was reached with the Environmental Impact label, which this time is based on public data and national standards. Since July 2017, Casino has been providing its processed food suppliers with a free collaborative application, known as “Mieux Produire”, that they can use to collect data and

calculate the environmental impact of their products. This gives the Group greater insight into the environmental impact of its Casino, Franprix and Monoprix private-label products, while keeping customers aware and informed via the www.mieuxproduire.fr website. Lastly, the application includes a simulation module that supports suppliers in their commitment to continuous improvement. It is already being used by food manufacturers.

In France, employees may attend e-learning courses on the environmental impact of their shopping.

3.5.4.2.4. Adapting to climate change

The main climate change risk that could potentially impact the Group’s operations is the increase in extreme weather events, such as the 100-year flood in Paris, cyclones in Reunion, and drought in Brazil and Argentina. A more frequent occurrence of such events would not only have direct consequences for the Group’s operations, but also an indirect impact through higher raw material prices, fewer seasonal product sales and higher energy prices. For example, the drought experienced in Brazil in recent years, particularly in the state of São Paulo, has led to a significant rise in the price of electricity, since most of it is produced at hydropower plants.

These risks can be managed by (i) complying with local regulations, which specify the equipment to use to manage rainwater and overflow (such as retention basins and green roofs), (ii) strategic stockpiling of basic commodities in partnership with suppliers, and (iii) improving the energy self-sufficiency of its stores using solar panels and generators to guarantee uninterrupted operations and reduce energy consumption. Supplies and stocks of highly weather-sensitive products are managed using software that takes into account data relating to temperature, wind speed, rainfall and snowfall in each region.

Performance

The Group has measured the carbon footprint of its operations since 2009:

- Scope 1 emissions, corresponding to the direct emissions from combustion and refrigerants, amounted to 1,137,379 tonnes of CO₂ equivalent in 2018, with 87% coverage of total square metres of retail space excluding emissions from Monoprix and Codim refrigerants.
- Scope 2 emissions, corresponding to the indirect emissions from the consumption of purchased electricity, amounted to 279,808 tonnes of CO₂ equivalent in 2018, covering 99.9% of total square metres of retail space.

The Group also tracks changes in ratios per square meter of retail space for GHS emissions from electricity use and refrigeration systems (see Group performance indicators on page 242).

3.5.4.3. PRESERVING NATURAL RESOURCES, REDUCING THEIR USE AND SUPPORTING THE CIRCULAR ECONOMY

3.5.4.3.1. Reducing energy consumption and encouraging the use of renewable energies

Commitment

The Group has undertaken to reduce the amount of electricity used per square metre of retail space by 18% between 2015 and 2025.

Energy use is being reduced through a continuous improvement process based on tracking consumption, performing facility energy audits, and upgrading the least energy efficient installations.

Electricity is primarily used by commercial refrigeration and air conditioning systems, followed by lighting.

Measures taken to reduce electricity consumption include:

- fitting doors on refrigerated cases containing chilled products;
- installing low-energy lighting and air conditioning systems;
- raising store employee awareness of power-saving practices, with the “Eco-Gestures” guide and an e-learning course.

In addition, the Group is reducing its impact by installing photovoltaic panels on its store roofs, car park shade canopies and other infrastructure, which are generating electricity that is either used directly by the stores or sold back to the national power grid.

Action plans

In partnership with its Green Yellow subsidiary, the Group is deploying energy performance contracts in its stores, which guarantee at least a 20% reduction in their baseline consumption.

In France, the energy management processes in Géant hypermarkets, Casino supermarkets, Monoprix stores, the corporate head office building in Saint-Étienne and the Franprix and Leader Price administrative offices in Vitry have all been certified in accordance with the ISO 50001 energy management standard.

In Brazil, energy retrofits have been performed in GPA hypermarkets with the goal of reducing energy intensity by 25%. At the same time, Assai has replaced more than 1,500 vertical refrigerated display cases in existing stores and equipped all its new outlets with horizontal cases with doors. In Colombia, Grupo Éxito continued to upgrade warehouse and in-store installations in 2018, including all-LED retrofits in 29 outlets.

Campaigns to build awareness and train employees in energy saving practices have been deployed in every Group unit, with in-store displays, meetings with store and technical managers, an e-learning module and the “Eco Gestures” guide.

The Group is actively engaged in deploying renewable energies, with the installation of solar power units on store rooftops and car park canopies.

In all, more than 530,000 square metres of solar panels have been installed on Casino Group store rooftops and car park canopies in France and Latin America, representing 135 solar power plants brought into service since 2007 and 16 plants currently being used for self-consumption by the Group. In France, after opening the country’s first energy-positive hypermarket, the Géant Vals-Près-le-Puy, in 2016, the Group commissioned its first ground-mounted, self-consumption solar power plant in 2017. Built by the Green Yellow subsidiary, the new unit has a rated output of 250 kW, which covers 27% of the power needs of the Galerie Cap Costières shopping mall. This type of facility can be installed on previously unused land to supply tenants with renewable energy.

Performance

The Group’s performance in executing its energy efficiency strategy is tracked by measuring the amount of electricity used per square metre of retail space. In 2018, average consumption per square meter was down by 5.3% compared with 2015. The Group generated 106,700 kWh of power from renewable source during the year.

Given the energy mix in its host countries, renewables account for 18% of the Group’s total energy consumption.

A portion of the annual bonus for every manager in France, Colombia and Brazil is pegged to meeting a target for reducing the amount of electricity used per square metre of the Group’s retail space.

See Group performance indicators on page 242.

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3.5.4.3.2. Managing water consumption

Commitment and action plans

The Group's host regions run a relatively low risk of water scarcity, according to the global water stress map published in 2015 by the United Nations. Nevertheless, certain periods of drought caused by climate change in Latin America could occasionally disrupt the supply of drinking water or the generation of electricity from hydropower stations.

Steps taken to reduce direct water use include (i) phasing out open-loop, water-cooled refrigeration systems and replacing them with closed-loop systems; (ii) installing rainwater recovery systems to meet grounds watering or potable water needs in stores or warehouses; (iii) installing pressure-reducing valves on taps to restrict flow; and (iv) regularly monitoring consumption to detect pipe leaks. Wastewater is appropriately treated in compliance with local legislation before being released into the public networks.

Performance

The Group uses 6,394,279 cubic metres of water a year, tracked by measuring the amount of water used per square metre of retail space.

See Group performance indicators on page 242.

3.5.4.3.3. Reducing, sorting and reusing waste

Commitment

For several years now, the Group has been pursuing a policy of recovering and reusing the waste from its subsidiaries' operations, in a commitment to reducing and eventually eliminating disposal by dumping and/or partial incineration without heat recovery.

In addition, to facilitate the emergence of a circular economy by using end-of-life products as sources of new raw material, the Group provides in-store collection points where customers can return their scrap products for recycling. These products are then collected by the stores and sent to accredited recycling companies.

Action plans

Store waste primarily includes packaging cardboard, plastic, paper and wooden pallets used to transport and handle merchandise, damaged goods and unsold compostable produce.

The Group is committed to installing and effectively using waste sorting systems to reduce the amount of unsorted, landfilled waste and supports the development of local recycling businesses.

In Brazil, GPA's Multivarejo business continued to roll out in-store sorting programmes for cardboard and organic waste. In Colombia, Éxito is pursuing an ambitious waste management policy with environmental officers in charge of training store staff and raising awareness among customers and employees. As a result, Éxito recovered and reused more than 33,900 tonnes of store waste. Managed by the Éxito Foundation, the resale of recyclable materials provides around 30% of its funding.

The operating units have in-store recycling bins and encourage customers to use them.

In Brazil, customers can return their cardboard, glass, steel, aluminium, plastic and other waste for recycling in collection boxes set up at the entrance to Pão de Açúcar, Extra and Assaí stores. Éxito and Carulla also provide collection points for used batteries, electrical and electronic devices and out-of-date medicines. Libertad provides in-store collection stations for glass, certain types of packaging and used motor oil in partnership with local recycling companies.

Performance

In 2018, Group recovered and reused more than 205,500 tonnes of waste, including cardboard, paper, plastic, organic matter, glass, wood and scrap metal. This was 11% more than the year before.

Stores and warehouses in France sorted more than 110,800 tonnes of waste for recycling by accredited service providers.

During the year, customers returned more than 10,700 tonnes of waste to store collection boxes. Of the total, 27% was paper and cardboard and 32% was waste electrical and electronic equipment (WEEE), which was transferred to accredited service providers for recycling.

See Group performance indicators on page 242.

3.5.4.3.4. Reducing the impact of packaging

Commitment

The Casino Group is assertively reducing the use of plastic and other packaging for its private-label products, while maintaining the highest standards of sanitary quality and food safety. It is committed to reducing the amount of packaging material, promoting recycling and recyclable materials, and reusing recycled raw materials that have proven to be innocuous. The Group supports its suppliers in meeting these goals with training and projects that promote the circular economy.

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The Group deploys a policy comprising five priority actions shaped by eco-design principles:

(i) Avoid generating unnecessary waste, for example, by expanding scoop and weigh concepts in stores; (ii) reduce the amount of waste by using thinner packaging, avoiding excess packaging, etc.; (iii) encourage the reuse of single-use waste (recharging, etc.); (iv) improve waste recyclability, by eliminating sorting disruptors, for example; and (v) prefer composting to incineration.

In February 2019, the Casino Group signed the Plastic Pact supported by the French Ministry for the Ecological and Social Transition.

Action plans

● (i) Eco-designing products

The Group is supporting the improved eco-design of its private-label products by:

- encouraging suppliers to introduce eco-design processes. For example, whenever a new product is created, GPA is careful to reduce the amount of packaging, which is consistently made from Forest Stewardship Council (FSC)-certified cardboard. In Colombia, Éxito is helping suppliers of Taea, Carulla and Cautivia products to cut down on packaging. It is also developing products with fully recyclable packaging. In 2017, Monoprix launched a line of certified organic wines in eco-designed bottles;
- providing its private-label product suppliers in France with an on-line application on the "mieuxproduire.fr" website enabling them to calculate a product's environmental index, understand the main components of its environmental footprint and run simulations on how to reduce the impact of packaging;
- partnering the Pôle Éco-conception association in Saint-Étienne, where it is helping to raise awareness of eco-design techniques among SMEs and facilitating implementation of their projects;
- leading circular economy programmes. Outside France, GPA's "Novo de Novo" circular economy programme, initiated in 2009, collects waste packaging and reuses it to make new packaging for Taea and Qualita private-label products. Since 2001, the 100 or so recycling stations located in Extra and Pão de Açúcar stores have collected more than 100,000 tonnes of recyclable packaging material, which has been reused to make several million private-label product packages.

● (ii) Expanding bulk aisles and displays

In France, to reduce the amount of packaging, the Casino, Franprix, Naturalia and Monoprix banners are developing scoop and weigh concepts for dried fruits and vegetables, cereals, coffee and pasta, including a number of certified organic products.

Franprix is introducing new bulk concepts in several stores for buying detergent, fabric softener and dishwashing liquid by weight and wine in reusable, refillable bottles.

Internationally, GPA is deploying its Reutilizar Project, which offers shoppers the option of bringing their own jars and containers to participating stores to bulk purchase nearly 40 foodstuffs, such as grains, cereals, pepper and nuts. In this way, they avoid using disposable packaging and purchase only the amount they plan to use. The new Pão de Açúcar store concept features a dedicated "Fresh and Healthy" section.

● (iii) Preventing the risks of using recycled materials

To address consumer concerns about the health impact of mineral oil migration from recycled food packaging, in France the Group has pledged (i) to conduct regular analyses of the mineral oil content of its private-label packaging to ensure that it is less than the minimum allowable content set by the Group and (ii) to use only recycled packaging materials capable of impeding the migration of these oils or, when that is not possible, to use virgin fibres for any new packaging.

● (iv) Reducing the use of plastic bags

To encourage more responsible shopping and reduce household waste, since 2003 the Casino Group has reduced the number of disposable bags available in its stores, offering instead a line of reusable bags.

- Since 2016, the banners in France no longer provide disposable plastic bags, in compliance with local legislation.
- In other countries, subsidiaries are taking an increasing variety of initiatives to encourage a preference for reusable bags (in-store displays, loyalty programme incentives, etc.) and reduce the use of disposable plastic bags. In Brazil, GPA has set up a rewards system for customers who do not use plastic bags, offering stylish new reusable bags. As part of its "Reutilizar #praserfeliz" programme, GPA has extended its range of bags with a new line of fashionable, environmentally friendly reusables called "Sacolas do Brazil." In Colombia, Grupo Éxito is encouraging the use of reusable plastic bags, in particular through campaigns like "#YoTrajeMiBolsa", which asks shoppers to bring back their reusable bags the next time they came to the store. A special committee tracks the number of plastic bags used per quarter.

In addition, Franprix stores no longer carry single-use plastic cups, straws or plates.

3.5.4.4. COMBATING FOOD WASTE

Commitment

In view of the financial, environmental and social issues arising from food waste, in recent years the Group has been reducing sources of waste by offering solutions to customers and employees, deploying systems to reduce spoilage and unsold food, and donating expired or collected food.

In 2013, the Group signed the National Pact Against Food Waste set up by the French Ministry of Agriculture and Food. It supports the international Stop Food Waste Day with initiatives to raise awareness among customers and employees.

Action plans

Actionable levers in the fight against food waste include:

- continuously improving store operating procedures by optimising orders, limiting spoilage through employee training and education, and improving the promotional stockpiling of damaged or expiring products. In 2018, the Group upgraded its damaged produce systems, to be able to sell short-dated products at a discount. It also formed partnerships with start-ups like Too Good to Go in France, which offers specially priced “magic bags” of unsold, yet still edible food that stores have to throw out at the end of the day. More than 100,000 bags have been sold in the banners in France. In 2018, as part of its commitment to reducing food waste, Éxito piloted a programme in 25 stores to use the Foodcloud digital platform, which seeks to optimise the relationship between suppliers, stores and food banks;
- donating products to associations such as the French Federation of Food Banks (FFBA), with which the Group has partnered since 2009. It has also formed partnerships with several other social economy stakeholders. In France, these initiatives (see section 3.5.2.1.) demonstrated their effectiveness by enabling the donation of nearly 15,000 tonnes of food to associations in 2018, or 14% more than 2017. At Multivarejo, 257 stores have joined the Partnership Against Food Waste programme that donates damaged fruits and vegetables to NGOs or food banks;
- raising awareness among employees and customers. In France, retailers account for only 14% of food waste, with the rest attributable to upstream producers or downstream consumer behaviour, which is why the banners are conducting a range of smart shopping awareness campaigns to educate their customers. During France’s National Day Against Food Waste, a leaflet was prepared and distributed in the banners and corporate offices. The Group also posted an on-line animation on the corporate and banner websites to show the public and employees a variety of best practices and good habits that help to prevent food waste. Employee awareness was also enhanced at Casino by an “Eco Gestures” guide to practices that effectively reduce spoilage and improve waste management. An e-learning programme was developed to teach employees how to combat food waste. Éxito is deploying its waste management plan, which covers food waste, and is building awareness among all its teams of proper food management practices;
- working closely with suppliers to:
 - extend product sell-by dates, without increasing health risks,
 - remove best-by dates on certain categories of products,
 - optimise food product packaging with the development of single-serve or portionable packs,
 - share their experience in fighting against food waste, by redistributing misshapen or non-standard products in local channels, for example, or processing waste food into new products (turning avocados into guacamole, apples into apple juice, etc.). This approach has been introduced by Monoprix as part of the “agricultural partnerships” with growers, buyers and other stakeholders in the fruit and vegetable production chain;
- developing new concepts such as:
 - scoop and weigh: Group banners sell a variety of organic dried fruit and vegetables in bulk, supported by explanatory product labels and other shopper awareness initiatives,
 - the re-processing of damaged fresh produce: Monoprix, which also sells Re-Belles brand jams made from damaged fruit, began offering the new “Shop and Give” service in 2017. When customers order new groceries for home delivery, they can return their unexpired products, fruits, vegetables and used batteries and light bulbs to the deliverer for donation or recycling,
 - the sorting of inedible meat, fish and other organic food scraps for reuse in animal feed, biogas generation or composting.

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3.5.4.5. ENCOURAGING CONSUMPTION THAT RESPECTS BIODIVERSITY.

Because biodiversity helps to guarantee balanced diets around the world, the Casino Group partnered with the Fayol Institute graduate school in Saint-Étienne to assess the pressure from food products (climate change, pollution and land use). This research enabled the Group to identify the production chains with the greatest impact and to assess the alignment of its initiatives. Based on the findings, the Group defined its commitments to preserve biodiversity. Present in countries with rich ecological diversity, such as Brazil and Colombia, the Casino Group is actively making a difference, both in the production chains and on the identified impacts.

Commitment

In its commitment to preserving diversity, the Casino Group has endorsed:

- the Act4Nature “Business for Biodiversity” manifesto issued by *Entreprises pour l’Environnement* (EpE), to encourage companies to protect, promote and restore biodiversity;
- the *Cerrado Manifesto* Statement of Support, to combat the deforestation in the Cerrado in Brazil.

In 2011, it joined the RSPO to support sustainable palm oil. It is a member of the Earthworm Foundation and, since 2019, the Palm Oil Transparency Coalition and the Duralim platform that supports sustainable animal feed.

Action plans

The Group has defined three priorities for action:

- market a line of products that help to preserve the environment and biodiversity;
- combat deforestation caused by production of commodities;
- preserve fishery resources.
- **(i) Market a line of products that help to preserve the environment and biodiversity**

Casino Group stores now carry more than 30,000 products certified as sustainable, an increase of 18% over 2017. Promoted to shoppers in dedicated product areas or through marketing and/or promotional campaigns, these products contribute a growing share of the units’ revenue stream.

To support organic farming and reduce the use of pesticides, the Casino Group is expanding its lines of certified organic food products, with more than 2,000 private-label SKUs and around 18,750 national brand SKUs, up 27% compared to 2017. Organic products are on the shelves in every banner, including the discount stores, so that everyone can shop organic.

The Group is committed to topping €1.5 billion in revenue from organic products in 2021.

The Group, which also supports Good Agricultural Practices (GAP) and sustainable agriculture with brands like Terre et Saveurs, is the first retailer to start offering guaranteed pesticide residue-free product lines in Casino banners. Launched in 2016 following collaborative work with Casino partners already engaged in agroecological farming, the Casino AgriPlus programme is developing and promoting innovative farming initiatives that are beneficial for the environment, farmers and consumers. Its holistic approach covers the full range of farming, animal husbandry and aquaculture practices, organised around four pillars:

1. innovative crop farming and animal husbandry practices, entirely rethought to produce differently and responsibly;
2. an agroecological approach based on collaborative work in the sector, to reconcile economic performance with environmental preservation;
3. an approach that ensures quality products that meet consumer expectations in terms of taste and food safety;
4. a transparent approach, based on guarantees monitored by independent bodies.

Products endorsed by the programme are identified by the easily identifiable Casino AgriPlus logo.

Monoprix has partnered with more than 700 fruit and vegetable farmers to launch the “Tous Cultiv’acteurs” initiative, which aims to eliminate neonicotinoid pesticides that can harm pollinators. A three-year agreement has been signed with 37 partner suppliers, covering more than 500 producers and based on specifications co-defined with the Bee Friendly® label and farming experts. The initiative is supporting farmers in a continuous improvement process with the goal of earning the Bee Friendly® label for their products. The label’s highly demanding standards include a blacklist of pesticides that have been banned to protect pollinators and a set of good agricultural practices, in order to promote biodiversity on farms, develop more resilient production systems requiring fewer pesticides, and forge partnerships with local beekeepers.

In addition, the Group is expanding its organic banners in France with Naturalia and Franprix Noé, whose merchandise is focused on organic and other products that deliberately reflect a more responsible shopping experience (see paragraph 3.3.2 “Customers”).

Internationally, Group banners market nearly 1,900 organically grown food products, which are regularly advertised and showcased to customers either in dedicated corner displays or in the usual store sections. GPA’s Pão de Açúcar banner, for example, promotes organically grown products during its “Organic Thursday” events, offering customers a 20% discount.

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The Group encourages its suppliers to comply with the Good Agricultural Practices (GAP) standard. Éxito, for example, has deployed a GAP certification programme and GPA has introduced new standards in its GAP protocol that include inspecting farmlands, undertaking corrective action plans and tracking their outcomes.

● (ii) Combat deforestation caused by production of commodities;

A partner of the Earthworm Foundation, the Casino Group is committed to fighting deforestation caused by the production of commodities, focusing on beef, palm oil, soya and cocoa.

Beef: the Group has deployed a programme to inspect its beef suppliers in Brazil, with almost all of the ranches identified and geo-located in 2018 (see section 3.5.3.4.).

Palm oil: the Group has identified its suppliers' first importers and/or refiners and analysed their zero-deforestation policies, to engage them in maintaining and strengthening their commitment to producing certified deforestation-free palm oil. The Casino Group has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011. In 2019, it joined the Palm Oil Transparency Coalition to work with other businesses in engaging with palm oil refiners and importers in Europe (see section 3.5.3.4.).

Cocoa: cocoa is an ingredient in a variety of product categories. Given the complexity of the cocoa supply chain, which comprises around six intermediaries between the farm and the store, the Casino Group has pledged that all of the cocoa used by suppliers of its private-label products in France that contain at least 20% cocoa will be fair-trade certified by 2020, based on audits by UTZ, Fairtrade and other independent organisations.

Soya: to address soya issues and the potential risks raised by soybean farming in South America, the Casino Group is actively supporting the joint programmes in place to ensure that the soya in its supply chains in France has not caused deforestation, particularly in South America. Soya from Brazil is mainly found in the animal feed used in France to raise the animals purchased from Group suppliers, as well as in private-label and national brand soya-based products, such as soya drinks.

In 2018, the Group's discussions with stakeholders yielded a consensus that:

- the soya supply chain is particularly complex, with at least seven intermediaries between the meat suppliers and the soybean farmer;
- only multi-stakeholder solutions can ensure that the soya imported into France has not caused deforestation in Brazil, as indicated in France's national strategy to end imported deforestation;
- a small number of traders play a key role in exporting soya and soybeans to China and the European Union.

In response, as part of its corporate social responsibility policy, the Casino Group:

- has endorsed the Cerrado Manifesto Statement of Support, to participate in global multi-stakeholder initiatives;
- asked the three leading traders in France to provide information about their commitments and initiatives to ensure that the soya they import is deforestation-free;
- contacted Duralim, a French collaborative platform that supports sustainable feed for farmed livestock, to learn about the commitments in place, particularly as concerns soya in the animal feed industry. The Group will participate in the Duralim working meetings in 2019;
- took part in working meetings organised by our partner Earthworm Foundation to review the solutions and responded to requests for meetings with associations addressing the same issues;
- participated, via its GPA subsidiary in Brazil, in meetings of the Cerrado Working Group (GTC), which brings together civil society stakeholders, traders, industry associations and soybean farmers. GPA also supports the voluntary Soy Moratorium initiated in 2006 by soya traders;
- helped to develop the Soy Toolkit issued by GPA stakeholder Proforest;
- supports *Alliança da Terra*, a Brazilian environmental association that assists farmers in improving their environmental and social management.

Concerning the soya used as an ingredient in its private-label products, the Group is working with suppliers to identify the country of origin and the related country risk.

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● (iii) Preserve fishery resources and protect endangered species

The Group's policy is built around four main objectives: (a) protect endangered species, by prohibiting the sale of endangered fish since 2007 (11 species are currently banned); (b) encourage sustainable fishing by, for example, banning electrofishing and supporting sustainable certification; (c) focus on local sourcing and seasonal products; (d) support aquaculture with high-quality production chains, based on organic farming standards, without antibiotics and using GMO-free fish feed.

The Group has been steadily improving its seafood offering for many years now. Since 2007, Casino has taken a number of steps to protect fishery resources, such as phasing out the sale of the most endangered deep-sea species (emperor fish, blue ling, cutlass fish, grenadier and tusk, and, since late 2016, tope shark and blue shark). It has also stopped selling other endangered species, such as North-East Atlantic dogfish, eel, elver and white grouper. Lastly, based on the scientific consensus that depleted fish stocks must be rebuilt, since 2018 Casino no longer sells European sea bass (*Dicentrarchus labrax*) caught in the North fishing area (North Sea, English Channel and Celtic Seas) during the February-March spawning season and limits its supplies from the Bay of Biscay and the Mediterranean to bass caught by pole and line. These responsible decisions will support the replenishment of sea bass stocks.

Since 2018, Éxito has sold seafood from nationally designated traditional fishing areas known as Zonas Exclusivas de Pesca Artesanal (ZEPA), which help to protect endangered species and preserve the diversity of marine life.

In 2018, Multivarejo expanded its sustainable fishing programme by raising consumer awareness of its policies in this area, such as respecting spawning seasons and minimum landing sizes, and voluntarily banning the sale of species that are rare in Brazilian waters.

Private-label tinned tuna

The seafood production chain, particularly for private-label tinned tuna, runs a high risk of abusive labour conditions and overfishing.

To encourage more sustainable fishing practices, the Casino Group has therefore pledged to:

- fight against illegal fishing by ensuring that fishing boats supplying the banners are not listed as illegal, unreported or unregulated (IUU);

- improve traceability and best practices by:

- encouraging suppliers to join International Seafood Sustainability Foundation (ISSF) and to use fish caught by vessels in the ISSF's Proactive Vessel Register (PVR),
- prohibiting the most destructive fishing techniques, particularly longlining,
- defining responsible specifications. The Casino brand, for example, uses whole yellowfin tuna weighing more than 20 kg, which enables better traceability and helps to protect juveniles;

Casino and Monoprix stores carry Aquaculture Stewardship Council (ASC)- and Marine Stewardship Council (MSC)-certified products, as a guarantee of more sustainable fishing;

- support a sustainable supply of tuna for the Casino private-label and Tous les Jours brand tinned tuna, with the following targets:

- at least 60% of the yellowfin tuna caught in free schools (without FADs). The rest is fished either by pole and line or as part of a fishery improvement project (FIP) implemented to support sustainable fishing practices and management,
- at least 20% of skipjack tuna caught in free schools and at least 50% as part of a FIP;

- source from different fishing grounds so as to limit pressure on stocks;

- enable consumers to purchase more responsibly by:

- improving consumer information by indicating the species and ocean of origin on the tins,
- adjusting in-store offerings to available resources,
- no longer expanding the line of yellowfin tuna-based products.

Casino sells tinned yellowfin tuna caught by the more environmentally friendly pole and line method. Monoprix offers a range of private-label tinned yellowfin tuna certified as being caught by French-flag vessels in Atlantic and Indian Ocean fishing banks, in free schools using purse seines (guaranteed without FADs).

To strengthen the measures to prevent risks raised by its private-label tinned tuna, the Group joined the tuna working group coordinated by the Earthworm Foundation. Comprised of retailers and manufacturers based in France, the working group is seeking to steer stakeholders across the production chain towards more responsible tuna fishing and supply practices. To do so, it is exploring applications and systems capable of accurately tracking the progress of each stakeholder in terms of transparency and traceability, fished volumes by species, and tracking and verifying fishing methods and fishing areas.

3.6. NON-FINANCIAL PERFORMANCE

Non-financial ratings

The Group's inclusion in these non-financial indices, which comprise the top performing companies in terms of social, environmental and governance criteria, demonstrates the depth of its commitment to CSR.

Casino obtained a score of A1+ and Vigeo Eiris ranked it first out of 43 businesses in its industry and eighth out of the 4,612 assessed in November 2018.

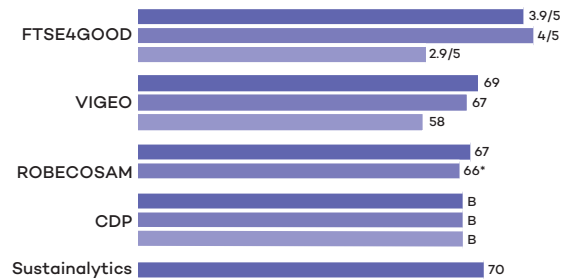
Since 2012, the Casino Group has favoured the following three non-financial indices: Euronext Vigeo Eiris, FTSE4GOOD and DJSI.

In 2018, Casino was included in the following indices:

- FTSE4GOOD;
- Ethibel Sustainability Index ESI;
- STOXX Global ESG Leaders indices;
- BBFAW Business Benchmark on Farm Animal Welfare: level 3, making Casino the highest-ranking French retailer in 2018.

For the sixth consecutive year, Grupo Éxito was part of the DJSI Emerging Markets index, which each year honours top performing companies using a selection of economic, environmental and social criteria. Éxito is also listed on the Euronext Vigeo Eiris Emerging Markets index.

The Group reports to the Carbon Disclosure Project (CDP) and maintained its B rating in 2018.



Year of grade obtention: ■ 2018 ■ 2017 ■ 2016 |

* Change in rating methodology

The changes in non-financial ratings and the discussions with SRI investors were presented to the Governance and Social Responsibility Committee in 2018.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

Key performance indicators

Commitments	Indicator	2016	2017	2018	Change N-1
Committed employer					
Promote diversity	Number of employees at 31 December	223,211	221,956	220,060	-0.9%
	% of women in headcount	53%	53%	53%	-
	% of women managers	37.1%	38.0%	38.9%	+0.9 pts
	Number of disabled employees at 31 December (under permanent and fixed-term contracts)	7,035	7,331	8,134	+11%
	Disabled employees as a proportion of total headcount	3.2%	3.3%	3.7%	+0.4 pts
Help young people enter the workforce	Percentage of employees <30 years old	39.0%	38.6%	38.5%	-0.1 pts
	Number of people on Group work-study/apprenticeship programmes at 31 December	6,964	7,313	8,532	+17%
Provide growth opportunities for employees	Total number of training hours	4,027,000	4,365,924	4,554,603	+4%
	Total hours of training per person	18.2	19.8	21.0	+6%
Take action to protect employee health and well-being	Lost-time accident frequency rate	16.1	18.8	16.7	-2.1 pts
	Lost-time accident severity rate	-	0.79	0.67	-0.12 pts
	Absenteeism rate due to accidents and illness	-	4.9%	4.3%	-0.6 pts
Responsible retailer and trusted partner					
Take action to protect consumer health and encourage consumption that respects the environment and biodiversity	Number of "sustainable certified" products	18,617	25,338	30,017	+18%
	Number of organic food products (private-label and national-brand products)	13,092	16,344	20,826	+27%
Combat food waste	Recovered and donated by stores and warehouses (tonnes)	15,394	18,612	21,911	+18%
Strengthen ethical social compliance	Number of social audits conducted by the Group (in accordance with ICS methodology)	349	885	1,042	+18%
Environmentally committed group					
Reduce greenhouse gas emissions	GHG emissions related to cooling systems per square metre of retail space (kgCO ₂ eq/sq.m) ⁽¹⁾	190.9	192.1	195.8	+1.9%
	GHG emissions related to electricity consumption per square metre of retail space (kgCO ₂ eq/sq.m) ⁽²⁾	65.5	65.0	49.3	-24%
Manage consumption of natural resources	Total electricity consumption (MWh)	3,241,027	3,176,789	3,130,765	-1%
	Electricity per square metre of retail space (kWh/sq.m)	569	572	566	-1%
	Renewable electricity produced (MWh)	90,500	107,500	106,700	-0.7%
	Water consumption per square metre of retail space (l/sq.m) ⁽³⁾	1,341	1,258	1,487	+18%
Reduce and recover waste	Volume of operating waste recovered (tonnes) ⁽⁴⁾	217,036	185,392	205,565	+11%
	Of which recovered cardboard (tonnes)	155,111	131,928	148,640	+13%
	Percentage of waste recovered (excluding food donations) ⁽⁵⁾	45.0%	54.8%	44.5%	-10.3 pts
Local corporate citizen					
Develop foundation programmes and non-profit partnerships associated with natural resources	Funds distributed for community outreach (donations and foundations) (€ thousands)	74,191	77,959	86,455	+11%
	Donations of foodstuffs in meal equivalents – (thousands of meals)	30,788	37,224	43,821	+18%
	Estimated number of people reached through foundations or outreach partnerships	95,911	102,413	101,221	-1%

(1) 2018 data: excludes the Monoprix Group and Codim. Coverage rate for coolant refills in square metres of retail space: 85% in 2018 compared to 80% in 2017. The emission factors integrated in the 2018 emissions calculations have been updated.

(2) The emission factors integrated in the 2018 emissions calculations have been updated.

(3) 2018 data: excludes Codim. Coverage rate for water consumption in square metres of retail space: 77% in 2018 compared to 64% in 2017.

(4) 2018 data: excludes Disco Devoto and Naturalia. Coverage rate for waste recovered in square metres of retail space: 87% in 2018 compared to 66% in 2017.

(5) 2018 data: excludes Naturalia, Disco Devoto and Libertad. Coverage rate for this data in square metres of retail space: 85% in 2018 compared to 61% in 2017.

3.7. NON-FINANCIAL INFORMATION STATEMENT CROSS-REFERENCE TABLE

Pursuant to Article L. 225-102-1 of the French Commercial Code, the Company is required to produce a non-financial information statement for 2018. This statement must contain information on the Company's approach to assessing the employee relations, environmental and social consequences of its operations.

Chapter 3, Chapter 1 and section 4.3 contain the non-financial statement information and in the interest of simplicity, the cross-reference table below enables the reader to find the information needed.

NON-FINANCIAL INFORMATION STATEMENT – ARTICLES L. 225-102-1 AND R. 225-105 OF THE FRENCH COMMERCIAL CODE.		
Business model		
Presentation of business model	Chapter 1 Presentation of the Casino Group Section 1.4 The Casino Group business model	Pages 13 to 15
Main CSR risks		
Description of the main non-financial risks and challenges, and identification methodology used	Section 3.2.2 Description of the main non-financial risks and challenges, and identification methodology used	Pages 184 to 187
Labour relations/societal	Section 4.3 Main risk factors: Human resources risks, Product quality, conformity and safety risks	Page 274 Page 272
Environmental	Section 4.3 Main risk factors: Risks related to climate change (4.3.1.VIII) Section 3.5.3.4 Duty of care plan (Act of 27 March 2017)/Risk mapping	Page 274 Page 218
Human rights	Section 4.3 Main risk factors: Risks related to the supply chain and the Group's ethical commitments (4.3.1.IV)	Pages 272 and 273
Anti-corruption/Anti-tax evasion	Section 4.3 Main risk factors: Compliance risks – Laws and regulations (Sapin II law) Anti-tax evasion	Page 276 Page 187
Key policies, results and indicators		
Labour relations/societal	Section 3.5.1 The Casino Group, a committed employer/see Section 3.5.1.3 Section 3.5.3 The Casino Group, a responsible retailer/see Section 3.5.3.1 Key performance indicators	Pages 202 to 208 Pages 212 and 213 Page 242
Environmental	Section 3.5.4 The Casino Group, actively committed to the environment/see Section 3.5.4.5 Key Group performance indicators	Pages 238 to 240 and 242
Human rights	Section 3.5.3.4 Duty of care plan (Act of 27 March 2017) Key performance indicators	Pages 216 to 228 Page 242
Anti-corruption/Anti-tax evasion	Section 3.4 Ethics and Compliance/ see Sections 3.4.1 to 3.4.5 Anti-tax evasion	Pages 191 to 193 Page 187
Information and commitments		
Societal commitments to sustainable development	All commitments are detailed in Chapter 3 CSR and the non-financial information statement	Pages 181 to 240
Societal commitments to the circular economy	Section 3.5.4.3 Preserving natural resources, reducing their use and supporting the circular economy	Pages 234 to 236

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

Respecting animal welfare	Section 3.5.3.5 Ensuring animal welfare	Page 228 to 230
Combating food waste and food insecurity	Section 3.5.2.1 Supporting food relief Section 3.5.4.3 Preserving natural resources, reducing their use and supporting the circular economy	Page 209 Pages 234 to 236
Respecting fair, responsible and sustainable food choices	Section 3.5.3 The Casino Group, a responsible retailer/see Sections 3.5.3.2 to 3.5.3.5	Pages 213 to 230
Collective agreements and impacts on the company's performance and employee working conditions	Section 3.5.1.3 Providing an environment conducive to employee fulfilment	Pages 202 to 208
Fighting against discrimination, promoting diversity and measures taken for people with disabilities	Section 3.5.1 The Casino Group, a responsible retailer/see Sections 3.5.1.1.1 to 3.5.1.1.2	Pages 196 to 199
Human resources information		
Employment		
Total workforce and workforce by gender, age and country	Section 3.5.1 The Casino Group, a committed employer	Pages 195 and 242
Hires and terminations	Section 3.5.1 The Casino Group, a committed employer	Page 195
Compensation and changes in compensation	Section 3.5.1.3.3 Incentivising compensation to drive individual, collective and CSR performance	Pages 203 to 205
Working practices		
Organisation of working time	Section 3.5.1 The Casino Group, a committed employer	Pages 195 and 206
Absenteeism	Section 3.5.1 The Casino Group, a committed employer	Pages 207 and 242
Health and safety		
Health and safety conditions at work	Section 3.5.1.3.6 Fostering health, safety and well-being at work	Pages 205 to 207
Workplace accidents, especially their frequency and severity, and occupational illnesses	Section 3.5.1 The Casino Group, a committed employer	Pages 207 and 242
Employee relations		
Organisation of social dialogue, in particular information and employee consultation procedures and collective bargaining	Section 3.5.1.3.1 Encouraging social dialogue	Pages 202 to 203
Summary of collective agreements	Section 3.5.1.3.1 Encouraging social dialogue	Page 202
Training		
Training policies implemented	Section 3.5.1.3.8 Developing employability with training	Pages 207, 208 and 242
Total number of training hours	Section 3.5.1.3.8 Developing employability with training	Pages 208 and 242
Equal treatment		
Measures taken to promote gender equality	Section 3.5.1.2 Fostering gender equality in the workplace	Pages 200 to 202 and 242
Measures taken for the hiring and integration of people with disabilities	Section 3.5.1.1.2 Acting for the integration and retention of workers with disabilities	Pages 198, 199 and 242
Measures taken to combat discrimination	Section 3.5.1.1.1 Combating discrimination and stereotypes	Pages 196 to 198
Environmental information		
General environmental policy		
Structures in place allowing the Company to take into account environmental issues and, where applicable, to seek environmental audits or certification	Section 3.5.4.1 Environmental policy	Pages 230 to 231

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

Resources allocated to preventing environmental risks and pollution	Section 3.5.4 The Casino Group, actively committed to the environment	Pages 230 to 240
Provisions and guarantees for environmental risks, provided that the disclosure of this information does not cause any serious harm to the Company in an ongoing dispute	-	-
Pollution		
Measures to prevent, reduce and remedy air, water and soil pollution seriously affecting the environment	Section 3.5.4.2 The low-carbon strategy to fight against climate change	Pages 231 to 233 and 242
Measures to address noise and other forms of pollution specific to an activity	-	-
Circular economy		
(i) Pollution and waste management		
Measures to prevent, recycle, reuse and other ways of repurposing waste	Section 3.5.4.3 Reducing, sorting and reusing waste	Pages 235 and 242
Combating food waste	Section 3.5.4.4 Combating food waste	Pages 237 and 242
(ii) Sustainable use of resources		
Water use and supply in relation to local restrictions	Section 3.5.4.3.2 Managing water consumption	Pages 235 and 242
Raw materials use and measures taken to use them more efficiently	Section 3.5.4.5 Encouraging consumption that respects biodiversity	Pages 238 to 240 and 242
Energy use and measures taken to improve energy efficiency and increase the use of renewable energies	Section 3.5.4.3.1 Reducing energy consumption and encouraging the use of renewable energies	Pages 234 and 242
Land use	-	-
Climate change		
Emissions related to the use of goods and services	Section 3.5.4.2 The low-carbon strategy to fight against climate change	Pages 231 to 233 and 242
Measures taken to adapt to the consequences of climate change	Section 3.5.4.2.4 Adapting to climate change	Page 233
Medium- and long-term objectives for reducing GHG emissions and the means implemented to carry them out	Section 3.5.4.2 The low-carbon strategy to fight against climate change	Pages 231 to 233 and 242
Protecting biodiversity		
Measures taken to develop biodiversity	Section 3.5.4.5 Encouraging consumption that respects biodiversity	Pages 238 to 240 and 242
Information regarding social commitments		
Societal commitments to sustainable development		
Impact of the company's operations in terms of employment and local development	Section 3.3 Stakeholder dialogue	Pages 188 to 191 and 211
Impact of the company's operations on local residents and communities	Section 3.3 Stakeholder dialogue	Pages 188 to 191 and 211
Stakeholder relations and the forms of dialogue adopted with them	Section 3.3 Stakeholder dialogue	Pages 188 to 191
Partnership or philanthropy initiatives	Section 3.5.2 The Casino Group, a local corporate citizen	Pages 208 to 212 and 242

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

Subcontractors and suppliers		
Integration of social and environmental issues in the purchasing policy	Section 3.5.3.3 Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4 Duty of care plan (Act of 27 March 2017)	Pages 215 to 229
Consideration of corporate social responsibility standards in dealings with suppliers and subcontractors	Section 3.3 Stakeholder dialogue	Page 189
Fair business practices		
Action taken to prevent corruption	Section 3.4 Ethics and compliance	Pages 191 to 194
Measures taken to promote the health and safety of consumers	Section 3.5.3 The Casino Group, a responsible retailer/see Sections 3.5.3.1 to 3.5.3.2	Pages 212 to 215
Promotion of and compliance with the ILO's fundamental conventions on:		
<ul style="list-style-type: none"> ▪ The respect for freedom of association and the right to collective bargaining 	Section 3.1 CSR action and governance principles Section 3.5.1.3.1 Promoting social dialogue Section 3.5.3.3 Monitoring and improving the social and environmental impacts of the supply chain	Page 182 Page 202 Pages 215 to 216
<ul style="list-style-type: none"> ▪ The elimination of discrimination in respect of employment and occupation 	Section 3.5.1.1.1 Combating discrimination and stereotypes Section 3.5.3.3 Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4 Duty of care plan (Law dated 27 March 2017)	Pages 196 to 198 Pages 215 to 229
<ul style="list-style-type: none"> ▪ The elimination of forced and compulsory labour 	Section 3.5.3.3 Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4 Duty of care plan (Act of 27 March 2017)	Pages 215 to 229
<ul style="list-style-type: none"> ▪ The effective abolition of child labour 	Section 3.5.3.3 Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4 Duty of care plan (Act of 27 March 2017)	Pages 215 to 229
Human rights		
Action taken to promote human rights	Section 3.1 CSR action and governance principles Section 3.5.3.3 Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4 Duty of care plan (Act of 27 March 2017)	Pages 182 to 184 Pages 215 to 229
Methodology note		
	Section 3.9 Reporting methodology for non-financial indicators	Pages 250 to 252
Conclusion on the fairness and compliance of information		
	Section 3.10 Independent verifier's report on the consolidated non-financial information statement presented in the management report	Pages 253 to 255

3.8. SDG – GRI CROSS-REFERENCE TABLES

3.8.1. Sustainable Development Goals – SDG

Our 15 priorities	United Nations Sustainable Development Goals	Our commitments Our initiatives
Promote diversity <ul style="list-style-type: none"> Combat discrimination Favour the employment of disabled workers Promote gender equality 	  	3.5.1.1/3.5.1.2
Help young people enter the workforce <ul style="list-style-type: none"> Develop work/study schemes and enable access to entry-level work experience Facilitate student guidance and integration Take action to promote programmes for young people from disadvantaged backgrounds 	 	3.5.1.1.3/3.5.2.3
Provide growth opportunities for employees <ul style="list-style-type: none"> Implement wage policies designed to promote individual, collective and CSR performance Train employees to promote employability Manage change in the Company 		3.5.1.3/3.5.1.3.7
Take action to protect employee health and well-being <ul style="list-style-type: none"> Promote social dialogue Take action to prevent workplace risks Improve the quality of life at work Take action to address public health issues 		3.5.1.3/3.5.1.3.6
Take action to protect consumer health <ul style="list-style-type: none"> Improve the nutritional profile and ingredients of private-label products Develop specific product ranges Offer healthier products and production methods Inform consumers about the nutritional value of products Promote balanced consumption 		3.5.3.2.
Encourage consumption that is respectful of the environment and biodiversity <ul style="list-style-type: none"> Support organic farming and good agricultural practices Reduce the impact of packaging Educate customers on responsible consumer habits 	  	3.5.3.2/3.5.4.3/3.5.4.5
Combat food waste <ul style="list-style-type: none"> Educate customers and employees Develop new product and procurement concepts 		3.5.4.4
Strengthen ethical social compliance and implement the duty of care plan within the supply chain		3.5.3.3/3.5.3.4
Support local production channels <ul style="list-style-type: none"> Develop long-term supply chain partnerships Promotion of local products 		3.5.3/3.5.3.5
Promote the CSR initiatives of SMEs <ul style="list-style-type: none"> Maintain close relationships Evaluate CSR and environmental performance 		3.3.3

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

Our 15 priorities	United Nations Sustainable Development Goals	Our commitments Our initiatives
Develop foundation programmes <ul style="list-style-type: none"> Support food relief for the most disadvantaged members of society Support children in need Encourage employees' civic commitments 	  	3.5.2.1/3.5.2.2/3.5.2.5
Develop solidarity partnerships <ul style="list-style-type: none"> Support the integration of disadvantaged young people Combat exclusion 	 	3.5.2.2/3.5.2.3 /3.5.2.4
Reduce greenhouse gas emissions <ul style="list-style-type: none"> Implement a low-carbon strategy 		3.5.4.2
Increase energy efficiency <ul style="list-style-type: none"> Reduce energy use per sq.m. Use renewable energies 	  	3.5.4.3
Reduce and recover waste <ul style="list-style-type: none"> Sort and recycle store waste Collect and recycle used products 		3.5.4.3.3

3.8.2. Global Reporting Initiative – GRI

	Corresponding chapters
GRI 101: Introduction	
Reporting Principles	3.3/3.2.2/3.5.1.3.3/3.5.3.4
Using the GRI Standards for sustainability	-
Making claims related to the use of the GRI Standards	-
GRI 102: 2017 General information	
Organisational profile	1.3/1.6/2.1/3.5.1/3.5.3.4/8.5/3.6/9.1
Strategy	3.2.2/3.5.1.3
Ethics and integrity	3.4
Governance	5.4/5.5.4/6.1/6.2/3.1/3.4/3.5.1.3
Stakeholder engagement	3.3
Reporting practice	3.9
GRI 103: Management Approach 2017	
Explanation of the material topic and its boundary	3.2.1/3.2.2
The management approach and its components	3.5.1.3
Evaluation of the management approach	3.9
GRI 200: Economic	
201: Economic Performance	3.3/3.5.3/3.5.1.3/3.5.7
202: Market Presence	3.5.1
203: Indirect Economic Impacts	3.5.2
204: Procurement Practices	3.5.3.4
205: Anti-corruption	3.4/3.4.3/3.4.4/3.4.5/4.1
206: Anti-competitive Behaviour	4.3/3.4/9.10
GRI 300: Environmental	
301: Materials	3.5.4.3/3.6
302: Energy	3.5.4.3/3.6
303: Water	3.5.4.3.2/3.6
304: Biodiversity	3.5.4.5/3.5.7.1
305: Emissions	3.5.4.2/3.6.
306: Effluents and Waste	3.5.4.3.3/3.5.4.3.4/3.6.
307: Environmental Compliance	3.5.3.4
308: Supplier Environmental Assessment	3.5.4/3.6.
GRI 400: Social	
401: Employment	3.5.1/3.5.1.3
402: Labour/Management Relations	3.3/3.3.1/3.5.1.3
403: Occupational Health and Safety	3.5.1.3/3.5.1.3.6/3.6
404: Training and Education	3.5.1.3/3.5.1.3.8/3.6
405: Diversity and Equal Opportunity	3.5.1.1/3.5.1.2/3.6.
406: Non-discrimination	3.5.1.1
407: Freedom of Association and Collective Bargaining	3.5.1.3.1
408: Child labour	3.5.3.4
409: Forced or Compulsory Labour	3.5.3.4
410: Security Practices	3.5.1.3.6
411: Rights of Indigenous Peoples	-
412: Human Rights Assessment	3.5.3.4
413: Local Communities	3.3/3.3.5
414: Supplier Social Assessment	3.5.3.4
415: Public Policy	3.4/3.4.7
416: Customer Health and Safety	3.5.3.2/3.5.3.1.
417: Marketing and Labelling	3.5.3.2
418: Customer Privacy	4.3.1/4.3.3
419: Socio-economic Compliance	3.2/3.4

3.9. REPORTING METHODOLOGY FOR NON-FINANCIAL INDICATORS

REPORTING SCOPE

Unless otherwise specified, the human resources, social and environmental data concern all entities under the operational control of the Casino Group and any of its majority-held subsidiaries, in France and abroad. Data concerning affiliates, franchises and business leases are not included. Reporting is on a fully consolidated basis (data included at 100%).

The scope of non-financial reporting is the same as the Group's financial reporting:

- "The Group" includes the consolidated data of all business units in the Group's host countries. These data exclude discontinued operations in application of IFRS 5;
- "Country" includes the consolidated data of store activity and the associated support services (logistics, purchasing, human resources, etc.) of business units located in:
 - France: operations under the Casino, Monoprix (including Naturalia), Cdiscount, Franprix and Leader Price banners. In accordance with IFRS 5, the Group's discontinued operations are excluded,
 - Brazil, encompassing the operations of Pão de Açúcar Group (GPA) and its entities Multivarejo and Assaí. In accordance with IFRS 5, GPA's discontinued operations are excluded, *i.e.*, Via Varejo and Cnova Brazil,
 - Colombia, comprising Grupo Éxito operations,
 - Uruguay, comprising Grupo Disco and Devoto operations,
 - Argentina, comprising Libertad operations.

"Casino" encompasses the activities under the Casino banners in France and their support services. The non-financial indicators cover 100% of the Group's scope by default, excluding several exceptions that are specifically mentioned in the report.

REPORTING PERIOD AND ACCOUNTING PRINCIPLE

The non-environmental data collected cover the activity of the concerned entity or entities for the period starting on 1 January and ending on 31 December of the reference year and include sites opened or closed down during the year, except for workplace accident frequency rates, workplace accident severity rates and the number of lost hours for Casino, which cover the period from 1 December 2017 to 30 November 2018.

Environmental data cover offices, logistics sites and stores that operated for a full 12-month period between 1 October 2017 and 30 September 2018.

DATA COLLECTION

An integrated reporting tool was implemented in 2018 to improve data collection and the reliability of calculating and consolidating non-financial indicators for the Group scope. The procedures for collecting data and the calculation methods for non-financial indicators are distributed to all those involved in the reporting process in France and in foreign subsidiaries. Improvements are made each year to guarantee:

- compliance with the legal and regulatory requirements relating to the government order no. 2017-1180 of 19 July 2017 and the decree n° 2017-1265 of 9 August 2017 relating to the publishing of non-financial information;
- consistency and proper understanding of calculation methodologies in all subsidiaries in France and abroad;
- the reliability of reported data.

During the 2018 rollout of the integrated reporting tool, training sessions were organised and assistance was made available to all. The following matters were covered as part of this process:

- the organisation of the process of gathering, validating and consolidating CSR indicators;
- responsibilities at the various process levels;
- the reporting scope and the principles for taking account of changes in scope (disposals, acquisitions);
- useful definitions for the proper understanding of required data;
- the methods for calculating indicators, consistent with applicable international or national reporting standards.

DATA CONSOLIDATION AND VERIFICATION

Internal procedures provide for the implementation of controls to limit the risk of error in the transmission of information and ensure the reliable production of indicators. Accordingly, each indicator is assigned to a CSR contributor, who is responsible for collecting and checking the data for his or her reporting scope.

Each indicator is also assigned a person in charge of validating the data entered by the contributor.

All the data are then brought together and consolidated centrally by the Group CSR department, which also conducts a series of controls to verify the data's consistency and compliance with the calculation methods and the reporting scope.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

EXTERNAL AUDIT

The reporting procedures and tools, as well as selected key indicators, were audited by EY, our Statutory Auditors.

The conclusions of this audit are set out in section 3.10 of this chapter.

BACKGROUND

The Casino Group mainly operates in Latin America,

Each subsidiary deploys local policies and initiatives in accordance with the Group's CSR policy.

The Group's host countries have significant economic, social, cultural and regulatory differences. Consequently, significant differences exist between the various geographic regions where the Group operates.

DETAILS ON METHODOLOGY AND SCOPE

Human resources data

- Workforce: indicators about the workforce are calculated at 31 December and do not include contracts expiring on that date. Suspended contracts are also not included.
- Employees with disabilities: the status of "employee with disabilities" is defined by the laws applicable in each of the Group's host countries. In France, the applicable provisions are set out in Article L. 323-3 of the French Labour Code (*Code du travail*).
- The lost-time accident frequency rate is expressed as the number of accidents per million hours worked. It corresponds to the "Number of work accidents" as a proportion of the "Actual number of hours worked". Actual number of hours worked comprises contractual working hours, overtime and additional hours less lost hours (due to occupational and non-occupational illness, and workplace accidents).
- The lost-time accident severity rate is expressed as the number of lost days per thousand hours worked. It corresponds to the "Number of lost hours due to workplace accidents" as a proportion of the "Actual number of hours worked".
- The absenteeism rate due to accidents and illness (including occupational illness) corresponds to the number of lost hours as a proportion of the total number of hours worked. Hours worked include contractual hours, overtime and additional hours. These data do not include hours lost due to commuting accidents.

- Training:
 - Includes the following:
 - Initial training and continuing training hours as well as distance learning (e-learning) programmes with an actual connection time of between 10 and 60 minutes and more than 60 minutes if the theoretical training time is more than 60 minutes.
 - Does not include the following:
 - Training hours spent in school under a vocational training contract (apprenticeship or work/study programme); training hours provided to non-Group employees; coaching initiatives implemented on site by supervisors; training programmes for which proof is not received at the reporting date, which can lead to the recording of fewer training hours.

Product and supplier data

- Organically farmed products comprise food products compliant with the local regulations applicable in each country. In France, "Bio" (organic) food products comply with European Regulation No. 834/2007.
- "Textile" products are not included in this category, although some of them are produced with organic cotton.
- "Sustainable-certified" products include:
 - organically farmed food products,
 - organic or eco-friendly hygiene and personal care products compliant with the local regulations applicable in each country and, in particular, with the Ecocert guidelines in France;
 - fair trade products, identifiable by a fair-trade label;
 - products with certification attesting to an environmental progress programme, e.g., MSC, NF Environnement, FSC, PEFC, European Ecolabel.
- ICS social audit: regular inspections are carried out to assess company labour practices and measure plants' compliance with the Social Clause Initiative (ICS) methodology (available at <http://www.ics-asso.org>). The audits are unannounced or semi-announced and are valid for a period of two years as of the initial audit date.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)
AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)****Environmental data**

● GHG emissions:

Scope 1 corresponds to direct GHG emissions and includes the items below:

- direct emissions from stationary combustion sources (natural gas, fuel oil);
- direct emissions from mobile combustion engine sources (fuel for owned vehicles or vehicles leased long-term);
- direct fugitive emissions such as those linked to refrigerant leaks.

Scope 2 corresponds to indirect GHG emissions associated with energy and, more particularly, with electricity.

The Group uses Carbon Base emission factors or factors published by recognised national sources (Carbon Base, ADEME 2017 and IPCC AR5).

● Sustainable use of resources: water and electricity consumption can be measured from meter readings or from the entity's utility bill.

- Operational waste: the volume of recovered operational waste includes waste sorted by the Group's facilities and delivered to accredited service providers for recovery. Depending on subsidiaries, it includes the following: cardboard, plastics, paper, office and sales equipment, organic waste, wood, lighting consumables, print consumables, waste cooking oil, bone and tallow, and scrap and metals.
- Hazardous waste is sent for specific local management in accordance with applicable standards. It is collected and stored separately from other types of waste before delivery to specialised and accredited service providers for treatment. Only hazardous waste recovered by an accredited service provider is included in the quantity of waste recovered.

3.10. INDEPENDENT VERIFIER'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PRESENTED IN THE MANAGEMENT REPORT

This document is a free English translation of the original report issued in French, provided solely for the convenience of English speakers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended 31 December 2018

To the General Assembly,

In our quality of independent verifier, accredited by the COFRAC under the number n° 3-1050 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereafter "Entity"), we present our report on the consolidated non-financial statement established for the year ended on 31 December 2018 (hereafter referred to as the "Statement"), presented in the management report pursuant to the provisions of article L. 225-102-1, R. 225-105 et R. 225-105-1 of the French Commercial code (*Code de commerce*).

RESPONSIBILITY OF THE ENTITY

It is the responsibility of the Board of Directors to establish the Statement in compliance with legal and regulatory provisions including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied regarding these risks as well as the results of these policies, including key performance indicators.

The Statement has been established by applying the procedures of the entity (hereinafter referred to as the "Reporting Protocol"), the significant elements of which are presented in the Statement and available on request at the Entity's headquarters.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements pursuant to the provisions of article L. 822-11-3 of the French Commercial code (*Code de commerce*) and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our role, based on our work, to express a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

Nonetheless, it is not our responsibility to express any form of conclusion on:

- the Entity's compliance with other applicable legal and regulatory provisions, particularly regarding the vigilance plan and the fight against corruption and tax evasion;
- the compliance of its products and services with applicable regulations.

NATURE AND SCOPE OF THE WORK

Our work described below has been carried out in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the procedures in which the independent third party conducts its mission, with professional standards as well as with the international ISAE 3000 standard – *Assurance engagements other than audits or reviews of historical financial information*.

The work that we conducted enables us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- We took note of the activity of all the companies included in the scope of consolidation, the presentation of the main social and environmental risks related to this activity and, if applicable, its effects regarding compliance with human rights, the fight against corruption, tax evasion as well as the resulting policies and their results;
- We assessed the suitability of the Reporting Protocol in terms of its relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, industry best practices;

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND NON-FINANCIAL INFORMATION STATEMENT (NFIS)

- We verified that the Statement covers each category of information provided in III of Article L. 225-102-1 of the French Commercial Code regarding social and environmental matters, as well as respect of human rights and the fight against corruption and tax evasion;
- We verified that the Statement presents the business model and the main risks related to the activity of all the entities included in the scope of consolidation; including if relevant and proportionate, the risks created through its business relationships, products or services, as well as its policies, actions and results, including key performance indicators;
- We verified, when relevant to the main risks or the policies presented, that the Statement presents the information provided for in II of Article R. 225-105 of the French Commercial Code;
- We assessed the process for selecting and validating the main risks;
- We inquired about the existence of internal control and risk management procedures put in place by the entity;
- We assessed the consistency of the results and the key performance indicators selected regarding the main risks and policies presented;
- We verified that the Statement covers the consolidated scope, *i.e.* all the companies included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, within the limits specified in the Statement;
- We assessed the collection process put in place by the entity to ensure the comprehensiveness and fairness of the Information;
- We implemented, for the key performance indicators and other quantitative results that we considered the most important, presented in Appendix 1:
 - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions,
 - detailed tests based on samples, consisting in the checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of contributing entities listed below: Casino France et Monoprix which cover between 16% and 77% of consolidated data selected for these tests (26% of employees, 35% of energy consumption, 77% of scope 1 GHG emissions and 16% of scope 2 GHG emissions);
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important, presented in Appendix 1;
- We assessed the overall consistency of the Statement with our knowledge of the entities included in the scope of consolidation.
- We consider that the work we have performed by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

MEANS AND RESOURCES

Our verification work mobilized the skills of four people and took place between October 2018 and March 2019 on a total duration of intervention of about sixteen weeks.

We conducted five interviews with the persons responsible for the preparation of the Statement including in particular the Corporate Social Responsibility, Human Resources, Risk Management and Compliance, and Quality departments.

CONCLUSION

Based on our work, we have not identified any significant misstatement that causes us not to believe that the non-financial statement complies with applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the reporting Protocol.

Paris-La Défense – 13 March 2019

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Éric Mugnier

Partner, Sustainable Development



Jean-François Bélorgey

Partner



APPENDIX 1: MOST IMPORTANT INFORMATION

Social Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Number of hours of training per employee (<i>hours</i>) Frequency rate and severity rate of work accidents (<i>number/million worked hours</i>) Absenteeism (%) Share of women managers (%)	Health and safety (prevention actions) Training and skills development
Environmental Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Electric consumption per sales area (<i>kWh/m²</i>) Total quantity of refrigerant gas leakages (<i>kg</i>) GHG emissions (scopes 1 and 2)	The results of the environmental/energy policy (certifications, means) Climate change (significant emission sources due to activity, reduction objectives, adaptation measures)
Societal Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
<ul style="list-style-type: none"> ▪ Number of ICS audits carried out in factories involved in the production of own-brand products for the Group ▪ Part of active audited factories, located in a country at risk, with Acceptable status ▪ Number of people trained regarding Group policy in terms of ethics and corruption prevention ▪ Number of microbiological analyses carried out during the year (France only) 	Subcontracting and suppliers (environmental and social issues) Measures taken for the health and safety of consumers Actions in favor of human rights, in particular respect for fundamental ILO Conventions Actions taken to prevent corruption

