



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 Casino Group's ethical principles and its commitment to respect and promote the principles affirmed by:

- the Universal Declaration of Human Rights;
- the ILO fundamental 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 17 Sustainable Development Goals (SDG) adopted by UN member states;
- the Paris Climate Agreement and the Montreal Protocol;
- the Global Reporting Initiative (GRI) guidelines;
- the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Casino Group is working directly and indirectly towards 12 SDGs, implementing policies to address the highest-priority issues (see SDG cross-reference table, pages 243-244).

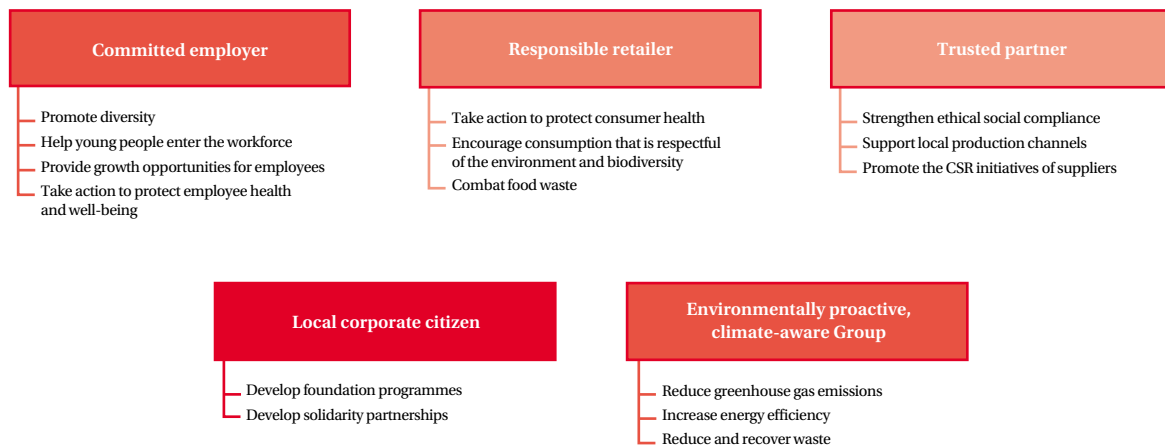
The Group's CSR policy aims to pave the way for responsible consumer habits and improve the sustainability of its business model by fostering stakeholder trust through ongoing dialogue.

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.

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



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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

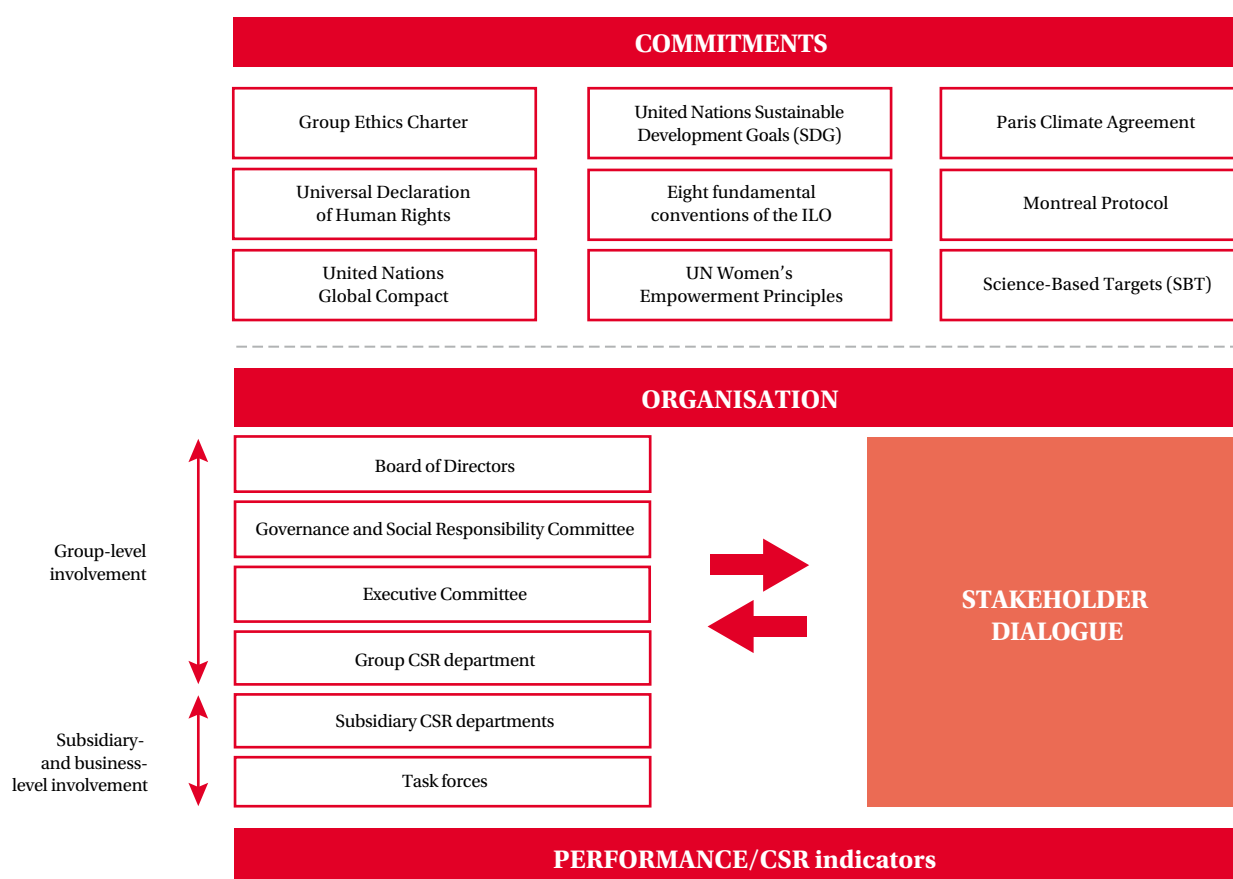
The Board of Directors has entrusted the assessment and monitoring of corporate social responsibility issues to the Governance and Social Responsibility Committee, broadening its responsibilities. The Committee is tasked with examining, in connection with the Group's strategy, its ethical, socially responsible, 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 Chapters 5 and 8).

At 25 February 2021, 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 work of the Board of Directors, the Governance and Social Responsibility Committee and the Audit Committee in 2020 are presented in Chapter 5 of this document. At the Annual General 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.



In the subsidiaries and business lines

Casino Group has created CSR departments in its main subsidiaries in France and abroad, coordinated by the Group CSR department. The following 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 Committees in place locally.

The Group's six targets for 2020 and 2025 have been drawn up and validated by Group management, in line with the CSR progress approach and the business model.

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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 2020 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 operations. 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 239 to 242 identifies the relevant information.

3.2.1. Business model

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

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

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 carried out by the Group Risks and Compliance department and the Group CSR department (see Chapter 4).

From 2019, the two departments have defined a method for rolling out a CSR risk management process throughout the Group that takes into account stakeholder impacts.

As part of this process and in line with international industry standards, a specific CSR category was integrated into the Group's pre-existing risk catalogue. The material issues were reviewed using the Food Retailers & Distributors industry benchmark from the Sustainability Accounting Standards Board (SASB). The category includes issues relating to duty of care, anti-corruption and fraud legislation, as well as food waste.

A specific CSR risk identification campaign was carried out in 2019 across all Group entities, by asking them to identify and evaluate their five main CSR risks based on their impact on the company and on stakeholders. For each risk, the entities indicated the control activities already in place and any action plans to be implemented to reduce the level of residual risk. These action plans were assessed in 2020, and the results were presented to the Governance and Social Responsibility Committee in January 2021. Specific work on evaluating climate-related risks and opportunities was also carried out in 2020, in line with the recommendations of the TCFD.

To help them identify major risks, the Group Risks and Compliance department and the Group CSR department provide the entities with methodological support and tools. These included a risk catalogue containing a description of each risk, the stakeholders involved, the main impacts on said stakeholders, and the criteria and rules for determining the probability and impact of both the gross risk (before taking into account existing internal controls) and the net risk.

The management committee of each entity is required to validate the results emanating from the identification process carried out jointly by the entity's CSR and Risks experts. Each entity's management committee validates the results of the risk identification and evaluation work carried out jointly by the entity's CSR and Risks experts.

In addition, a working group – comprising the Chairman of the Risk Prevention Committee, the Group Insurance Director, the Group CSR Director, the Risks and Compliance Director, the Group Ethics Officer and the Group Internal Control Director – carry out specific reviews to identify major CSR risks at the parent company level, the list of which was updated in 2020.

In keeping with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), in 2020 the Group specifically assessed physical and transition risks, as well as climate-related opportunities across all Group entities. The main risks identified in this way are presented in paragraph (iii) below. This climate risk identification process is integrated into the Group risk identification process carried out annually by the Risks and Compliance department, which also takes action to foster a risk culture throughout the Group.

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

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

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

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

In order to assess and update the Group CSR Policy, a study of the most strategic challenges faced at the Group level was carried out. Commissioned from an external third party, this materiality analysis served to prioritise CSR issues, and confirm the relevance of the 15 priorities underpinning the Group's CSR policies since 2011, particularly in view of stakeholder interests, industry 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. In 2019, a questionnaire sent to the Group's Top 200 managers in France served to validate the priority challenges with regard to their professions and their perception of the Group's CSR policy.

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:

- Colombia: In 2018, Éxito updated its materiality analysis to define the priority areas of action for upcoming years to include food security, the range of sustainable products on offer, climate change and the social impacts of the supply chain.

- Brazil: In 2017, GPA completed its materiality analysis with the assistance of an specialised external firm, taking into account the expectations expressed by the International Integrated Reporting Council (IIRC) as well as the 17 Sustainable Development Goals (SDG). GPA conducted a new materiality analysis in fourth-quarter 2020, which confirmed the major challenges related to climate change, food waste and a range of healthy, safe and sustainable products.

(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.

Main CSR risks	Description of the risks	Potential impacts	Due diligence policies	Policy outcomes and key indicators
Societal				
Food security	<p>Risk of a health crisis due to:</p> <ul style="list-style-type: none"> a product quality, compliance or safety issue; failure to implement product withdrawal/recall procedures. 	<p>Impact on consumer health (food poisoning and indigestion).</p> <p>Impact on the company (image, reputation and financial impact).</p>	<p>Responsible retailer approach</p> <p><i>See section 3.5.3.1</i></p> <p>Product quality: quality management system (dedicated organisation and experts, IFS standard, regular audits, quality analyses, procedures and tools for traceability, withdrawal/recall and crisis management).</p> <p>Product withdrawal policy.</p>	<p>Number of quality analyses (microbiological and physiochemical) on private-label products.</p>

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Main CSR risks	Description of the risks	Potential impacts	Due diligence policies	Policy outcomes and key indicators
Environment				
Climate change	<p>Physical risks in the event of extreme weather conditions.</p> <p>Chronic physical risks with regard to climate change, rising average temperatures and sea levels, and concerning the supply chain.</p> <p>Transition risks related to reputation and changes in the legal and tax environment.</p>	<p>Impact on the Group's economic activities: business disruption, higher raw material prices, higher energy prices, increase in insurance premiums.</p> <p>Impact on employees: working conditions, health, safety and productivity.</p> <p>Impact on the products sold in stores, with changes to customers' purchasing behaviours.</p> <p>Impact on access to financing.</p> <p>Impact on the company (image, reputation and financial impact).</p>	<p>Environmentally committed, climate aware approach</p> <p><i>See sections 3.5.4.2 and 3.5.4.2.1</i></p> <p>Fighting climate change via a low-carbon strategy based notably on reducing refrigerant-related emissions through: preventive maintenance, increased use of refrigerants with low global warming potential, and the gradual replacement of existing refrigeration equipment.</p> <p><i>For more information about the Group's management of climate change risk, see section 4.3.3</i></p>	<p>Greenhouse gas emissions in absolute value: Scope 1+2 (<i>tonnes CO₂ eq.</i>)</p> <p>Greenhouse gas emissions associated with cooling systems per square metre of retail space (<i>kgCO₂eq./sq.m.</i>)</p> <p>Greenhouse gas emissions associated with electricity consumption per square metre of retail space (<i>kg CO₂eq./sq.m.</i>)</p>
Human rights/Environment				
Social and environmental impacts related to the supply chain	<p>Risk of non-compliance by suppliers with the regulations and with the commitments made by the Group relating to:</p> <ul style="list-style-type: none"> human rights and fundamental freedoms: child labour, forced labour, discrimination, freedom of association, minimum wage, health and safety, working conditions, etc.; water and soil pollution, greenhouse gas emissions, deforestation, sustainable resource management and waste management. 	<p>Impact on workers (health, safety, etc.) in the supply chain.</p> <p>Sanctions for non-compliance with the French duty of care (<i>devoir de vigilance</i>) law of 27 March 2017.</p> <p>Impact on the company (image, reputation and financial impact).</p>	<p>Responsible retailer approach</p> <p><i>See sections 3.5.3.3 and 3.5.3.4</i></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>Number of ICS audits (social and environmental) performed in plants involved in the production of private-label products for the Group.</p> <p>Part of active audited factories, located in a country at risk, with Acceptable status.</p>

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Main CSR risks	Description of the risks	Potential impacts	Due diligence policies	Policy outcomes and key indicators
Human resources				
Fighting discrimination and promoting diversity	Risk of non-compliance with the regulations and/or the commitments made by the company in relation to combating discrimination and promoting diversity.	<p>Impact on the level of employee engagement and the company's attractiveness as an employer.</p> <p>Implications relating to the employer's liability for non-compliance with laws and regulations.</p> <p>Impact on the company's business performance.</p> <p>Impact on the company (image, reputation and financial impact).</p>	<p>Committed employer approach</p> <p><i>See section 3.5.1.1</i></p> <p>Promoting diversity and professional equality: initiatives designed to combat discrimination and stereotypes, foster the integration and retention of disabled workers, and promote generational diversity.</p>	Number of disabled employees.
Corruption				
Corruption and business ethics	Risk of non-compliance with anti-corruption laws and regulations, including Sapin II.	<p>Impact on the level of employee engagement.</p> <p>Sanctions for non-compliance with the Sapin II law.</p> <p>Impact on the relationship with stakeholders (trust, quality of the relationship, etc.).</p> <p>Impact on the company (image, reputation and financial impact).</p>	<p>Respect for ethics and compliance</p> <p><i>See section 3.4</i></p> <p>Commitment to combating corruption: Group Ethics Committee, Code of Ethics and Conduct, corruption risk mapping, network of ethics officers, training and awareness of the Group's ethics and anti-corruption policy.</p>	Number of confirmed cases of corruption.

For more information, see section 4.3.3 Main risk factors – Corporate social responsibility (CSR) risks.

For more information about non-financial performance, see section 3.6 on pages 237 and 238.

Casino Group also takes into account the other CSR issues that relate to its business model (see Chapter 1).

In addition to the main CSR risks mentioned above, it accordingly also carries out actions contributing to:

- social dialogue/collective agreements and their impacts on company performance and working conditions (see section 3.5.1.3 of this chapter);
- the development of a line-up of responsible products (see sections 3.5.3.2 and 3.5.4.6);

- the development of healthy products (see section 3.5.3.2);
- respect for animal welfare (see section 3.5.3.5 of this chapter);
- the fight against food waste (see section 3.5.4.5 of this chapter);
- supporting the circular economy (see section 3.5.4.4 of this chapter);
- customer satisfaction (see section 3.3.2);
- the fight against food insecurity (see section 3.5.2.1 of this chapter);
- local roots (see section 3.5.4.2.4 (ii)).

Tax evasion risk was included in the CSR risk analysis and was deemed to be non-material.

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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. Accordingly, many agreements are signed each year with representative trade union organisations. 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 third agreement was negotiated in 2020 and signed for the 2021-2023 period. In Brazil, GPA conducts many initiatives in favour of social dialogue and maintains good relations with various trade unions. In Colombia, Éxito has had four collective agreements since 2019 and a collective agreement on the working conditions of food segment employees.

Employee engagement and opinion surveys are also carried out regularly by the subsidiaries to gauge employees' expectations. In 2019, a questionnaire was sent to the Group's Top 200 managers in France to validate the priorities with regard to their professions and

their perceptions of the Group's CSR policy. Monoprix renewed its engagement survey, with a participation rate of 77% and a quality of worklife indicator of 72%. In 2020, the "Casino Acting for the Planet" (*Casino Agissons pour la Planète, CAP*) programme provided employees of Casino stores (hypermarkets and supermarkets) to express their CSR expectations and communicate on the initiatives in place. The manifesto, comprising three pillars – "CAP-able of acting for the climate", "CAP-able of eating better" and "CAP-able of standing together" – was signed by store teams. A large fresco with the pictures of committed employees on display at the Group's headquarters shows the level of involvement and community among employees relating to the issue. The Group also participated in an equal opportunity survey to identify employee expectations in terms of equality and the fight against discrimination. In South America, Éxito conducted an employee work environment survey in 2020, with a participation rate of 89%. Every two years, GPA conducts an employee engagement survey, which had a participation rate of 90% at Multivarejo in 2019 and an engagement rate of 73%, up 7 points on 2017. In 2020, Assaí achieved a participation rate of 100% and an engagement rate of 88%, up 9 points on 2018.

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: Casino Group and its banners have accounts on the various social networks to allow them to interact 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. For example, GPA receives

nearly 690,000 phone calls per year and 11,000 interactions on social media. GPA was awarded two prizes in 2020 for its customer service: the "Reclame Aqui 2020" prize and the "Respeito – Empresas que Mais Respeitam o Consumidor 2020" prize, which recognise the trust established with consumers. In Colombia, Éxito carries out about 100 customer surveys per store, in addition to online surveys.

- Reports are prepared and forwarded to the relevant departments (purchasing, marketing, stores, etc.) so that corrective and preventive initiatives can be implemented.
- 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 has rallied more than 5 million members.

The system as a whole serves to measure customer satisfaction and understand customer expectations.

To meet consumer expectations in terms of responsible consumption, the Group adapts its store concepts and product ranges.

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To this end:

- In France, the Group continued to develop its banners dedicated to organic products during the year. These include Naturalia, which now operates more than 200 stores (216 in 2020), including four all-vegan stores, and Casino#Bio, which was inaugurated in 2019. Franprix followed up on the Noé concept created in 2018 by launching a new model called Darwin, focused on organic products, bulk goods and a reduction in the impact of plastics. In Colombia, Grupo Éxito is opening Carulla Fresh Market stores dedicated to responsible consumption, with an expanded selection of local organically grown products. Gluten-free products, low-sodium and/or low-sugar products, as well as vegetarian and vegan products are also available to meet the requirements of all customers.

- Casino Group develops organic product ranges and takes into account consumer expectations to adjust its offering. For example, the Casino brand eliminated several substances and pledged to provide Nutri-Score nutrition labels on all its private-label food products by 2021 and to optimise the nutritional value of more than 1,000 products.
- 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 section 3.5.3).

3.3.3. Suppliers

Since its inception, 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, Casino Group has appointed a correspondent for SMEs to streamline their dealings with the central purchasing unit (Achats Marchandises Casino – AMC). This person also acts as a mediator in commercial disputes with all types of manufacturers. The SME correspondent works with the *Fédération des Entreprises et Entrepreneurs de France* (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. He or she also organises biannual meetings within the SME forum to take into account the expectations and challenges of SMEs in their markets.

A charter facilitating business relations between FEEF-affiliated SMEs and the Group's banners has been renewed for three years (2020-2022).

In 2020, given the public health situation, a large number of events were held online to maintain connections (trade shows and conferences were cancelled). New channels were identified in our stores to help manufacturers, in particular SMEs, whose volumes fell due to the closure of restaurants. Attesting to its commitment to SMEs, in 2020 the Group received two FEEF d'Or prizes out of a possible five national awards (to replace the Grés d'Or awards due to the public health situation) for the best collaborative undertakings between an SME and a retail banner in the field of CSR.

To support French suppliers in their CSR initiatives:

- Casino Group also encourages suppliers to self-assess their CSR practices using the Valorise portal set up with trade organisations ANIA, FEEF, COOP de France and the *Fédération du commerce et de la distribution* (FCD), of which the Group is a member. The portal (www.valo-rise.com) is designed to make it easier for suppliers, from very small enterprises (VSEs) to large international corporations, to self-assess their CSR performance thanks to a single form that can be used for several retail banners. This platform enables suppliers to:
 - self-assess their CSR performance with a single online questionnaire, based on the ISO 26000 standard and organised into six subject areas: governance, environment, local communities/development, consumers, fair practice and human resources/human rights,

- facilitate management of CSR initiatives,
- promote engagement in CSR by stakeholders across the supply chain, and
- ascertain suppliers' maturity levels.

In 2020, 279 Casino Group suppliers self-assessed their CSR policies (236 in 2019), covering 531 production sites:

- 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;
- the Group's central purchasing units, 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 behaviours on the environment.

(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 non-profit Hand'chiens, etc. In 2020, Casino Group launched the "Carbon Forum" with the aim of mobilising its main suppliers to reduce the greenhouse gas emissions of the products sold in its stores (see section 3.5.4.2).

(iii) With production chains: the Group has forged more than 150 long-term partnerships with farm cooperatives and farm produce production chains. It has notably created a "Charolaise Label Rouge" production chain for beef and an organic chicken production chain with farmers in Mayenne covering a five-year period, with guaranteed production volumes. The Group has also continued to develop a specific supply chain for eggs laid by free-range hens raised in France on feed that is 100% made in France and free from GMOs and antibiotics, to be sold under private-label brands. In 2020, the Group was the first French retailer to only sell cage-free eggs across all its private-label and national brands. It also signed a charter entitled "Closer to you and your tastes" (*Plus près de chez vous et de vos goûts*) with the French Ministry of Agriculture to promote local, agricultural products in its stores.

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In South America, Éxito supports local producers by forging partnerships with well-known NGOs and non-profits and by purchasing directly from local Colombian producers. Accordingly, 90% of fruit and vegetables are from Colombia, and over 80% of purchases are made directly from small local producers. 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. For almost 20 years, GPA has been supporting the "Caras do Brasil" programme to promote the purchasing of products from small producers.

3.3.4. Local authorities

With an extensive network of stores throughout France, in cities and rural areas, the Group contributes to the development of the communities where it operates. The banners' business development teams, store and network managers and the External Relations department maintain ongoing dialogue with local authorities. The Group has formats to suit the specific needs of all communities

(Casino Shop, Spar, Vival, Monoprix, etc.). Working closely with local authorities, Casino is helping rethink the balance between city centre and suburban retailing 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.

3.3.5. Local communities

The Group interacts with local communities through the work of its foundations in the areas of community outreach, education and workforce integration (see section 3.5.2), as well as through initiatives conducted locally by its stores.

The stores in France organise several collections each year for local non-profits. Monoprix, for example, supports the Protection Civile teams in Paris through an annual collection of around 4,000 hygiene kits, which are donated to the teams each year.

In South America, GPA and its "Instituto GPA" Foundation support local communities in the vicinity of its stores by rolling out programmes to foster employment and encourage entrepreneurship among

disadvantaged people. The NATA programme, in partnership with Rio de Janeiro State's departments of education and agriculture, offers baking and confectionery training courses in the communities surrounding its stores to young people from Rio de Janeiro's favelas. In 2020, due to the Covid-19 pandemic, class activities were suspended and the programme shifted to remote learning, with teaching materials made available to students. Éxito supports local communities through its foundation in the fight against childhood malnutrition by sourcing local products from local communities.

The Group is committed to supporting food bank networks in France and abroad, and contributes by organising collections in its stores and supporting national collection initiatives (see section 3.5.2.1).

3.3.6. Partner organisations (NGOs and associations)

Casino Group takes part in the work of the Initiative for Compliance and Sustainability (ICS), the Businesses for Human Rights non-profit (*Entreprises pour les Droits de l'Homme*), the Consumer Goods Forum, the Accord on Fire and Building Safety, the Palm Oil Transparency Coalition and the Cerrado Manifesto Statement of Support. 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.

In France, the Group is a member of various specialist non-profits such as Global Compact France, UN Women, Duralim, Open Agri Food, 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, Saint-Étienne-based eco-design and life cycle management unit Pôle Éco-Conception et Management du Cycle de Vie, retail association Perifem, and environmental bodies such as Éco-Systèmes, Citéo, 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.

In South America, subsidiaries also foster dialogue with stakeholders. In Brazil, GPA is a member of the Ethos Institute, an industry CSR association, the AKATU institute which organises awareness and outreach initiatives on sustainable consumption, textile association ABVTEX which works towards sustainability and decent working conditions across the textile supply chain, the National Pact to Eradicate Slave Labour (InPACTO), Global Compact and GTFI, the working group dedicated to tracking indirect suppliers in Brazil's beef industry. In Colombia, Éxito interacts with various national stakeholders including the National Apprenticeship Service (SENA) and international bodies such as TFA 2030, the WWF and the Consumer Goods Forum, which it joined in 2007.

In 2020, the Group responded to various requests and questionnaires from recognised NGOs, particularly on the issues of climate change, animal welfare, pesticides and deforestation.

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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 2020, relating to climate and nutrition issues, animal welfare and corporate governance.

The Group gives priority to requests and questionnaires from the following non-financial ratings and similar agencies: Vigeo Eiris, FTSE4GOOD, SAM DJSI (S&P Global), Sustainalytics, MSCI, Carbon Disclosure Project (CDP), BBFWA and FAIRR.

3.4. ETHICS AND COMPLIANCE

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 in the Supplier Ethics Charter (see section 3.5.3.3).

Through its membership of the UN Global Compact since 2009 and its Group Ethics Charter, Casino Group 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 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:

- validate the framework for the anti-corruption compliance programme and the associated procedures;
- promote the presentation, understanding and implementation of the Group's anti-corruption compliance programme;
- take into account the objectives defined by Group Senior Management;
- set up and supervise a network of ethics officers within the Group;

- ensure that the operating business units implement training and awareness initiatives;
- ensure the effective implementation of preventive measures adapted to the types of incidents identified by the operating units and corporate departments.

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 Risks and Compliance department and the Internal Audit department. The Group Ethics Officer reports to the Governance and Social Responsibility Committee and the Group Audit 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 Ethics and Conduct, applied within Casino 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 Conduct sets out Casino Group's policy on business ethics and individual behaviour. It is 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 Casino Group's culture: legal

and regulatory compliance, integrity, loyalty, transparency, honesty and respect for others.

The Code, which illustrates these values using practical examples, 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 Casino 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.

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Casino 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 are communicated to the Group's partners as part of its operations (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 map 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, Casino Group called on an external consultant to help it develop and roll out a complementary bottom-up methodology with two pilot entities for mapping corruption and influence peddling risks at entity level. This methodology has been gradually rolled out since 2019 to all Group units under the supervision of the Risks and Compliance department.

3.4.4. Network of ethics officers – prevention and whistleblowing

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, leading the network of ethics officers established in each entity in France, and interacting with international subsidiaries, which have an ethics or similar committee. Group employees may contact the network of ethics officers by means of confidential and secure whistleblowing lines to report any acts they deem contrary to the Group Ethics Charter.

The network of ethics officers ensures that employees understand Casino 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 Casino Group's subsidiaries were continued in 2020.

In France, initiatives taken focus notably on:

- the training of more than 11,000 employees since 2017 on Casino Group policy in terms of ethics and fighting corruption. In particular, in 2020, around 1,000 employees among the populations considered most vulnerable to the risk of corruption were trained in face-to-face sessions led by members of the Risk and Compliance department, including the Group Ethics Officer and a specialised lawyer, as well as in e-learning modules;
- awareness raising for entity management and executive committees via talks by the Group Ethics Officer at dedicated meetings;
- awareness raising for all employees, with the establishment of a display on all administrative sites setting out the principles of the Code of Ethics and Conduct, the sending of an explanatory brochure individually, and the distribution of messages via intranets;
- online tutorials on the following topics:
 - procedure for reporting alerts,
 - third-party referencing,
 - prevention of corruption (update of the version published in 2016);
- the reinforcement of measures taken during the referencing process of suppliers and the training of buyers in the reinforced control expected of them.

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Internationally, the following initiatives have been implemented:

- In Colombia, the “Transparencia” programme is the subject of an annual poster campaign covering specific aspects of its ethics programme. 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. The training is designed for managers considered to be at risk (especially in the Purchasing department), all newly hired employees, suppliers and service providers.

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 launched in 2019 were pursued in 2020, focusing on the rollout of an annual declaration of engagement and absence of conflict of interest in populations in contact with third parties, a gift and invitation policy, a sponsorship and philanthropy policy, a sales intermediaries policy, and the setting of new key

accounting controls. A new policy entitled “Compliance due diligence – Sapin II” was rolled out in 2020.

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

3.4.7. Responsible lobbying

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 helps to build 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 reports to the French High Authority for the Transparency of Public Life (HATVP) on its activities with national public officials 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 business segments (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 provides advice to store managers and developers of the Group’s banners on their relations with elected officials, notably to remind them of the ethical rules governing relations with local authorities and decentralised public services.

The External Relations department assists employees in the various Group departments and entities in their interactions with public authorities.

3.4.8. Tax transparency

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:

- complying with all national tax legislation and paying all taxes due in all host countries in a timely manner;
- avoiding aggressive tax schemes aimed at evading taxes or transferring profits to countries with preferential tax regimes;
- cooperating in full transparency with the tax authorities. 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.

With regard to tax transparency, the Group complies with the recommendations of the Organisation for Economic Cooperation and Development (OECD), notably with regard to intragroup transactions, and does not use structures located in “non-cooperative” tax jurisdictions as defined by regulations. The Group also complies with the OECD recommendations aimed at combating base erosion and profit shifting.

The Group’s tax policy has been made public and is available on its corporate website (www.groupe-casino.fr/en).

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3.4.9. Personal data protection

In the normal course of business, Casino's banners process the personal data of their customers, employees, partners and suppliers. Protecting their data and upholding personal data rights are key challenges for the Group.

Accordingly, the Group banners in question comply with applicable regulations governing personal data protection, namely the General Data Protection Regulation (GDPR) in Europe and the Data Protection Law in France.

The Group's main compliance initiatives involve:

- appointing Data Protection Officers (DPOs) at the banners concerned as well as data protection correspondents or dedicated support functions;
- monitoring initiatives and data protection matters through a Data Committee made up of Group management representatives;
- creating and maintaining a record of processing activities by the data controller and data processor;
- establishing a training programme and awareness campaigns for employees;

- promoting personal data management policies and procedures as applicable to customers, employees and suppliers;
- reviewing contractual commitments and guarantees on security measures implemented with or by the Group's partners;
- conducting Data Protection Impact Assessments (DPIA);
- implementing organisational and technical security measures to ensure a level of security appropriate to the risk;
- ensuring the technical and legal security of personal data transfers outside of the European Union;
- interacting with relevant data protection authorities and/or with the persons concerned, particularly in the event of data subject rights requests or the need to send notifications concerning data breaches;
- organising internal controls and compliance audits of personal data processing systems in place.

For more information, see Chapters 4 and 5.

3.4.10. Information systems security

Casino Group ensures strict compliance with regulations concerning information systems security. Particular attention is paid to protecting personal data, as required by the GDPR in particular, and the organisational and technical security measures needed for processing such data.

The Group manages a large scope of data concerning its customers, suppliers and the employees of its various banners. Through its subsidiary RelevanC, it also monetises information related to personal data processing. Managing the data securely is therefore essential.

The risk related to cybersecurity incidents is identified as a major risk by the Group and is monitored by a governance system designed to address the relevant challenges:

- an Information Systems Security department serving the entire Group manages security matters. This department optimises synergies in solutions and services and ensures homogeneous management and centralised reporting;
- Information systems security is monitored by Senior Management, giving rise to two annual presentations to the Executive Committee and one to the Audit Committee;

- a Data Committee, which meets twice per quarter, is in charge of following all matters related to personal data.

The Group applies the related policies based on the principle of continuous improvement. Recurring analyses on penetration tests and automatic reports from tools covering the entire scope are used to define and implement action plans.

In addition, the Group has an insurance policy covering cybersecurity risks.

The purchase of this policy implies that the Group can justify the implementation of several essential services:

- "Threat Intelligence" to monitor the web and the dark net;
- Security Operations Centers (SOC) to detect malicious activity within Group infrastructure;
- Computer Emergency Response Teams (CERT) deployed to run expert analyses and take remedial action in the event of incidents.

For more information, see Chapters 4 and 5.

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3.5. POLICIES AND INITIATIVES IN PLACE

3.5.1. Casino Group, a committed employer

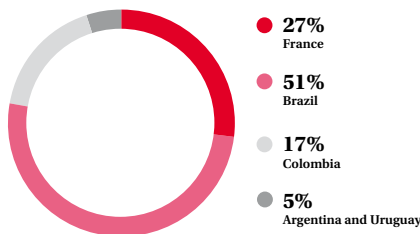
In every host country, Casino Group develops and implements innovative human resources and management policies that are sensitive to local cultures. These policies are designed to:

- combat discrimination and support equal opportunity;
- promote gender equality;
- foster constructive and innovative social dialogue;
- protect employee health, safety and well-being at work;
- promote employees' professional development and enhance talents;
- implement a fair and progressive compensation and benefits policy.

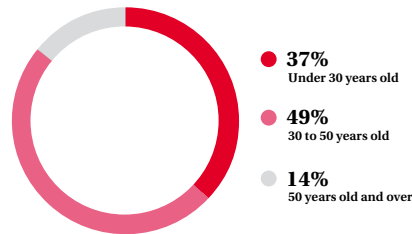
Each unit's human resources department is responsible for defining its policies in line with the core principles laid down by Group Human Resources, which are based on i) developing a shared culture of business, social and environmental performance; ii) creating synergies and deploying tools to improve human resources management; and iii) respecting the unique identity and culture of every subsidiary. The Group is a major employer in most of its host countries, particularly France, Brazil and Colombia.

Casino Group has 205,769 employees, 52% of whom are women. 27% of employees are based in France and 73% in South America.

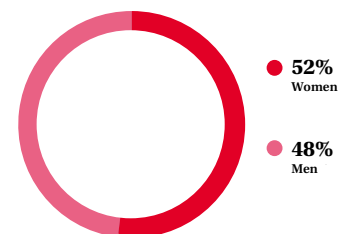
Workforce by country



Workforce by age



Workforce by gender



The vast majority of Group employees (95%) 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. 84% of employees work full time.

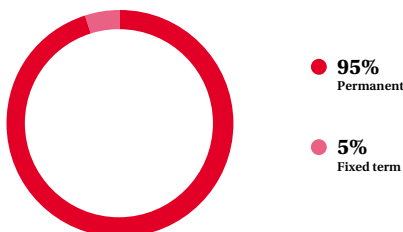
Trends in the Group's businesses resulted in the hiring of more than 77,419 people on permanent or fixed-term contracts in 2020, of which 50% on permanent contracts. Separations due to corporate reorganisations are the subject of extensive negotiations with employee representatives and are accompanied by a wide range of placement and support measures.

The Group's turnover rate was 23.8% in 2020, with significant differences between entities reflecting specific local contexts.

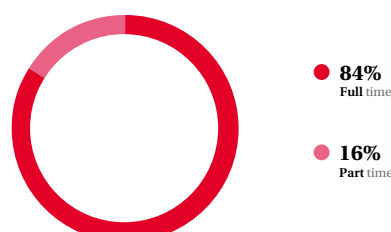
Organisation of working hours

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 3,200 people (an increase of 7% between 2019 and 2020) 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, every Éxito warehouse has been equipped with a biometric time clock, accessible to employee representatives and union delegates, and entities have a dedicated system 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 4,158 days of leave have been donated to the programme, enabling more than 420 family caregivers to take time off. In 2020, as in 2019, for France's National Day for Caregivers, donations to community funds of one working day to help caregivers were matched by a further one and a half days by the company;
- the work-life balance expectations of employees, particularly consideration for their service to the community 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

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, 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 Casino banners and central services received dual recognition in 2019 when their Diversity Label and Workplace Equality Label were both renewed, following another audit by the *Association française de normalisation* (Afnor). The allocation of these labels was also extended to Monoprix banners and central services.

Led by the Group 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 25 criteria defined by French law and has been combating discrimination and promoting diversity at Group level for more than 25 years.

Each entity across the Group has its own formalised diversity policy, adapting the Group policy.

- In France, the Group is a signatory of the Diversity Charter. Casino and Monoprix hold the Diversity and Equality Label awarded by Afnor, demonstrating their commitment and the quality of their 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.
- In South America, Éxito has signed the Diversity Principles declaration and formalised a diversity and integration policy and related objectives approved by senior management and monitored by a diversity committee. Through its Diversity Charter and its action plans, GPA undertakes to roll out initiatives in all subsidiaries in five priority areas: disability, ethnic or national origin, sexual orientation, gender identity, generational diversity and gender equality in the workplace. In 2019, GPA also joined several initiatives designed to promote equality, combat stereotypes and end violence against women and girls. It published its new Diversity, Inclusion and Human Rights Policy early in 2020.

Casino Group has also signed the LGBT Commitment Charter and, in Brazil, GPA has signed the "10 Corporate Commitments for LGBTI+ Rights" to ensure equal rights and treatment for all employees regardless of their sexual orientation.

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■ 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 some 70 Diversity Outreach Correspondents and experts. Policy implementation is led by the Group Diversity and Solidarity Director, who reports to the Group's Secretary General, and is overseen 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 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 LGBTQIA+ Pride 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 are committed to (i) raising awareness and training managers and employees to 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) 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";
- "Understanding and Promoting Generational Diversity in the Workplace".

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

- Since 2018, Cdiscount has organised an annual awareness and information week for its employees on diversity-related topics. Training modules relating to diversity and non-discrimination have also been rolled out annually since then

- GPA organises an annual Diversity Week featuring a wide variety of training sessions, conferences, debates, surveys and other events addressing such issues as disability, generational diversity, racial equality, gender equality in the workplace and respect for the rights of LGBTQIA+ people. The 2020 edition was fully digitised, with over 6,000 employees taking part.

● Responsible hiring

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

- A non-discriminatory hiring course 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. Internationally, training is also offered more specifically to people involved in hiring.
- New, non-discriminatory recruitment methods are also used by Group banners, such as the simulation (role-play) recruitment method (SRM) used by Casino when opening new stores and the CV-free recruitment method aligned with its values adopted by Franprix. 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.).

The relevant departments also use highly diversified sourcing channels 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

The implementation of commitments is checked during the interim and renewal audits for the Diversity Label and Workplace Equality Label awarded as part of the Afnor certification process.

Tools for monitoring the proper application of the policies defined are also in place, such as testing on ethnic origin, carried out with a third-party organisation in 2016, and the survey of perceptions of equal opportunities and diversity, in place since 2017 at Casino and Monoprix and conducted by a specialised external firm (Kantar TNS-Sofres). The inaugural survey revealed a very good perception of the Group's commitment to diversity (87% of respondents) 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 Casino Group (90% of employees surveyed agree that there is no discrimination in hiring). The survey was repeated among 9,970 employees in 2020, with a response rate of 21%. The results confirmed the very good perception of the Group's commitment to diversity, with a high score for the equal opportunity climate index (9 out of 10 employees feel they work in an equal opportunity climate).

Only age is still perceived as the main possible criterion of discrimination for 35% of respondents; corrective action continues in that area, including guidelines and e-learning modules.

Lastly, a number of 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.

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3.5.1.1.2. Acting for the integration and retention of workers with disabilities

■ Commitment

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. Since 2016, GPA has been a signatory of the Pact for the Inclusion of People with Disabilities (Corporate Network for Social Inclusion) and has undertaken to adhere to the five commitments to promote the rights of people with disabilities in order to strengthen its management's commitment to this issue and promote an inclusive corporate culture and working environment.

Casino Group has also signed a manifesto for the inclusion of people with disabilities in the workplace with the French Secretary of State in charge of People with Disabilities.

Casino Group aims for people with disabilities to account for 4.5% of its headcount by 2025.

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

The Group defines commitments, action plans and performance targets in this area, in particular in a number of agreements with trade unions. In France, the eighth such agreement, signed with employee representatives and covering the 2020-2022 period, provides for the hiring of 130 people with disabilities, the ramp-up of work/study programmes and a contingent of 120 interns. In 2019, Monoprix negotiated its sixth agreement covering the 2020-2022 period, which includes undertakings to (i) pursue an active hiring policy designed to bring in 210 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.

- In France, the Group's banners work with a network of specialised partners (*Cap Emploi*, AGEFIPH, *Centre de Réadaptation Professionnel*, etc.) and take part in specialised face-to-face or virtual forums (*Forum Emploi Handicap*, *HandiAgora*, *Talents Handicap*, *Hello Handicap*, etc.). In 2018, Casino made a commitment to FAGERH, a recognised national federation for the vocational rehabilitation of people with disabilities. The banners rely on their partnerships with France's leading business schools to attract talented people for internships and/or work-study programmes (Sciences Po, IGS, Grenoble Management School).

- In South America, Éxito has developed the "*Inclusión laboral*" programme, initiated in 2006 in partnership with *Fundación para la integración de personas con discapacidad cognitiva* (FIDES), a foundation specialised in the integration of people with cognitive disorders. Since 2006, the "*Inclusión laboral*" programme has supported more than 2,600 people with disabilities who had been abused or had suffered from vulnerable situations or hardship. GPA has taken various measures to facilitate the hiring of people with disabilities, including setting up a dedicated team and analysing difficulties faced by employees in their jobs. Extra, through Instituto GPA, has carried out repeat initiatives through the *Sementes* (Seeds) programme, which aims to train people with disabilities as bakers, pastry chefs and customer service agents. GPA regularly takes part in job forums for people with disabilities.

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

● Educate and raise awareness:

In 2018, 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 online courses deployed by Casino 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. For the past three years, the Group has also been participating in DuoDay, which in 2020 allowed nearly 60 duos combining people with disabilities and volunteer professionals at Casino, Monoprix and Cdiscount to be trained.
- In South America, Éxito has produced a guide to help managers welcome people with Asperger's syndrome. GPA is rolling out a diversity course for human resources teams, including a focus on inclusion and the development of people with disabilities.
- Allow people with disabilities to stay in employment throughout their working lives:

The Group is committed to retaining employees who suffer illness 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. In France, Casino has been conducting campaigns for several years to support non-profit organisation *Handi'chiens*.

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■ Performance

The Group measures the performance of its policies in favour of people with disabilities by monitoring the share of the workforce concerned. It has 8,460 employees classified as having a disability working under permanent or fixed-term contracts, representing 4.1% of the headcount, compared with 3.9% in 2019 and 3% in 2015.

See performance indicators on pages 237 and 238.

3.5.1.1.3. Acting for intergenerational diversity

In the 2018 Equal Opportunity and Diversity Perception Survey, age discrimination emerged as employees' number one concern. This finding prompted the implantation of an action plan with the support of *Entreprises pour la Cité*.

■ 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 ninth consecutive year. Each year, the event brings together mentors and work/study trainees, ranging from vocational trade certificates (CAP) to Master's degree.
- In South America, Éxito, Libertad and GPA partner with national apprenticeship organisations (schools, universities, SENAC, CIEE, Isbet, Via de Acesso and SENAC in Brazil, SENA in Colombia) and participate in a wide range of job fairs. GPA is rolling out the "Jovem Aprendiz" programme to facilitate the professional integration of young apprentices, with a team devoted to their recruitment.

- **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. Casino Group's recruitment teams took part in around 50 initiatives in favour of the integration and hiring of young people in 2020, including information sessions on different jobs, store visits and help in preparing resumes and cover letters, as well as visiting some 15 schools.

- **Combat stereotypes**

Two guidebooks, "Changing our Perception of Young People"; and "Understanding and Promoting Generational Diversity in the Workplace" are available to all Casino employees to help them understand preconceptions about young people and encourage intergenerational dialogue. They aim to break down stereotypes and set out the proper managerial attitudes and behaviour.

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

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

37% of the Group's employees are aged under 30 and 14% over 50; 6,291 work/study trainees and 683 people were recruited, on either fixed-term or permanent contracts, from disadvantaged neighbourhoods in France (see Group performance indicators on pages 237 and 238).

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. Casino Group was once again awarded the Afnor Workplace Equality Label in 2019, for the Casino and Monoprix banners.

The Board of Directors' diversity policy is presented in Chapter 5 of the Board of Directors' report on corporate governance (page 293).

■ Commitment

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

Casino Group has:

- pledged in 2016 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;

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- signed the Gender Equality and Anti-Sexism Manifesto issued by the Group's La Fabrique 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.

Casino Group aims for women to account for 45% of its management by 2025.

In France, professional equality is the subject of agreements with the unions: the most recent was signed in 2018 and will be renewed in 2021. 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 September 2020, a new brochure on the Group's gender equality commitments was made available to employees in France: it presents five action plans (equal pay, access of women to key roles, fight against sexist and sexual violence, parenthood, partnerships) and the outcomes of the Group's policy, notably in the form of key figures. The material was also circulated among external audiences, including partners, institutions and job candidates.

In South America, the professional equality policy is coordinated by an Inclusion and Gender Diversity Sponsorship Committee. Éxito has earned the "Equipares" label, introduced by the Colombian Ministry of Labour with the support of the United Nations Development Programme (UNDP), in recognition of the commitments made and the initiatives carried out to promote gender equality in the workplace. GPA set up a Committee on Equal Opportunities for Women and Men in 2013 and, in 2018, the male members of its executive team signed the Manifesto for Equal Opportunities and the Women's Empowerment Principles with UN Women Brazil. In January 2020, the new "Diversity, Inclusion and Human Rights" policy setting out GPA's guidelines in this area was released.

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.

■ Action plans

The Group's policy primarily aims to combat gender stereotypes and promote gender diversity across the organisation by:

- measuring progress to ensure effective action. The Group Human Resources department has developed a Diversity Scorecard to identify improvement avenues and priority areas;
- raising awareness among managers and all employees through training and communication initiatives. These initiatives are relayed in each banner in France by a network of Diversity and Equality correspondents;
- increasing the proportion of women in the organisation by encouraging female applicants and identifying talented women for internal promotion and during "people reviews";

- fostering a healthy work-life balance. The Group has been implementing action plans to support employees with children for the past ten years.

The main initiatives undertaken in this area in 2020 included:

• *Measuring progress to ensure effective action*

A review is carried out twice a year, both in France and internationally, based on the six performance indicators defined in the Diversity Scorecard. During these reviews, trends are analysed and best practices are identified through benchmarking in order to update the banners' action plans. The Group also analyses the scores obtained by companies with more than 250 employees in the workplace gender equality index introduced by the French government. In 2020, the Group's weighted average index was 91/100, 16 points higher than the legal minimum of 75/100, and 1 point higher than in 2019. In March 2020, the Group published the indexes of its 39 entities on the Ministry of Labour website. Based on the pay analyses carried out to calculate the index, Casino pledged, during the 2020 annual negotiation process, to dedicate a financial package to improving its index and in particular to rectifying situations where the gender pay gap is greater than 2%.

• *Increasing the proportion of women employees and managers*

The Human Resources department identifies and develops high-potential women employees to speed up their career advancement within the Group. Particular attention is paid during "people reviews" to ensure gender parity in the Group's talent development programmes.

Various training programmes have been introduced specifically for women:

- In 2020, women-only Talent Committees were created to identify profiles for management positions within the Group's French entities: nine committee meetings were held in autumn 2020.
- These Talent Committees in turn gave rise to targeted training and development plans for each talent, including "Lead Her Ship au féminin", an e-learning course to strengthen the leadership and managerial skills of female managers. In 2020, the number of participants in training courses doubled, thanks largely to a new programme aimed at more junior profiles, known as "Jeunes Talents au Féminin".
- A development programme for experienced women managers was introduced in 2013 with the help of a specialised consultancy. The course continued to be rolled out in 2020, in face-to-face or digital format depending on the constraints imposed by the health situation.
- The Group's "La Fabrique" gender diversity network: open to all Group managers, the network aims to promote gender equality and diversity in the workplace in order to achieve balanced representation at all levels of the organisation. La Fabrique organises personal development workshops, networking events and conferences on various topics, and uses its LinkedIn space to entrench its role as an influencer. Lastly, the network also has a mentoring programme that pairs a network member with a senior executive for a year. A new edition with roughly 30 new pairs began in June 2020.

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- Particular attention is paid to identifying and developing high-potential women in Latin America. In Brazil, GPA renewed the "Women in Leadership" development programme in 2020, which aims to improve the representation of women in leadership positions and has over 260 participants. They benefit from an e-learning course offered by the University of Retail GPA digital platform. GPA has won a number of awards, including the UN Women Bronze Award and the *Valor Economica* Women Leaders Award in 2019. In Colombia, the "Mujeres Lideres de la Operacion" programme, which is designed to increase the proportion of women in operational management, was renewed in 2020. This year, Éxito made a commitment to the Colombian government by signing the "IPG" (*Iniciativa de Paridad de Genero*), which is built on three pillars: increasing the share of women in the active population, increasing the share of women in top management positions, and ensuring gender pay equality. After obtaining the Equipares "silver" certification in early 2020 (and "bronze" in 2019), Éxito aims to reach the highest level ("gold") in 2021.

• **Raising awareness among managers and all employees**

The Group implements targeted communication and action plans to combat sexism, in particular by:

(i) Conducting information campaigns to combat stereotypes

Communication plans are designed to combat stereotypes and support initiatives that promote diversity. In France, the Group ran a communication campaign in March across all banners to coincide with International Women's Day. The aim was to challenge the gender stereotypes associated with retail and distribution professions by showcasing the career paths of various male and female employees in the form of a mini-series (<https://www.groupe-casino.fr/nos-metiers-nont-pas-de-genre/>). In Colombia, Éxito turned March into the "Mes de la Equidad" to celebrate gender diversity in the company. One day was dedicated specifically to women (8 March) and another to men (19 March), with various events organised to promote discussion and camaraderie. A communication campaign was also conducted throughout the month to raise awareness of gender equality issues among all employees.

(ii) Combating sexism

As part of its campaign to promote diversity and combat all forms of discrimination, the Group distributes guidebooks on various topics to its managers and recruiting teams. In France, the Group has taken specific action to combat sexism and sexual harassment in the workplace in all its banners, via an e-learning module designed for managers. Inspired by the guidebook on everyday sexism published in 2016, the e-learning module provides a detailed description of the legal framework and presents real-world examples. A network of sexual harassment correspondents has been set up in France, together with a training plan for its members across all banners. In addition to this Group action plan, similar initiatives are also implemented by the banners.

(iii) Combating domestic violence

In the unique health situation of 2020, the various banners in France and Latin America took action to combat domestic violence, a phenomenon exacerbated by lockdown. During the two lockdowns

in France, the Group promoted the national campaign initiated by the government and whistleblowing systems (3919 emergency number) on its sales receipts, or through posters in stores and transfers on customer separation partitions. In Brazil, GPA promoted government initiatives, including an awareness campaign and emergency numbers, on its GPA website and in-store communication material. An emergency number was created for employees and customers. GPA also provided support by donating 2,000 food baskets to women in highly vulnerable situations.

(iv) Partnering with UN Women

The Group's commitment to UN Women, which dates back to 2016, continued with the implementation of Diversity Scorecard action plans structured around the seven Women's Empowerment Principles. The seven principles provide a basis for analysing gender equality indicators and monitoring the quantitative and qualitative impact of the actions taken in each country. The Group continues to support UN Women France's "Orange Day" campaign to combat violence against women across all banners in France. The campaign's aim is to raise awareness among our customers and employees and to promote the 3919 emergency number for victims of violence against women. Cause-related marketing and "Arrondi en Caisse" (round-up donations) campaigns are carried out in the Group's various banners in France to support UN Women. Two years ago, Casino created an emergency internal mobility system to enable victims of violence to relocate to a different workplace within a few days. The system has already been used several times since its creation. GPA marked its first year as a participant in the Group's Orange Day activities by holding an Orange Month, promoting the public emergency number created by GPA during lockdown and organising awareness-raising round tables for employees.

• **Fostering a healthy work-life balance**

The Group takes an assertive approach to supporting parents. It was one of the first signatories of the Parenthood Charter in 2008 and has been a partner of the Quality of Life at Work Observatory (*Observatoire de la Qualité de Vie au Travail - OQVT*) since then. The Group:

- provides the "Campus Parentalité" platform for Casino, Monoprix, Franprix and Cdiscount employees. The digital platform gives employees' children access to grade-specific lessons and exercises on school subjects and foreign languages. To date, it has registered nearly 3,000 registrations for the scheme;
- pursued its collaboration with French workplace well-being non-profit OQVT during the year and promoted its guidebook on parenthood in the workplace;
- supports paid paternity leave. Casino has increased the duration of paternity leave to 14 days, versus the 11 days required by law, and has matched that in full since its creation. Nursery places are available on the Group's administrative sites in France. In South America, GPA is implementing a plan to support female employees returning to work after maternity leave.

■ **Performance**

The percentage of women in management was 40.4% in 2020, an increase of approximately 1 percentage point compared with 2019, and 43.2% for France.

See Group performance indicators on pages 237 and 238.

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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 20 agreements and action plans are currently in force in Group entities in France, covering the employment of people with disabilities, gender equality, workplace health and safety, benefits and compensation, and more broadly CSR (Casino) in an agreement reaffirming the parties' determination to integrate CSR into the company's business and human resources model. The implementation of these agreements is regularly monitored and their outcomes are presented to the representative trade unions every year.

Numerous agreements were signed at Group level in 2020. At a time of significant change and transformation, several agreements were drawn up to reflect and support the changes being made.

As such, the following Group-level agreements were renewed in France during the year:

- promotion and development of social dialogue within Casino Group;
- corporate social responsibility, allowing the achievements of the previous agreement to be continued and expanded;
- telecommuting, widening access to telework to almost all headquarter functions and ensuring greater flexibility in telecommuting overall.

New agreements were also signed:

- an agreement to consolidate the provisions on the time savings account (TSA) by adding the possibility of using the TSA to buy back contributions lacking from the statutory pension scheme;

- an agreement to transform the existing retirement savings plan into a collective retirement savings plan in order to allow employees to benefit from the advances of the new legal system;
- amendments to agreements on the management of joint social activities and the budgets of employee representative bodies, the employee benefits plan, discretionary profit-sharing, the savings plan, the collective retirement savings plan and the time savings account.

Measures in favour of employees are negotiated each year as part of annual negotiations with the trade unions on wage increases and improvements in benefits and working conditions. Measures to make daily life easier are implemented (Casino). These include an online advisory service that guides employees towards the appropriate support and a digital homework support platform, "Campus Parentalité", that helps employee parents by providing them with fun, educational resources for their children. The continuity of social dialogue was ensured in 2020, despite the health crisis.

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 2020, GPA continued to maintain regular dialogue with the trade unions, particularly on changes to be made due to the pandemic, and specifically the opening of stores on public holidays. All GPA employees are represented by a trade union and covered by a collective agreement. A discretionary profit-sharing programme is being rolled out within GPA (Assaí, Compre Bem).

All Group entities strived to strengthen social dialogue during the health crisis. Telecommuting was promoted, and still is. Social dialogue was maintained, with the frequency of meetings of employee representative bodies increased to ensure the implementation of measures to protect employees.

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

Under the social dialogue agreement signed in France, resources are allocated to trade unions enabling them to perform their duties and represent employee interests 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 an educational booklet reviewing the principles of trade union legislation and social dialogue for managers.

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 whistleblowing system and training for union representatives.

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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, Monoprix carried out an engagement survey in 2020, with a participation rate of 77% and a quality of life at work indicator of 72%. The survey findings were also used to identify priority measures to be taken in 2021. The banner has joined the 2021 Top Employers list with a score of 73.44%: this certification attests to the quality of the human resources policy conducted by the company and the excellence of its HR practices, particularly the quality of its practices in terms of employee engagement, its skills development policy, employee well-being and the digitisation of the company as a means of revisiting traditional HR practices.
- Internationally, Éxito is rolling out a programme designed to measure and monitor the climate in the workplace. It includes the completion of surveys (Korn Ferry evaluation methodology), processing suggestions and opinions from employees through 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. The survey carried out at Éxito in 2019 recorded an engagement score of 89%, up from 80% in 2016.

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 349).

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

- a. skills;
- b. level of responsibility; and
- c. experience.

The Group complies with legal minimum wage obligations, and is committed to offering fair and 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.

To encourage individual and collective 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:

- a. Group financial objectives;
- b. Group quantitative non-financial (CSR) objectives (see below);
- c. individual quantitative and qualitative objectives; and
- d. 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 Casino Group's Chairman and Chief Executive Officer is based on the average rating given to Casino, Guichard-Perrachon by rating agencies FTSE Group, Vigeo Eiris, and SAM DJSI (S&P Global). The vesting conditions have been made more challenging in 2020, with a target level corresponding to the average of the scores obtained by Casino, Guichard-Perrachon raised by one point, i.e., 75/100, and a minimum threshold set at the average score over the last two years, i.e., 73/100. The proportionate variable compensation fluctuates on a straight-line basis between these minimum and target thresholds (the target compensation is also the maximum compensation on this criterion).
- 5% of executive variable compensation in France (excluding Monoprix) is assessed based on a quantifiable Group CSR objective, consisting of two criteria:
 - the “percentage of women executives in the Group” to cover gender equality;
 - the “Group's annual electricity consumption per square metre of retail space” to cover the environmental policy.

The members of 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, between 3% and 5% of executives' variable compensation is similarly subject to the achievement of quantitative CSR targets covering environmental indicators and social indicators. In Colombia, for instance, Éxito has three CSR objectives, including one based on the reduction of its carbon footprint.
- In Brazil, since 2017, GPA has been apportioning this variable compensation component by means of a sustainability and diversity index. The 2021 index covered the carbon performance and the effectiveness of the policy on professional equality.

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 thanks to the subsidies paid by these companies to their Social and Economic Committees (formerly works councils).
- Internationally, Éxito employees have access to the “Presente” fund, whose benefits include medical cover, an insurance programme and access to holiday parks at preferential rates.

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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 and Cdiscount.

■ *Incentive*

The Group's first discretionary profit-sharing plan was signed in 1986 in France for employees of the Casino banner. The agreement signed on 29 March 2019 provides for a "solidarity" profit-share for stores and restaurants that enables the employees of these sites to benefit from the performance of their entire business segment, in addition to the profit-share based on the performance of each site. The agreement also defines a new criterion for support function employees, which takes their contribution to operating performance more directly into account. Other Group companies (including Monoprix, Cdiscount, Codim, and certain Franprix entities) have also set up discretionary profit-sharing schemes for their employees.

In this way, some 75,000 employees in France are covered by a statutory and/or discretionary profit-sharing plan, which led to the payment of a total €24.5 million in respect of 2019 (€14.1 million in statutory profit-shares and €10.4 million in discretionary profit-shares).

■ *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 2020, around 95,200 current and former Group employees in France were invested in a PEE and/or PER COL individual and/or collective employee savings plan, representing total assets of €189.3 million or approximately €1,988 per investor. In 2020, the Group's French companies paid around €3 million in matching contributions into employee savings plans.

3.5.1.3.6. Fostering health, safety and well-being at work

Casino Group took numerous initiatives to protect its employees and customers in the context of the Covid-19 pandemic. They are presented in section 3.5.2 of this chapter, and also in Chapter 2 ("Significant events").

■ *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 made aware of the issues so that they can be actors in their own safety and play a role in 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.

This process 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 and more. Since 2020, Casino has developed and rolled out an e-learning module on occupational risk prevention.

In South America, Éxito continued its programme to identify and control occupational risks, and 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. Over the last 10 years, GPA has also carried out in-store awareness-raising campaigns during Workplace Safety Awareness Week, and also performs studies on workstation ergonomics every other year.

- *(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.

In a demanding business environment and constantly changing world, 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.

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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 some 7,000 managers (including members of the Group Executive Committee, unit management committees, etc.) through presentations by external consultants (over 100 conferences organised to date, including 16 in 2020, despite the pandemic, bringing together more than 600 participants) and the rollout 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 1,000 "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. To ensure the system's genuine appropriation, a buddies charter was drawn up and circulated in 2020, along with a new e-learning training module. 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, and 60 employees have completed it since its creation.

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 provide the best possible support to employees facing personal difficulties, Casino Group has set up an online advisory service, in partnership with Malakoff Humanis, accessible via a single call number. Several services are available depending on the difficulties experienced: social support, legal assistance, medical help and psychological support. The service, which is accessible to all Group employees in France, received more than 760 requests over the year.

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 184). To improve work-life balance, for example, GPA has rolled out two flextime programmes since 2018 that define the rules and procedures applicable to employees, particularly when a child is born.
- Telework: agreements have been concluded with the unions in France to expand telecommuting. For example, for Casino, managers and employees benefit from support adapted to the changes in professional practices, in particular through the provision of dedicated e-learning training. People with disabilities can have their workstations adapted to their needs, to make it the same as the one they have in the office. Telecommuting employees receive a flat rate allowance to cover the costs of working from home.
- The 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 participated in a 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, Casino produced 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. Éxito is continuing its "*tiempo para ti*" (time for you) employee programme, 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 138,000 hours have been used in 2020 to support Éxito employees.
- **(iii) Conducting awareness and screening campaigns on major public health issues**

The Group organises information and prevention days to raise employee awareness about major public health issues.

In France, Casino holds "At the Heart of Health" days that offer head office, store and warehouse employees an opportunity to meet with healthcare professionals (occupational physicians, cardiologists, nurses, nutritionists, health and well-being specialists, etc.), participate in workshops (smoking prevention, nutrition, cardiac rehabilitation, hearing and sight screenings, workplace ergonomics to prevent musculoskeletal disorders, yoga and sophrology in the office, etc.), get blood tests (cholesterol, blood sugar, etc.) and receive individual support.

Furthermore, 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. Cancer awareness and prevention initiatives are also carried out in partnership with non-profit organisation *Ligue Contre le Cancer*, including the promotion of breast, colon and skin cancer screenings among employees and customers of Casino supermarkets.

Internationally, Éxito also conducts anti-cancer and cardiovascular health awareness campaigns among its employees. GPA has created mobile health units to promote employees' physical and psychological health.

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French and foreign units act for their employees' physical and psychological health and well-being by facilitating sport through an offer of specially negotiated prices for fitness clubs and by conducting an annual flu vaccination campaign.

■ 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.

The accident frequency and severity rates were down in 2020, with readings of 11.5 and 0.62 respectively.

The absenteeism rate due to accidents and illness was 4.5% in 2020.

See Group performance indicators on pages 237 and 238.

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 talent;
- 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 tasked with identifying needs and facilitating internal mobility.

The agreement on anticipating and supporting changes and transformations within Casino Group signed in 2018 reinforced the Group's commitment to developing and facilitating internal and external mobility by improving connections between Group companies in France. It provides for the creation of a service shared by all French banners, dedicated to internal mobility;

- the "C'ma Carrière" team, dedicated to mobility within the Group;
- 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 internally by human resources teams through individual reviews or by the Development Committee/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.

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) has been increased since 2019;
- training in customer service, a strategic concern for the Group. In 2020, Éxito continued to train customer service employees via its *Servicio Superior* programme, with a participation rate of 88%;
- management and leadership training. Multivarejo continues to roll out its leadership development programme, with the participation of nearly 730 employees in 2020. Some 3,000 executives were trained in leadership with Éxito's *Escuela de Liderazgo* programme in 2019.

Training in the Group is delivered by dedicated teams:

- in France, with "Campus Casino", and "Académie Mandarine";

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- in South America, “Assaí University” in Brazil offers classes taught by retail industry professionals in five key areas – cash & carry, leadership, trading, operations and development. Multivarejo also has its own university. Éxito has created “training schools” dedicated to mass-retailing jobs. Digital training courses are offered in the apparel, butcher shop, pastry, and fruit & vegetables schools for the Éxito, Surtimax and Carulla banners. A virtual school dedicated to the digital professions was also created in 2018. Éxito offers 145 training programmes.

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

The French banners 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. More than 180 Group employees completed their certificate in 2020;
- 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. Since 2018, more than 220 Group employees have earned CléA certification;

- supporting employees in validating their acquired experience under France’s VAE programme, which allows them to earn a diploma based on their job experience.

Banners in South America are:

- providing Assaí employees and their families with the “Learn + school Training” programme for basic skills;
- holding Development Week sessions for Multivarejo employees, offering nearly 30 training courses on such topics as new project management methods, the expectations of the digital generation, and management techniques. In total, 1,170 employees participated in these training sessions.

■ Performance

Each employee received an average of 17 training hours, down compared with 2019 due to the difficulty of organising face-to-face training in view of the health situation in 2020.

See Group performance indicators on pages 237 and 238.

3.5.2. Casino Group, a local corporate citizen

As a local retailer with strong roots in city centre, suburban and rural communities, 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.

EXCEPTIONAL COMMITMENT DURING THE COVID-19 CRISIS

Against the backdrop of the Covid-19 pandemic, Casino Group and its banners took exceptional action to support health professionals, people in vulnerable situations and SMEs affected by the crisis.

Casino Group and its employees worked hard throughout the Covid-19 crisis, guided by four priorities:

- facilitate the work of health professionals. To support health professionals, Casino Group donated 2 million masks to several hospitals including the Paris public hospital network (APHP), the Hospices Civils de Lyon and the Bordeaux University Hospital. The Group’s banners offered special access to stores and home delivery for health professionals: with the Monoprix white portal, the “Éxito white phone line”, and free delivery with the Extra stores;
- fund research into Covid-19 thanks to a collection of €350 thousand in shops and the transfer of 25% of the Executive Committee members’ April and May salaries to the *Fondation de France* – APHP for medical research. Alongside Scale Max, Casino Group is participating in the FoldingAtHome program to provide computing power to help research against the spread of Covid-19;

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- help vulnerable people by working to support local associations. This allowed the Group to offer basic necessities and solidarity baskets to NGOs. For example, Cdiscount took action to break the isolation of the most vulnerable people through the #GardonsLeLien initiative. Thousands of digital tablets, sold at cost price and delivered free of charge, were distributed among hospitals, nursing homes and other health and social facilities, as well as to child welfare facilities, in order to maintain contact between Covid-19 patients and their relatives and ensure educational continuity. Casino Group and Cdiscount complemented this initiative by donating 600 digital tablets. Franprix and Casino distributed basic necessities such as nappies and infant milk to non-profits in the Seine-Saint-Denis department. In another initiative, Casino Group supported the establishment of the *Solidarité Associations* platform, on which charities can express their needs and retailers can respond depending on the products they can donate. Monoprix, with the logistical support of Cdiscount, played a key role in the “Masque Solidaire” initiative, which resulted in the distribution of millions of masks made (to Afnor standards) by the tailors of the new “Masque Solidaire” network. In South America, through its Foundation, Éxito supported Colombians in difficulty: 107,000 solidarity baskets were donated for children and 7,000 basic necessities were given to Colombian food banks. GPA's banners donated more than 5,900 tonnes of food and basic necessities to 630,000 families across the country. GPA also allowed users of its e-commerce sites to make online donations to provide basic necessities to the most deprived people during the crisis. Lastly, Casino Group undertook to promote and widely relay government whistleblowing systems aimed at combating domestic violence. Cdiscount supported the association “*Du côté des femmes*”, which helps women who are victims of domestic violence;
- support SMEs: 60 million masks were sold and delivered by Cdiscount to VSEs/SME to make sure their employees were properly protected. Cdiscount made its supply capacity and logistical expertise available to local authorities throughout France, alongside the Association of French Mayors and the presidents of inter-municipal bodies, to deliver 15 million masks to local agents in contact with people, such as staff in nursing homes, agents in charge of water treatment and sanitation, waste collection and municipal police officers. Lastly, Cdiscount set up a specific system to enable SMEs to use its marketplace for their online sales, with an exceptional pricing system (free subscription to the marketplace, no commissions on orders collected in shops, commissions on shipped items reduced by 50%), with enhanced support (webinars, tutorials, FAQ, dedicated teams) and increased visibility on the site. In South America, Éxito granted payment facilities to 1,000 of its small and medium-sized suppliers, and manufactured 20 million masks in the textile factories it works with so as not to leave them without work, thereby safeguarding 3,000 jobs. GPA ran various programmes to provide entrepreneurs with financial assistance to help them through the health crisis: Pão de Açúcar participated in the Conexsus fund to help 450 small community businesses in Brazil; Extra doubled donations on the “Match funding Enfrente” crowdfunding platform; Assaí supported the “Firgun” and “Coalização Editados” entrepreneurship facilitation programmes.

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 by (i) organising daily in-store recovery of produce and still edible products nearing their sell-by date and (ii) participating in national collection drives.

In 2020, the Group's collection and donation initiatives resulted in the donation of more than 26,000 tonnes of products, the equivalent of over 52 million meals to food banks or other social welfare organisations. More than 7,200 tonnes were collected during the nationwide campaign and 18,800 tonnes donated by the Group's stores and warehouses.

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 renewed its association 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*. In 2020, Casino Group supported the establishment of a collaborative platform bringing together all stakeholders www.solidariteassociations.com/

GPA has implemented a similar approach in South America. Since 2013, it has organised an annual “Dia de Solidariedade” (solidarity day) in the Group's stores in the country. Driven by countless volunteer employees, it is a day devoted to the collection of essential food products, which are then redistributed to vulnerable families and the homeless. This year, the initiative, which previously took place over one day, was extended over the entire month of December, and resulted in the collection of 993 tonnes of products. To reach families affected by the Covid-19 pandemic, GPA banners distributed basic food baskets in partnership with partner institutions in all the regions of Brazil. Over 957 tonnes of basic food and personal hygiene products were distributed to 200 charities. In Argentina, Libertad has been supporting the *Red Bancos de Alimentos* food bank network since 2013, and in Colombia, Grupo Éxito is continuing the partnership put in place several years ago with local food banks and donated around 1,700 tonnes of goods in 2020.

3.5.2.2. SUPPORTING CHILDREN IN NEED

In France, Brazil and Colombia, 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

In 2020, the Casino Foundation celebrated the “10 years of education through theatre” that have enabled over 22,000 children to gain access to oral expression and culture, and to discover others and their own talents through acting.

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It has developed two major programmes:

- “Artistes à l’École”, established in partnership with France’s Ministry of National Education and the Odéon-Théâtre de l’Europe and giving around 2,000 children the opportunity to attend a two-year comprehensive artistic and cultural education course 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 Foundation supports and funds initiatives covering 12 theatre projects in schools, and gives the winning troupe the chance to present their show on the Odéon stage at the end of the two years. In May 2020, lockdown prevented the winner, a primary school in Marseille, from performing at the theatre, but the 100 schoolchildren involved produced a 144-page book presenting their two years of work on La Fontaine’s *Fables*.

- “Tous en scène”, which helps fund theatre projects outside schools, with the involvement of the Group’s volunteer employees.

This annual national solidarity operation is organised by the Casino Foundation with the support of the Group’s Casino, Franprix and Cdiscount banners. The 2020 edition raised nearly €100,000 for the Foundation’s two partner associations, *Apprentis d’Auteuil* and *L’Envol*, to develop new theatre projects for children in difficulty.

- “Tous en scène avec nos associations” allows the Foundation to support innovative initiatives led by associations or cultural structures that use theatre as a means of promoting social integration and access to culture during school holidays. In 2020, the Foundation supported five long-term projects: “les vacances apprenantes” of Ateliers Amasco, “Terrains de jeux” of Comédie de Saint-Étienne, “Maîtres en scène” of Institut des Jeunes Aveugles de Moulins, “La Troupe éphémère” of the TNP de Villeurbanne Foundation and “Ados en scène” of La Source.

The Foundation also coordinated an annual solidarity operation for three years in aid of the association *Lire et faire lire*. It raised €100,895 to help pass on the joy of reading to young children.

In South America, Instituto GPA in Brazil is also committed to fostering social inclusion through education and offers educational programmes for young people from disadvantaged neighbourhoods in the cities of São Paulo, Osasco and Santos, including a musical education programme known as “Musica & Orquestra Instituto GPA” to allow young talents to bloom. The programme, which celebrated its 20th anniversary in 2020, has trained more than 15,000 disadvantaged young people between the ages of 10 and 18 to play the Brazilian guitar, violin, cello and double bass from the very first note, without the need for any prior musical training. 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.

3.5.2.2.2. 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 “Cero desnutrición” 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 2020, more than €4.8 million was invested in programmes reaching more than 120,000 children.

Fundación Éxito organises a growing number of initiatives aimed at raising awareness about childhood malnutrition. Such initiatives include the “Lactatón”, an event held for a fifth consecutive year in 2020 and bringing together over 27,000 women in support of breastfeeding. In 2020, *Fundación Éxito*’s childhood nutrition competition gave awards to five childhood nutrition projects and initiatives aimed at supporting children in their first 1,000 days of life.

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 world of work. It 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 and Nos Quartiers ont du Talent (NQT).

The Group has also been working alongside public authorities since 1993 to help young people enter employment, and supports the inclusion policy of the French Ministry for Urban Development, the Ministry for Gender Equality, Diversity and Equal Opportunity and the Ministry of Labour.

To support the professional integration of young people, Casino Group:

- has been heavily involved with community service since 2011, when it signed the Charter for the Promotion of Community Service in Business, under which companies commit to recognise experience gained during service and to promote the system among their 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;
- supports associations that help young people enter the workforce and gain experience in the professional world. In 2019, the Group organised the sixth edition of “Cap sur le Groupe Casino”, which offers middle school students from disadvantaged backgrounds vocational guidance. Around 200 middle school students came to learn about the Group’s businesses during a half-day spent in one of the eight sites involved in the event. In partnership with *Le Réseau*, an association created in 2007 by large companies and France’s Ministry of National Education, this unifying event attests to the Group’s commitment to the professional integration of young people and to equal opportunities. Due to constraints imposed by Covid-19, this event had to be cancelled in 2020. Monoprix works closely with Second Chance Schools, *Unis-Cité*, local initiatives, and Epide (an organisation helping young people enter the job market) to offer coaching, internships for school-leavers who lack basic skills and paper qualifications, recruitment sessions, CV-writing workshops, tours of stores and other opportunities. Franprix continues its initiatives to help disadvantaged young people to enter the workforce. For example, the banner organised practical internships for the reintegration of young people in difficulty, coupled with soft skills training. Several actions are developed for “young dropouts”, including store visits, information workshops, internships and recruitment;

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- partnered with the City of Paris, in 2016, as part of the Local Employment Development Charter and supports the "1,000 Sponsors for 1,000 Jobs" programme. It has continued its mobilisation and has been committed since 2018 to the PAQTE (Pact with the neighbourhoods for all companies).

In South America, GPA is working through Instituto GPA to continue its training initiatives among disadvantaged young people and, in partnership with the government of Rio de Janeiro, also supports the NATA professional training centre where over 340 students from low-income families can train for jobs in the baking, pastry and dairy sectors. The institute also finances the education of high-potential young people, in renowned high schools in Brazil. In 2020, 43 students were sponsored through its "Prosperar" programme.

3.5.2.4. FIGHTING SOCIAL EXCLUSION

Casino Group acts as a vector of social cohesion in its host communities and engages in a wide range of local 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, Casino Group initiated a partnership with microDon, a social economy enterprise, to launch and roll out the "Arrondi en caisse" programme at Franprix stores and then at Monoprix and Naturalia stores. Since 2014, €6 million has been raised for numerous associations including, in 2020, *Institut Curie*, *Toutes à l'école*, the Foundation for Medical Research and *Emmaüs France*. The scheme has been extended to encompass the "Arrondi sur salaire" programme to allow Monoprix employees to donate from their salary to the *Fondation Nicolas Hulot pour la Nature et l'Homme*, *Emmaüs* and the *Institut Curie*.

To mark its tenth year of initiatives, in 2019, the Monoprix Foundation decided to refocus its programmes on eliminating isolation in society, particularly for homeless people. The foundation continues the work it began in 2009 with its partners, and in 2020, funded 14 projects aimed at combating isolation in cities and providing access to basic necessities, raising a total of more than €200,000. The Foundation also financed the purchase of down jackets and warm clothing including bonnets and gloves for *Samu Social* emergency service. They will be redistributed to over 3,000 homeless people for the winter.

Cdiscount continues to partner "Un Rien c'est Tout" to reaffirm its support for community life through practical social cohesion projects. The e-retailer's customers can make donations starting at 1 euro with just one click when paying for their shopping basket, for various associations and four main causes: the right to dignity, childhood and education, health and the environment. Lastly, Cdiscount supports the "Quartiers Numériques" programme run by *Bordeaux Mécènes Solidaires* to combat the digital divide.

3.5.3. Casino Group, a responsible retailer

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

Franprix has entered into a partnership with *Emmaüs Défi* to help people in extremely precarious situations to find a sustainable way out. Since the end of 2018, some 30 employees have been given permanent contracts at Franprix stores, helping them to escape exclusion for the long term. In February 2020, Franprix was awarded the "Human Resources" prize for this partnership at the ESSEC Grand Prix du Commerce Responsable.

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 online catalogue of volunteer opportunities to work with the Casino Foundation's partner associations. More than 150 employees have completed volunteer work through the online platform since it was launched in 2017. 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 third edition of the Citizen Engagement Award took place in 2020 and two prizes were awarded in the Solidarity and Disability categories in recognition of employees' volunteering commitments. The Foundation continues to support volunteer employees through the "committed sponsors" programme, providing financial support to associations in which employees volunteer.

In another form of engagement, in December 2017, 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 leave days by supportive non-reservist employees, with matching contributions from the employer. This enables the fund to 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.

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.

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The Group is committed to improving the social and environmental conditions of its supply chain. It has also 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 the expertise of teams:
 - the Group Quality department shares best practices and procedures with subsidiary Quality departments 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;
- International Featured Standards (IFS) and the work of the GFSI (Global Food Safety Initiative). Casino Group is a member of the Consumer Goods Forum's GFSI. The GFSI is a global benchmark for food safety standards throughout the supply chain;
- regular audits of the Group's production sites, with particular emphasis on health and safety risk management in compliance with the Hazard Analysis Critical Control Point (HACCP) principles. 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 Group's specific standards,
 - its warehouses, to verify that best practice procedures and guidelines are being properly followed. All Casino warehouses in France 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;
- specifications shared with suppliers: demanding specifications are established for each private-label product. These specifications ensure that the supplier delivers a product that complies both with applicable legislation and the quality level 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;
- traceability, withdrawal, recall and crisis management procedures and tools, implemented as needed;
- product quality controls conducted throughout the year:
 - in-store product control plans: in France, each private-label product is analysed at least once by an independent laboratory. As part of this process, the banners' Quality departments, impelled in particular by the Group Quality department, conduct microbiology and other tests to manage health risks,
 - monitoring sensory quality using sensory analyses conducted with consumers. Operations in France and Brazil have their own sensory evaluation laboratories,
 - grading fresh fruit, vegetables and meats in warehouses,
 - each breach of compliance detected is analysed and addressed with an action plan;
- a packaging optimisation programme to meet the commitments defined in the packaging quality policy (reducing the amount of plastic packaging, eliminating sorting disruptors, using recycled materials, etc.);
- a set of core commitments for the private-label products defining ingredients, additives and controversial substances to be avoided, reduced or eliminated, along with commitments to sustainable raw materials sourcing.

The subsidiaries have also deployed their own programmes.

GPA, for example, raises the standards of 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 that fail to comply with programme standards. Since 2017, around a hundred crops have been included and controlled under the programme;
- the *Programa Evolutivo de Qualidade* (PEQ) programme, which has been assisting suppliers of private-label products in terms of quality and food safety since 2013. It encourages suppliers to obtain internationally recognised certification from an independent body through annual assessments, 280 of which were carried out in 2020.

■ Performance

The Group conducted a total of more than 28,500 microbiology tests and more than 30,700 physiochemical tests to control food, household and health/beauty private-label products.

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3.5.3.2. SUPPORTING CONSUMER HEALTH

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 selected nutritional criteria in private-label food product specifications;
- in 2010, with the establishment 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. The Committee issues recommendations on controversial ingredients such as aspartame, endocrine disruptors, bisphenol and pesticides, 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 assertively supporting its private labels by:

- improving the nutritional profile of its products;
- eliminating controversial substances;
- developing product ranges for specific nutritional requirements, such as baby food, gluten intolerance and sugar-free products;
- promoting and expanding the organic product lines;
- promoting more legible nutrition labelling to better inform consumers;
- encouraging consumption of vegetable protein for a more balanced diet;
- raising employee awareness of nutritional issues.

3.5.3.2.1. Improving the nutritional profile and ingredients of private-label products

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

■ Improving nutritional value

Since 2008, the Casino brand has made a considerable effort to reduce the salt, sugar and fat content in the recipes of more than 2,000 items, in accordance with *Programme National Nutrition Santé* (PNNS) recommendations. The new content standards have been incorporated into the product specifications. As part of the deployment of the Nutri-Score programme, Casino has pledged to rework 1,000 recipes by the end of 2021 to offer products with enhanced nutritional value. 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. The banner reduced the sugar content of some of its private-label products, including soft drinks and cereal. Internationally, Éxito is pursuing the action plans to optimise its food products that were defined as part of the nutritional assessment conducted in 2015. The nutritional profiles

of more than 3,400 products were reviewed in 2019, with a focus on continuing to enhance 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 consumer awareness of the need for healthier lifestyles.

■ Eliminating controversial substances

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 and allergens.

In France, the Group has defined a set of core private-label commitments concerning a total of 81 ingredients, additives or controversial substances to avoid, reduce or eliminate in the production of private-label food products. In 2019, for example, titanium dioxide was removed from the private-label food products, well before it was legally banned. BHA and BHT, two synthetic antioxidants used as food preservatives, have also been eliminated, as have fructose-glucose syrup and ionized ingredients.

■ Genetically modified organisms

Since 1997, the Group has guaranteed that the ingredients, additives and flavourings used in its private-label products sold in Casino, Monoprix 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%.

3.5.3.2.2. Offering organic products guaranteed to be free of pesticide residues

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

All the banners offer a wide range of certified organic products under the Monoprix Bio, Franprix Bio and Casino Bio private labels, as well as through the Naturalia and Casino#Bio stores, for a total of more than 2,200 organic products in France.

In addition, the Group offers a large range of fruit and vegetables that are guaranteed to be free of pesticide residues. Launched in 2016, the Casino AgriPlus programme enables Casino stores to offer frozen and fresh fruit 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. All of the Casino brand fruit and vegetables are either organically grown or guaranteed to be free of quantified pesticide residues.

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3.5.3.2.3. Offering products from animals raised without antibiotics

In order to combat the risks associated with antibiotic resistance, Casino Group has developed a range of products from animals raised without antibiotics, including chicken, pork and salmon ranges. Antibiotic resistance is a public health issue and the use of antibiotics in livestock farming is a significant concern for French consumers.

In addition, the Casino brand has been working for several years with livestock breeder associations to develop chicken and pork production chains that are antibiotic-free across the animal life cycle. This process is helping to combat antibiotic resistance, in line with the French Ministry for Agriculture's 2017 "Écoantibio plan" to reduce the use of antibiotics in farming by 25% over five years. All Casino private-label chickens (Casino Terre & Saveurs, Casino Bio and Casino) and Terre & Saveurs-label salmon are raised without antibiotics. The Monoprix banner also offers a range of products from animals raised without antibiotics, including salmon, sea bass, sea bream and trout in the seafood section, Monoprix and Monoprix Bio Origines chicken, and cooked ham.

In addition, all of the banners carry organic products (see section 3.5.4.6) that guarantee the use of best production practices.

3.5.3.2.4. Developing specific product ranges

In addition to requiring suppliers to comply with nutritional and health criteria for private-label products, 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, offers sugar-free and gluten-free products developed in association with the French Diabetes Federation (FFD) and the French Association of People Living Gluten-Free (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. Tæq, the Group's private label marketed in Colombia and Brazil, also includes products suitable for gluten-free, sugar-free and lactose-intolerant diets.

3.5.3.2.5. 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 products.

- In France, private-label food products feature nutritional labels stating the energy value, quantity of protein, carbohydrates, sugar, fats, saturated fats, dietary fibre and salt, and any allergens in the list of ingredients, as well as the origin of meat in ready meals in particular. At its own initiative, the Casino brand displays these labels even on the product families that are not subject to regulations. In 2020, the Casino brand pledged to display Nutri-Scores on all its private-label products by 2021, while also re-working 1,000 recipes to offer products with enhanced nutritional value. 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, fruit and vegetables) and

unfavourable nutrient content (calories, saturated fatty acids, sugars and sodium). Franprix is deploying the same programme. 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 across its products, 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" (Good for you) programme launched in 2017, which covers gluten-free, organic and nutritionally beneficial products. In Brazil, GPA further improved its nutritional labelling system on its Tæq private-label products, indicating the levels of saturated fats, fibre, sodium and vitamins, and continues 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 suppliers and across the production chains;
- strengthening monitoring and improvement procedures for suppliers of private-label products based in countries at risk, particularly with respect to duty of care obligations;
- 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).

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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; 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).

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, 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 Casino Global Sourcing, the Group's sourcing subsidiary, has been a member since 2017, to strengthen its audit plans;
- the Accord on Fire and Building Safety since 2013, 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;
- Valorise, the web-based CSR self-assessment portal for suppliers, based on ISO 26000 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. In all, 295 suppliers, representing 554 production facilities located in 18 countries, participated in the 2020 campaign and shared the results of their self-assessment with Casino Group. The average CSR maturity index came in at 67 out of 100.

These commitments are promoted among:

- 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, 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 first in 2017, and then again in 2020 for further three-year periods. 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;
- continuing to train buyers in the standards defined in the Supplier Ethics Charter and to take working conditions and environmental criteria into account when selecting suppliers;
- auditing supplier production facilities in countries deemed at risk and assisting 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

3.5.3.4.1. Action principles

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 above).

■ Duty of Care Committee

In 2017, Casino Group set up a Duty of Care Committee, whose members include the Secretary of the Board of Directors, the Group General Secretary, the Director of Production, Innovation, Quality and Mediation at the AMC purchasing unit, the Group Risk and Compliance Director, the Group CSR Director, the Group Insurance Director and the Group Internal Control Director.

Its role is to:

- ensure implementation of French law No. 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 (i) the company; (ii) the companies it controls; or (iii) subcontractors or suppliers with which the company has an ongoing business relationship, when such operations are part of said relationship;

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- 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, that these plans are implemented and that their effectiveness is assessed;
- 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.

■ 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 light of the procedures in place. Existing procedures intended to prevent these risks were assessed in 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 goods 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.)

Personal health and safety

1. Respect for employee health and safety
2. Employee handling of hazardous products
3. Consumer risks

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 risk map

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 assessments. 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;

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- the Worldwide Governance Indicators (WGI) issued by the World Bank;
- the Environmental Performance Index (EPI) developed by Yale University and Columbia University.

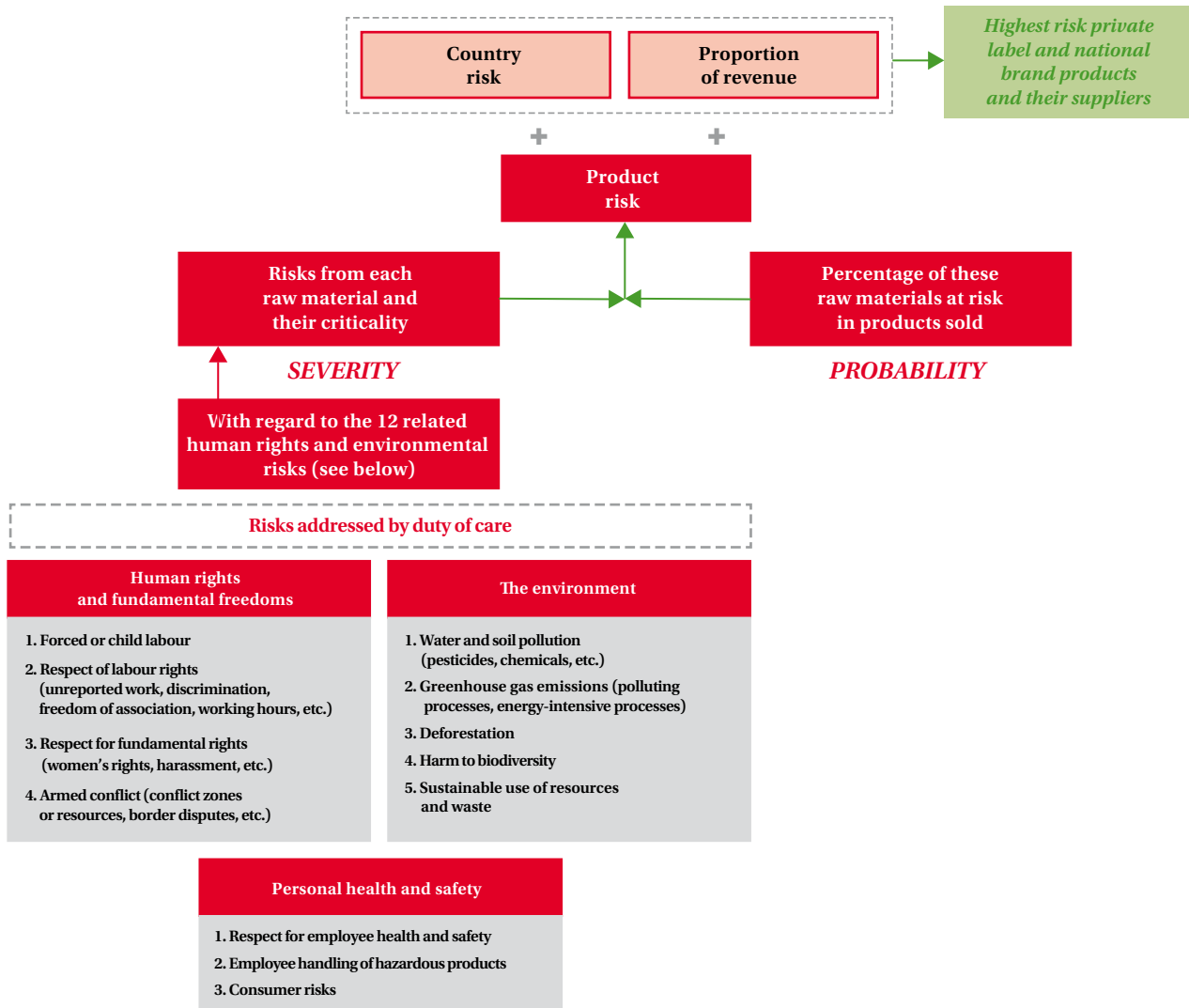
This analysis was reviewed and compared with the country risk analysis developed by the ICS in 2019, which draws on all the indicators included in the country risk analysis led by Casino Group, in addition to the following indicators:

- the SDG Index of the United Nations Sustainable Development Solutions Network;
- the Global Rights Index of the International Trade Union Confederation (ITUC);
- the Freedom in the World Index of the US NGO Freedom House;

- the Trafficking in Persons Report of the US Department of State;
- the results of ICS social audits performed in each country;
- 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 potential vendors.

DUTY OF CARE RISK MAP



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These analyses reflect a certain number of issues specific to Casino Group.

The Group 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. Often, these companies must also comply with French duty of care legislation;
- suppliers of private-label products, manufactured in accordance with specifications defined by the Group's purchasing organisations. While these suppliers may be based in our host countries, 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 Supplier Compliance Programme (SCOP);
- 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 fruit and vegetables locally;
- suppliers of goods and services for general and administrative purposes and other purchases not for resale, 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.

A new analysis of the level of risk of the 200 substances already taken into account in the previous supplier risk map was carried out in 2019, based on an identical methodology. This resulted in an increased level of risk for most of the substances studied, mainly due to an increase in the environmental risks associated with these substances. However, between the two analyses, there was little change in the list of different substances assessed as having the highest risk.

The Group's initiatives made it possible to map the purchasing risks and rank them by criticality, thereby revealing the product categories whose content presented the highest risk profiles, according to the 12 identified risks. These included:

- private-label apparel made in countries at risk, most notably Bangladesh;
- private-label food products containing palm oil, an ingredient found in some of the Group's own-brand items;
- products sourced from cattle ranches and sold in our stores in Brazil. In 2018, GPA performed a supplementary review with the support of a consultancy, which confirmed the Group's risk map while identifying specific risks related to products sold in Brazil.

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 – Earthworm Foundation, a specialist in the impact of supply chains and raw materials on the environment and deforestation.

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).

■ Continuous risk analysis and updating the supplier risk map

In 2020, the CSR department initiated an updated review of NGO reports on food and non-food compounds and raw materials that may be present in products carried on Group shelves, in a commitment to identifying any new or emerging risks. The risk weighting of each compound is currently being diligently analysed by the Purchasing department using its proprietary "Responsible Together" application.

Casino Group remains constantly alert to identifying and preventing the serious risks of human rights violations or damage to the environment faced by the retail industry. As part of this commitment, it carefully tracks reports from local and international NGOs concerning retailing industry suppliers, the responses submitted by these suppliers, and any significant events reported by recognized media. This information is factored into the assessments of potential risk arising from direct suppliers.

In 2020, several significant retail industry events were analysed to identify serious new risks of human rights violations or environmental damage involving direct suppliers, including:

- Amnesty International's allegations that a leading Brazilian beef supplier may have committed human rights abuses;
- claims by several NGOs and other organisations that Brazilian cattle ranches working for three major national brand agri-foods suppliers were allegedly complicit in stripping local forests.

These events and allegations prompted Casino Group to address the related risks and to strengthen existing measures as necessary.

■ Mapping subsidiary risks

Risks in the subsidiaries were mapped in 2018 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 Group CSR 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.

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- Environmental issues:
 - Environmental policy;
 - Combating climate change;
 - Sustainable use of resources;
 - Circular economy;
 - Protection of ecosystems (natural habitats);
 - Chemicals/hazardous substances.
- Management system issues:
 - Management system;
 - Training;
 - Incentives for buyers;
 - Internal dissemination of the ethics policy;
 - Supplier accreditation;
 - Termination of a business relationship;
 - Data management and security.
- Purchasing practices and supplier management issues:
 - Sourcing;
 - Traceability;
 - Subcontracting;
 - Direct purchasing;
 - Business intermediaries for suppliers;
 - Franchisees;
 - Business partners (projects);
 - Service providers.

The assessment identified the following major risks:

- discrimination and harassment in three Group subsidiaries, where it was decided to strengthen existing prevention systems. The risk is now considered low in light of the monitoring initiatives put in place. The preventive measures will remain in effect throughout the Group and its subsidiaries;
- risks of non-compliance with supplier management procedures (accreditation rules and authorised subcontracting 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.

■ Continuous risk analysis and updating the subsidiary risk map

In the same way as for supplier risks, the Group tracks retail industry reports and significant events to measure the potential risk arising from its subsidiaries. In 2020, several retail industry events were analysed to identify emerging risks of seriously abusing human rights or fundamental freedoms, endangering people's health and safety or causing environmental damage. These included:

- the Covid-19 pandemic: Casino Group, through its subsidiaries in France and South America and its suppliers, was directly impacted by this crisis, which posed a potential risk to the health and safety of its employees. Throughout the year, the Group's over-riding priority was to safeguard employees and customers, based on prevailing scientific knowledge, WHO recommendations, and government guidelines;
- the death of a customer at the hands of a security guard in a competitor's store in Brazil underscored the risk of serious human rights violations and discrimination. In addition, several high-profile cases of discrimination and racism based on skin colour were reported in the retail and hospitality sector in Brazil and many other countries during the year.

These events led Casino Group to address the related risks and to strengthen existing measures as necessary.

■ Alert and report compilation mechanisms

After consultations with employee representatives, Casino Group simultaneously set up two alert mechanisms, one for reporting Sapin II Act violations and the other for reporting and compiling accusations of alleged or actual risk of causing the serious violations, harm or damage described in French law No. 2017-399 of 27 March 2017.

The second mechanism is open to any employee, or any other person, who wishes to report, anonymously and in any language, possible infringements of the above-mentioned law, simply by writing to contact75vgl@deontologue.com. The address may also be accessed on the Commitments/Produce better page of the Group's corporate website (www.groupe-casino.fr).

Reports are received and processed by the Group Compliance Officer. Anonymised reports are also discussed during Duty of Care Committee meetings.

In responding to alerts and reports, the Compliance Officer is expected to consistently demonstrate independence, objectivity and impartiality. He/she must keep all such reports strictly confidential and inform anyone involved in the investigation and verification procedures initiated following an alert that such confidentiality extends to them as well.

The Group Compliance Officer must take care that the identity of the whistle-blower remains confidential at all times.

Strict confidentiality is also ensured via the following procedures:

- a secure email address is used;
- a special electronic file is created on a secure server protected by a regularly changed password.

Casino Group has deployed a full range of systems and procedures to protect the whistle-blower's personal data.

In 2020, twenty messages were received at the above address. None of them concerned a breach of French duty of care legislation.

This system, referred to in the Supplier Ethics Charter following its update in 2019, expands on the internal alert mechanism already available to employees (see section 3.4.4).

Alert mechanisms and processes have also been deployed in the local operations. In South America, for example, whistle-blowing channels are in place at GPA in Brazil and Éxito in Colombia, which can be accessed by both employees and third parties. All of these alerts are treated confidentially, with procedures to protect the whistleblower's identity.

In Brazil, the line is open from Monday to Saturday from 8:00 am to 8:00 pm local time:

- GPA: 08000 55 57 11 – ouvidoria@gpabr.com
- GPA Malls: 08000 55 57 11 – ouvidoria@gpamalls.com
- Multivarejo: 08000 55 57 11 – ouvidoria@multivarejogpa.com.br
- Compre Bem: 08000 777 3377 – ouvidoria@comprebem.com.br
- Assaf: 08000 777 3377 – ouvidoria@Assaf.com.br

In Colombia, employees can access three reporting channels, managed by an independent outside company:

- Telephone hotline: 018000-522526
- Email: etica@grupo-exito.com
- Online form: <https://lineatransparencia.com/exito/reportesembedded?form#/>

These channels are also accessible on www.gpabr.com/pt/ouvidoria and www.grupoexito.com.co.

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3.5.3.4.2. Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent Group business activities from causing any serious violations, harm or damage, and implementation outcomes

Through its CSR policy, Casino Group has for many years been implementing the prevention plans and risk mitigation programmes mandated by the French duty of care law. These plans and programmes are presented in Chapter 3 of this Universal Registration Document ("Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)").

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 2020 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).

• (i) Harassment risk

In order to address the risk related to harassment identified in the subsidiary risk mapping exercise, procedures to be followed in the event of reports of sexual harassment or sexist behaviour have been defined and communicated. In France, anti-sexual harassment "watchdogs" have been appointed. They have a dedicated email address at which employees who are victims or witnesses of sexual harassment can alert them. These correspondents were trained in 2020, some through a e-learning course, and others face-to-face. These procedures, as well as the network of correspondents put in place, were presented to the Duty of Care Committee in December 2019 by Casino Group's Director of Employee Relations and Innovation.

• (ii) Risk of non-compliance with supplier approval procedures

In the questionnaire used for the 2018 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 (SCOP) Manual. Analysis of the questionnaires highlighted the need to strengthen procedures 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 and marketing agreements, 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 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 were reported to the Group CSR department along with the related corrective action plans, the rollout of which was monitored in 2019. Lastly, digital training courses have been introduced, particularly in the purchasing unit in France, to ensure that the Group's social and environmental supplier compliance programme is properly distributed and understood.

• (iii) Employee Health and Safety risk in view of the Covid-19 pandemic

To prevent the risk of serious harm to the health and safety of employees in view of the Covid-19 pandemic, Casino Group and its banners implemented an evolving action plan to protect their employees and customers in 2020. Implemented by each Human Resources department, the plan was based primarily on government recommendations and applicable measures, as well as the recommendations of the World Health Organization.

Casino Group's banners and entities played a pivotal role in ensuring the continuity of the supply chain and the supply of food to all people, as well as in protecting employees and customers in the face of a pandemic whose modes of transmission and severity were unknown.

The Group's actions consisted in particular in:

- providing employees with masks, gloves and hand sanitiser;
- promoting and enforcing the adoption of protective measures;
- putting up signs to enforce social distancing in stores;
- installing plexiglass partitions to protect cashiers;
- implementing telecommuting on a large scale for staff at administrative sites.

Depending on local recommendations and the period of the pandemic, other measures were implemented, including:

- taking the temperature of staff and implementing rapid tests in some stores in Brazil;
- limiting the number of customers in stores;
- cleaning of the store or relevant areas if an employee tested positive for Covid-19.

Each Human Resources department now routinely monitors the number of employees testing positive for Covid-19 in order to verify the effectiveness of measures, without forgetting that contamination may occur at other times and places.

• (iv) Risk of human rights violations related to store security in Brazil

A specific questionnaire has been drawn up by the Group's CSR department to provide a more precise analysis of the risk of human rights violations by its security service providers. It enables each subsidiary to conduct a self-assessment, to obtain a diagnosis of its exposure to the risks generated by the use of security service providers and to implement appropriate corrective action plans.

The questionnaire is based on recommendations contained in international references in terms of private security, namely the:

- International Code of Conduct for Private Security Service Providers (ICoC);

Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

- Sarajevo Client Guidelines for the Procurement of Private Security Companies (SEESAC, 2006);
- Voluntary Principles on Security and Human Rights: Implementation Guidance Tools (ICMM, ICRC, IFC, IPIECA: 2011).

The questionnaire, consisting of 61 questions, evaluates procedures concerning:

1. Risk and impact assessment
2. Calls for tender
3. Contracts
4. Work standards
5. Background checks
6. Training
7. Security equipment and use of force
8. Control and accountability
9. Human rights violations
10. Relations between public and private security

Rolled out as a priority in Brazil and Colombia, the analysis of the responses to the questionnaire identified areas for improvement.

In addition, to address the growing risk of the use of force by security guards and store personnel to combat theft in stores in Brazil (see paragraph on the updating of supplier risk mapping in 2020), GPA has adopted an action plan for these personnel, which was presented to the GPA Governance and CSR Committee in 2020. It consists of:

- reviewing the procedures and guidelines for people in charge of tracking thefts in stores, and the alert system in case of customer complaints;
- re-evaluating the procedure for selecting security companies, including ensuring that officers are registered with the federal police;
- organising an annual workshop with all security companies and online training in procedures for cashiers, managers and other staff, as well as training to combat unconscious stereotypes and respect human rights;
- carrying out several initiatives to raise employee awareness, such as the introduction of diversity ambassadors in shops and the promotion of good practices to ensure the safety of everyone in a benevolent manner.

GPA monitors the number of alerts and complaints.

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 products made in countries at risk*

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

Casino Group has had risk prevention and mitigation plans in place for several years within its supply chain, notably among private-label suppliers, and particularly apparel. 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 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;

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 subcontract 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). The manual was updated and expanded in 2019 to incorporate recent changes in the Compliance Programme, in particular concerning the monitoring of corrective action plans and the implementation of ICS environmental audits.

Production plant approval policies in countries at risk

Since 2002, 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.

It 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.

Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

The CSR department updates the country risk analysis (see the paragraph on risk mapping) and the production facility selection and approval guidelines, in line with the degree of risk for the relevant country and industry. The country risk analysis defines the list of countries where sourcing is authorised, prohibited or subject to tighter audit procedures, such as Bangladesh, India and China. As part of the update to Casino Group's country risk analysis carried out in 2019, the ranking of each country was compared to the ranking system developed by the ICS in order to identify the countries for which there was a difference in the assessment of the risk level. Following the comparison, and an analysis of the results of the ICS social audits performed in the manufacturing sites located in each country, a proposal was put forward to the Duty of Care Committee to change the sourcing status for certain countries. This resulted in new countries being placed on the list of countries where control procedures have been strengthened, due to an increase in their country risk level. In 2019, the Group's CSR department performed a risk analysis for Eastern European companies following on-site visits and social audits at plants located there.

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 SCOP Manual, 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, Associação Brasileira do Varejo Têxtil (ABVTEX), which certifies national suppliers and subcontractors based on 18 criteria for ethical conduct, 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. In 2020, the Group's CSR department took part in the meetings organised by the Accord.

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 as well as to the agent or importer working with the plant, so that they can assist the facility in correcting the notified cases of non-compliance within a time frame depending on their criticality. If the audit report contains an ICS critical alert, such as 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 instances of non-compliance 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;
- 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.

Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

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 cases of non-compliance 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 supports 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, in 2018 the Group and other ICS members requested that accredited audit firms be able to monitor the action plans directly in the ICS database using an automated, consolidated system. This process enables 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 a further full audit. This centralised tracking, carried out by each team concerned under the supervision of the Group Social Ethics Officer, enables enhanced monitoring of the corrective action plans required of the plants and thereby improves the working conditions of their employees. Progress can therefore be made as the corrective action plans are being implemented, before the follow-up audit is performed.

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 prevention measures described above were deployed in 2018, 2019 and 2020. The name and location of each private-label production facility are 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.

Since 2019, the Group's goal has been for all of its plants to be covered by an ICS audit performed within the previous two years. The following indicators show the outcomes from the actions undertaken.

Of the 107 countries where sourcing is authorised by the Group, 66 are subject to stricter procedures, of which 39 that were home to plants working for the Group in 2020. 94% of the private-label production facilities are located in 10 countries.

More than 90% of the buyers concerned were trained over the 2018-2020 period. Digital training courses have been introduced in France both for current employees, as needed, and for all new hires.

Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

Plants in countries at risk and outcomes of the social audit campaigns

	2017	2018	2019	2020
Number of active plants* based in countries at risk and producing private-label products for the Group	1,578	1,510	1,566	1,289
of which in China	1,009	946	957	773
of which in India	150	174	189	164
of which in Turkey	77	64	67	55
of which in Bangladesh	35	44	57	52
of which in other countries at risk	307	282	296	245
Number of ICS social audits carried out in plants involved in the production of private-label products for the Group	1,245	1,460	1,126	1,188
of which directly commissioned by the Group	885	1,042	837	895
of which converted from an eligible BSCI audit	11	39	53	81
of which commissioned by another ICS member	360	418	236	212
of which initial audits	62%	52%	47%	58%
of which follow-up audits	16%	21%	18%	8%
of which re-audits	22%	27%	35%	34%
Breakdown by purchasing category of ICS social audits performed in plants involved in the production of private-label products for the Group				
Food	20%	22%	21%	32%
Apparel	41%	46%	42%	36%
Other non-food	39%	32%	37%	32%
Breakdown by country of plants audited by the Group in countries at risk				
China	61%	59%	63%	58%
India	14%	11%	12%	13%
Turkey	5%	5%	3%	4%
Bangladesh	7%	5%	6%	6%
Other high-risk countries	13%	20%	16%	19%

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

Outcomes of the alerts notified during ICS social 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	2019	2020
Number of ICS social audits commissioned by the Group in plants located in countries at risk and flagged with at least one alert*	207	148	111
% of alerts notified during plant audits in China	61%	61%	52%
% of alerts notified during plant audits in India	11%	14%	8%
% of alerts notified during plant audits in Turkey	4%	1%	10%
% of alerts notified during plant audits in Bangladesh	2%	5%	7%
% of alerts notified during plant audits in another country at risk	22%	19%	23%

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

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Breakdown of alerts by ICS chapter (as a % of total alerts notified during ICS social audits commissioned by the Group)	2018	2019	2020
Management system	17%	16%	16%
Child labour	2%	3%	1%
Forced labour	1%	2%	2%
Discrimination and disciplinary practices	6%	4%	5%
Working hours and overtime	3%	4%	6%
Remuneration, benefits and working conditions	35%	35%	30%
Health and safety	36%	36%	40%

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 at or above the legal working age.

Tracking and support mechanism for plants

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. 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, 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 1,289 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.).

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	2019	2020
Acceptable*	61%	68%	63%	65%
Acceptable with issues (level 1)*	17%	20%	31%	30%
Acceptable with issues (level 2)*	18%	10%	5%	5%
Probationary*	4%	2%	1%	0%
Number of plants removed from the supplier list for ethical reasons	40	70	37	24
% of plants removed from the supplier list for ethical reasons	3.2%	4.8%	3.3%	2.0%

* 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 social audit score.

It is important to mention that the ICS social audit questionnaire underwent a major change in 2018 with respect to its rating system. The decision was taken to adjust and tighten the ICS rating scale for working hours. As a plant's rating is assigned largely according to its latest ICS audit score, many plants that were previously given an "Acceptable" status have been downgraded to a score of "Acceptable with issues (level 1)" following their ICS social re-audit due to the change in the rating scale.

Preventive measures are primarily undertaken in factories rated Probationary and Acceptable with issues. However, 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.

In addition to monitoring working conditions through ICS social audits, the Group has also paid particular attention to training and support for plants, in particular by encouraging them to take part in the training programmes offered throughout the year by ICS, such as those offered in China and Vietnam on health and safety in the workplace in partnership with the ILO, as part of their SCORE (Sustaining Competitive and Responsible Enterprises) programme.

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In 2019, the Group decided to set up a specific remediation programme on the topic of working hours in China, called the "Working Hours Program", developed in partnership with an external consulting firm. The programme is divided into two parts: in an initial phase, a plenary training session for plant representatives given in Mandarin and, in a subsequent phase, a minimum of three days of audit and on-site intervention by external consultants. The on-site intervention allows for solutions to be recommended that are particularly suited to the context of the plant and inspired by lean management. This method helps to reduce production costs and the use of overtime by optimising the plant's production management. In all, 77 factories in the Guangzhou and Shanghai regions producing private-label products for Group subsidiaries were invited to participate in this programme in 2019. A total of 64 people from 49 different companies attended the two plenary training sessions organised in early December 2019 in Guangzhou and Shanghai. The consultants' first on-site assignments were planned for 2020 but had to be postponed until 2021 due to the global pandemic, which complicates the work of external consultants at production sites.

The measures taken in 2019 and 2020 helped to ease human rights and other risks, with a reduction in the percentage of facilities flagged with the most instances of non-compliance.

In 2020, the Group CSR department visited several subsidiaries to remind them of the Group's CSR policy and to train their teams.

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 programme described above.

Apparel tracking indicators

	2017	2018	2019	2020
Number of active garment factories producing private-label apparel for the Group in countries at risk	652	631	662	535
% of active garment factories producing private-label apparel in countries at risk covered by a valid ICS social audit	69%	94%	92%	89%
Bangladesh				
Number of active RMG factories producing private-label apparel for the Group in Bangladesh	31	36	52	50
% of active RMG factories tracked by the Accord on Fire and Building Safety	100%	100%	100%	100%
Number of employees working in RMG factories supplying the Group and tracked by the Accord	N/A	63,828	115,887	132,618
Average compliance rate in the RMG factories supplying the Group and disclosed to the Accord (based on Accord standards)	80%	94%	93%	95%

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. Accordingly, Group subsidiaries Distribution Casino France, Casino Global Sourcing and Monoprix have disclosed the factories in Bangladesh to the Accord, which the Group pledged to uphold in July 2013 to support the ongoing collective and collaborative process and improve safety conditions in local factories: all of the disclosed factories have been audited by the Accord. In order to ensure that Accord initiatives continue in Bangladesh, Casino Group is supporting the project led by the Accord Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to replace the Accord on Fire and Building Safety in 2020 with a new entity, the Ready-made Garment Sustainability Council (RSC). In 2020, the Group took part in the various meetings organised by the Accord.

All new local factories working for the Group's private-label apparel 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 (ABV'Tex), 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.

In 2020, 100% of GPA's 58 garment, footwear and accessories plants had been certified by ABV'Tex.

Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

Specific control measures concerning environmental risks

In 2018, 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 being rolled out in tier 1 and 2 facilities whose processes pose the highest environmental risk in the manufacture of household linens, denim apparel and leather goods. So far, 21 environmental audits, including 15 commissioned by the Group, have been performed in garment factories using such processes as dyeing, washing and fading. By the end of 2020, 83% of tier 1 or 2 textile mills manufacturing denim products and using wet processes had undergone an environmental audit within the previous two years. In addition, eight environmental audits, five of which were commissioned by the Group, were carried out in television and large electrical appliance factories to assess the environmental risks potentially caused by the production processes of these product families. All of the mills audited as part of this process achieved satisfactory results, significantly above the average results obtained by textile mills using water-based manufacturing processes.

In order to support its plants in improving their environmental practices, the Group has encouraged them to take part in the training programmes offered throughout 2019 by the ICS in partnership with an external company, particularly on the topics of raising awareness about environmental issues, chemical product management, wastewater management and effluent treatment plants. In 2019, representatives from 12 factories producing private-label products attended one of these training programmes.

Since 2018, 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.

Lastly, in order to tighten controls within the supply chain, 12 ICS social audits were performed in factories located in countries where sourcing is allowed without tighter controls. These audits help to improve knowledge about the level of social and environmental compliance of factories located in countries not considered to be at risk, thus contributing to Casino Group's analysis of country risks, which in turn helps to make the Group's risk mapping and duty of care plan more robust.

Regarding the risks associated with Covid-19 for employees at production sites

In view of the pandemic-related risks for employees at production sites, Casino Group initiated the implementation of a specific questionnaire within the framework of the ICS in order to question plants on the respect of measures to protect employees from the risk of Covid-19 contamination in their workplace. For several weeks, auditors were unable to visit plants to monitor working conditions. The implementation of this questionnaire, sent to around 3,400 plants listed in the ICS database, had the dual prevention objective of reminding people of the measures to be observed and their importance, but also of facilitating self-assessment checks. The plants surveyed were asked to answer the questionnaire's 50 questions, broken down into 8 chapters, but also to provide visual or documentary evidence of the measures implemented on their production sites.

Casino Group sent the questionnaire to 689 plants in the countries most affected by the pandemic, and 289 of them shared the results of their self-assessments with the Group. That represents a response rate of 42%, nine points above the average response rate obtained by ICS members. The Group also benefited from the sharing of 61 additional self-assessments commissioned by other ICS members in some of its plants. Overall, the self-assessments showed that the plants had grasped the importance of implementing protective measures to limit the spread of Covid-19 and preserve the health of their employees. The physical separation of workspaces and the provision of Personal Protective Equipment (mainly masks) were among the measures most routinely applied by the responding plants.

In addition to these questionnaires, the ICS sought to set up a pilot project consisting of remote surveys of more than 21,000 employees in 159 plants, carried out directly on mobile phones (via voice calls, mobile apps or websites) using technology developed by two service providers. Given the difficulties in sending auditors to some plants at the height of the pandemic, these surveys chiefly served to ask employees directly about their working conditions and the health measures their employers had implemented to limit the spread of Covid-19, through 20 questions.

A total of 2,384 employees from 18 plants selected by Casino Group responded to the surveys as part of the pilot. The findings generally confirmed the lessons learned from the self-assessments completed by plants, namely that measures to control the spread of Covid-19 were indeed being implemented in the production sites surveyed.

• (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

Several private-label products contain palm oil as an ingredient, which raises risks of deforestation, particularly in Indonesia and Malaysia, and of soil erosion, water pollution, the impact of single-species farming on biodiversity, and poor working conditions on palm oil plantations (risk of child labour, forced labour and workplace health and safety).

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As palm oil is purchased from refiners or importers by the Group's direct suppliers, the Group requires them to guarantee that it complies with the No Deforestation, No Exploitation commitments defined by the Group's partner, the Earthworm Foundation (formerly TFT). This means sourcing palm oil from plantations whose practices safeguard high conservation value⁽¹⁾ and carbon-rich forests, and whose methods support the development of small producers and respect local communities and workers' rights.

In order to reduce these risks, Casino Group has curbed the use of palm oil in its food products since 2010, removing it from 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 France it pledged to use only RSPO-certified palm oil by 2020, prioritising crops certified to Segregated or Identity Preserved standards, which offers the added advantage of being able to trace the palm oil to its source. The absence of forced labour and child labour are among the items checked by external auditors during the RSPO certification audit of a plantation.

Also, in addition to the RSPO, suppliers were informed of the Group's palm oil policy by letter from 2015 on, and working seminars have been organised in Brazil to raise their awareness of the policy. The Group asks its suppliers to trace the palm oil used in its private-label products by identifying and declaring the refiner or initial marketer, in order to obtain visibility throughout the supply chain.

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. This is why it joined the Palm Oil Transparency Coalition (POTC) in 2019. The POTC conducts an assessment of refiners' policies and actions with regard to their zero deforestation commitments, which allows us to assess the level of risk and engage in constructive dialogue with our suppliers to encourage the refiners from which they purchase palm oil to tighten their controls and improve their supply chain.

Implementation outcomes

In France, the Group calculates the palm oil footprint of its private-label food and non-food products and gathers information such as names and addresses to trace the palm oil content back to the initial importer and/or refiner. The method consists in 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.

Furthermore, the "zero deforestation" commitments of these initial importers were analysed in cooperation with the Earthworm Foundation, of which Casino Group is a member, between 2016 and 2018. The analysis focused on four fundamental criteria: the company's palm oil policy and underlying commitments; the company's reputation in connection with its palm oil operations; the transparency of its supply chain; and the initiatives undertaken to apply its policies or improve its sourcing.

Since 2019, this analysis has been carried out by the Palm Oil Transparency Coalition (POTC) as part of collective action with other retailers committed to the same approach. The POTC sends annual assessment questionnaires to palm oil importers to get a precise picture of their level of commitment to sustainable palm oil. The findings are shared in the form of a report with all POTC members. Casino Group informs its own direct suppliers of the findings so that they can take them into account in their purchasing policies. The report is also available on the POTC website.

In France, 100% of the palm oil used in private-label food and non-food products comes from Asia and is RSPO certified, and 90% to the "Segregated" or "Identity preserved" level, carrying the highest guarantees.

In South America, GPA and Éxito favour palm oil of local origin, both to promote local consumption and to reduce the social and environmental risks linked to palm oil cultivation. This reduces the risk of deforestation compared with the palm oil used in France, which is sourced from Asia. In Colombia, Grupo Éxito is supporting Tropical Forest Alliance (TFA) 2030, a multi-stakeholder initiative, whose objective is to reduce tropical deforestation related to palm oil, soy and cattle breeding. Éxito also signed the TFA's Palm Oil National Agreement, which supports joint stakeholder efforts to eliminate deforestation in the palm oil supply chain. Éxito favours Colombian RSPO palm oil for cooking. In Brazil, GPA has published a purchasing policy for palm oil products, with which suppliers must comply to supply its private labels. The policy reiterates their obligation to know the origin of the palm oil and whether it is locally sourced or imported. If the palm oil is imported, it must be RSPO certified. In addition, it must identify the country of origin and trace the palm oil back to the importer. This policy is available on the GPA website: <http://www.gpari.com.br/wp-content/uploads/sites/108/2020/12/Social-and-Environmental-Policy-for-Purchasing-Palm-Oil-Products.pdf>

• (iii) Beef suppliers in Brazil

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

Private-label beef accounts for about 15% of all the beef sold by GPA.

The remainder is sold under national brands or on fresh-food counters, by major Brazilian agri-food companies. GPA does not buy directly from ranches.

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 suppliers 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 law.

(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.

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The responsible beef sourcing policy, which was introduced in March 2016 in partnership with The Forest Trust (TFT) Brazil (now the Earthworm Foundation), leverages traceability across the supply chain to ensure that the cattle sourced directly by our suppliers are not from ranches practising illegal deforestation, involved in forced labour or any illegal encroachment on indigenous lands.

Initially applied to purchases by Multivarejo, the policy has been extended to the Assaí banner, the first cash-and-carry retailer in Brazil to take a stand on this issue.

There are two principles behind GPA's beef sourcing policy, implemented to attenuate the risks of deforestation and human rights abuses across the supply chain:

- (i) **Traceability and transparency:** all GPA beef suppliers are required to declare information on the slaughterhouses (rank 1) and ranches (rank 2) they work with, and register this information in the GPA traceability system;
- (ii) **Geo-monitoring:** GPA is not in direct contact with the ranches. Suppliers use a satellite geo-monitoring system to verify that these ranches meet the zero-deforestation policy criteria, as listed below. If this verification process finds non-compliance, then the ranch in question is blacklisted and not allowed to sell products through GPA.

The policy is based on the social and environmental criteria specified in 2009 for cattle sourcing throughout the Brazilian territory.

Specifically, suppliers are required not to proceed with sourcing from any ranch that:

1. encroaches on indigenous land;
2. encroaches on conservation areas;
3. has been implicated for practices resembling forced labour or child labour;
4. has been embargoed by the Ministry of the Environment because of an environmental offence.

With regard to ranches in the Amazon region, Brazilian suppliers are also required to refrain from sourcing from any ranch that:

5. has been involved in deforestation after August 2008/October 2009, as set out in the GPA policy;
6. does not have a CAR rural identification number or environmental licence if applicable.

To implement its policy, GPA has:

- mapped the various links in the supply chain to identify the different types of industry suppliers;
- rolled-out dedicated action plans to address the risks identified in each indirect supply chain;
- trained suppliers so that they can deploy, in their own operations, the solutions needed to verify that ranches comply with the defined purchasing criteria;

- provided suppliers with a manual presenting GPA policies and procedures;
- identified the exact coordinates of the ranches that directly deliver cattle to GPA suppliers;
- collaborated with market stakeholders, public organisations and NGOs combating deforestation to converge best practices and work on developing systemic solutions.

Suppliers not subscribing to GPA's responsible beef sourcing policy had their contracts suspended pending proof of compliance and effective policy implementation.

Implementation outcomes in 2019

The main outcomes of the new policy are as follows:

- all of the suppliers have pledged to support GPA's policy and development programme. In 2019, four suppliers completed their action plan to achieve full compliance with the GPA policy. Since the policy launch in 2016, GPA has blacklisted 23 suppliers that refused to abide by the policy or run the action plan;
- a total of 19 slaughterhouses (100%) have a geo-monitoring system in place. 99.6% of the meat produced by these suppliers was of controlled origin in 2019. The remaining 0.4% corresponds to suppliers who either implemented the system this year, or were suspended for refusing to implement the action plan (2019);
- 22,150 direct ranches have been identified. These ranches provided cattle to GPA suppliers and have been inspected by our suppliers;
- more than 30 meetings have been organised to present the policy to the suppliers since its publication, and to assist in the implementation of specific action plans in 2019.

2020 update for GPA's beef purchasing policy

Aware of the growing risk of deforestation in Brazil, and intent on further improving the efficacy of its policy, in 2019 and 2020 GPA took part in joint work by the Imaflora NGO, the Brazilian Federal Prosecution Service and other civil society organizations on the Beefontrack.org project, supported by GPA⁽¹⁾.

On this platform, an industry-wide protocol on control of cattle farming in Brazil was drawn up and approved by the Federal Prosecution Service on 12 May 2020, which came into force on 1 July 2020⁽²⁾. The protocol was included in the update to GPA's Social and Environmental Beef Purchasing Policy, drawn up with input from a 2018-2019 diagnostic by Proforest, an NGO specialising in responsible procurement of natural resources⁽³⁾. This update to the 2016 policy was submitted to the GPA Governance and Social Responsibility Committee on 29 July 2020 and published on 5 September 2020.

(1) <https://www.beefontrack.org/who-is-who>.

(2) https://61b37262-1c70-4b1c-9bd4-d52a78d31afb.filesusr.com/ugd/c73ac5_1f727af24f4e4f2a8806e00ed7bccb3d.pdf.

(3) <https://proforest.net/en>.

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In line with the Imaflora protocol, the updated GPA policy specifies the control criteria that supplier ranches are required to meet. It applies to all GPA beef suppliers as from 5 September 2020. It explicitly states that compliance is *“mandatory for all beef suppliers, and a prerequisite for supplying goods to GPA and for the continuation of long-term relationships with GPA business units. GPA may discontinue business relationships with any supplier failing to apply these guidelines or to take any corrective measures required”*⁽¹⁾.

GPA thus requires its direct suppliers to:

- take up its new policy (point 5.2.1 in the GPA policy);
- comply with the GPA Code of Ethics (point 5.2.2 in the GPA policy);
- implement the Imaflora beef sourcing protocol in the Amazon region, to inspect the ranches they work with (point 5.2.3 in the GPA policy): *“Suppliers having one or more meat packaging facilities in the Amazonian biome or sourcing cattle from the Amazonian biome are required to apply the protocols of the Beef On Track project [...]”* and guarantee that the ranches they work with meet the 12 criteria specified in the sourcing process. GPA also requires that these suppliers take up a non-deforestation commitment in the Amazonian biome, in line with the GPA policy. GPA gives good-practice recognition to the signing of an environmental conduct adjustment agreement with the Federal Prosecution Service in the Brazilian states where the facilities are located⁽²⁾. Under the Imaflora protocol, suppliers are required to audit the Brazilian cattle ranches (rank 2 in the GPA supply chain) according to the 12 socio-environmental criteria on points including illegal deforestation, environmental embargoes, indigenous land and forced labour. With regard to the Amazonian biome in particular, suppliers are also required to refuse any cattle coming from ranches involved in deforestation after the cut-off date of October 2009 specified by the protocol;
- indicate direct origin and beef shipment data in the GPA traceability system (point 5.2.4 in the GPA policy);
- subscribe to a geo-monitoring system for ensuring that all cattle purchased complies with the socio-environmental criteria (point 5.2.5 in GPA policy). Suppliers are required to refuse all cattle from any ranch found not to comply.

Under its new policy, GPA:

- audits its suppliers to ensure they comply with its policy, by cross-checking the data reported by suppliers on the ranches they work with using satellite geo-monitoring systems different from that used by most suppliers⁽³⁾;
- continues to train its internal teams and support its suppliers. All GPA group employees involved in the beef sourcing process are trained accordingly. For each new supplier, GPA provides and runs training to ensure effective take-up of GPA guidelines.

All potential suppliers are required to comply fully with the policy before they can begin or continue supplying GPA. Suppliers that refuse to meet these implementation or audit requirements are blacklisted and not allowed to supply any GPA group business entity. Suppliers off-listed for non-compliance with policy then wishing to re-apply for inclusion must provide full proof of compliance. Meat suppliers that have blacklisted ranches for non-compliance are encouraged to give clear explanations for the removal along with advice on the adaptations needed for meeting the reinstatement requirements⁽⁴⁾.

Given the difficulties suppliers have in the large-scale monitoring of indirect supplier ranches (rank 3 in the supply chain), and the illegal “cattle laundering” practices used by certain ranch owners, GPA supports and participates in the development of sustainable rank-3 monitoring solutions operable at wide scale and shared by all players. Specifically, it is a member of the Indirect Supplier Working Group (GTFI), alongside organizations such as the National Wildlife Federation (NWF), Earthworm and Amigos da Terra, and takes part in pilot projects with suppliers to improve the monitoring of indirect supplier ranches and thereby the sustainability of beef production⁽⁵⁾. GPA supports and is directly involved in the VISIPEC project⁽⁶⁾ (www.visipec.com/), which involves working back through the supply chain to indirect supplier ranches where applicable, and strengthening the monitoring process accordingly. This system enables GPA suppliers to monitor indirect supplier ranches by cross-checking CAR land registry information with GTA documentation on transport from departure to arrival ranches. GPA is the first retailer to be involved in this project, currently at the experimentation phase with the National Wildlife Federation.

Full information of the GPA policy is available here: <https://www.gpabr.com/en/sustainability/transforming-the-value-chain/>.

(1) <https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf> (page 3 of the PDF).

(2) <https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf> (page 29 of the PDF).

(3) <https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf> (pages 20 and 21 of the PDF).

(4) <https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf> (page 19 of the PDF).

(5) <https://www.gpabr.com/wp-content/uploads/2021/03/Social-and-Environmental-Beef-Purchasing-Policy.pdf> (page 35 and 36 of the PDF).

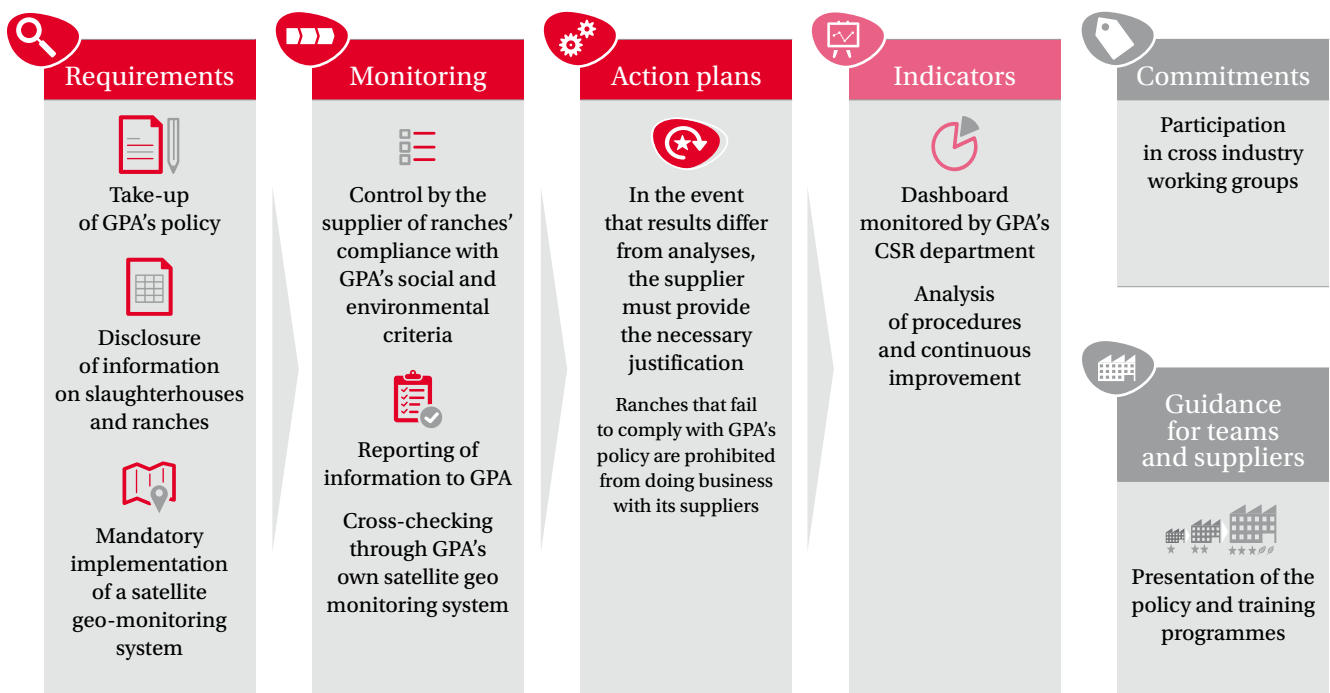
(6) <http://www.visipec.com/>.

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Given the scale of the challenges at hand, Casino Group, along with most stakeholders in Brazil, considers that effective action requires shared rules determined through constructive debate among all concerned, from suppliers and retailers through to civil society in general. For this reason, GPA supports initiatives on improving monitoring of the cattle supply chain in Brazil, and takes part in:

- the Indirect Supplier Working Group (GTFI), a platform for examining the challenges set by the indirect cattle farming chain;
- the annual process to monitor enforcement of the commitments of the National Pact to Eradicate Slave Labour (InPACTO), which GPA has upheld since 2005;
- the Brazilian Roundtable on Sustainable Livestock (GTPS) on sustainable cattle farming;
- the G6 working group formed by the main beef retailers and suppliers to improve control over the supply chain;
- the Brazilian Coalition on Climate, Forests and Agriculture, a multi-sector movement to promote a new economic development model based on zero-carbon principles.

Control policy for GPA's beef suppliers



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Implementation outcomes in 2020

In 2020, the new policy was issued to all GPA suppliers, and 38 of these signed up. Each supplier checks ranch compliance with regard to the 12 criteria of the Imafflora protocol. 100% of direct supplier ranches are monitored for compliance using a satellite geo-monitoring system.

To ensure proper application of ranch monitoring procedures by its direct suppliers, GPA cross-checks the information received on ranches declared as compliant, using a geo-monitoring system different from that used by most suppliers. Suppliers are required to explain any differences between the GPA analysis and their own. If the GPA analysis is confirmed, then the ranch is blacklisted.

GPA has also:

- systematically questioned the suppliers identified in NGO reports in 2020, analysed the ranches concerned, and examined their responses with a view to taking whatever measures are deemed necessary;

- taken part in multi-stakeholder initiatives addressing the social and environmental issues posed by cattle farming in Brazil, to support the rollout of collaborative solutions, which Casino Group and GPA consider the most effective, given the complexity of the issues and the number of stakeholders. Casino Group co-chairs the working group on cattle farming set up by the Forest Positive Coalition of the Consumer Goods Forum, which seeks to mobilise all purchasers of meat in Brazil on collective improvements to systems and operations on oversight of Brazilian beef producers. As mentioned above, GPA teams took part in Imafflora's work on the Beef On Track project, GTFI, GTPS and the VISIPEC project;
- audited ten of its private-label (*Rubia Gallega*) direct suppliers' slaughterhouses according to the ICS social audit standard, to verify working conditions.

Monitoring indicators

Percentage of fresh and frozen beef sold under national brands and private labels in GPA stores in Brazil

% national brands	85%
% private labels	15%

Number of beef suppliers in Brazil at 31 December 2020

Number of national-brand suppliers	38
Number of private-label suppliers	2*

Indicators on beef suppliers with slaughterhouses buying directly from ranches

% of suppliers subscribing to new policy	100%
% of suppliers using satellite geo-monitoring system	100%
Number of declared ranches supplying GPA direct suppliers	17,740
% of these ranches analysed and monitored by the satellite geo-monitoring system	100%
% of these ranches analysed and monitored by the satellite geo-monitoring system, followed by supplier cross-checks using the GPA geo-monitoring system	100%

* These two suppliers are also national-brand suppliers.

Actions taken by Éxito in Colombia are detailed in the section Combat deforestation caused by the production of commodities (page 234).

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Note on the claim by an NGO collective under duty of care legislation

In 2020, NGOs reported that Brazilian ranches working for major Brazilian beef companies might be implicated in deforestation in Brazil. Though Casino Group's Brazilian subsidiary, GPA, was not incriminated by representatives of Brazilian indigenous communities or communities on the land farmed by these major supplier ranches, in June 2020, a French organisation published a report claiming "double standards" practised by Casino Group. Casino Group issued a detailed response addressing the many inaccuracies, incorrect extrapolations and errors contained in this report. In September 2020, Casino Group received formal notice on the claim by this organisation and a collective of other NGOs that the Group's duty of care plan failed to comply with the French duty of care law of 27 March 2017.

Casino Group refuted this accusation, and provided a detailed response to this formal notice.

Compliant with the provisions of this legislation, Casino Group publishes and implements the duty of care plan as outlined in this document, as from entry in force of the legislation in question.

Casino Group continues to engage in constructive dialogue with Brazilian organisations involved in the fight against deforestation.

3.5.3.5. ENSURING ANIMAL WELFARE

■ Commitment

For many years now, 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 cultivates 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 2019 rated its performance as Tier 3 (of six tiers), among the leading French retailers on this issue.

Consumer awareness plays a critical role in improving the treatment of farm animals. To inform shoppers about the animal welfare aspects of the products they buy, the Group has developed a labelling system in collaboration with three recognised animal rights organisations. The aim is to contribute to the development of 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. At the beginning of 2020, the programme was extended to other distributors and producers. Additional details about the programme may be found at <http://www.etiquetebienetreanimal.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;
- 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. An e-learning module to raise awareness on animal welfare issues was released in 2020.

In deploying its animal welfare policies, 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, 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 supporting animal-welfare labelling 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 of meat and bone meal to feed farmed animals is prohibited.

Casino Group's policy to promote animal welfare has been updated and published under the Commitments – Produce better – Casino Group policy for animal welfare section of its website, at www.groupe-casino.fr/en.

Casino Group won several awards, notably for the Animal Welfare label project, including an LSA "La conso s'engage" CSR award, the ESSEC Daniel Tixier Prize and the CIWF Animal Welfare Award. As part of the ESSEC Grand Prix du Commerce Responsable, at the beginning of February 2020, Casino Group received the "Services and Information for the Benefit of the Consumer" prize for its animal welfare labelling. Franprix recently won CIWF's Good Dairy Commendation and 2019 Good Egg Award for its commitments, while Monoprix (in 2019) and Franprix (2020) received Good Chicken Awards from CIWF for their pledge to meet the Better Chicken Commitment criteria.

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■ Organisation

Animal welfare policies and their management, as well as the issues related to animal welfare labelling, have been presented to the Executive Committee since 2018.

In France, animal welfare policy is managed by the Quality Committee, which meets monthly and comprises a multidisciplinary team involving all of the stakeholders concerned:

- Corporate Social Responsibility (CSR);
- Quality – including an animal welfare officer;
- Purchasing;
- Marketing.

The work of these committees involves:

- 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, making some of the industry's most ambitious commitments. In line with its commitment, since January 2020, none of the eggs sold in the stores in France have come from caged hens.

- 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, Casino Group and all of its banners in France made a similar commitment and, as of 1 January 2020, stopped selling eggs from caged hens. The Group supports its breeders and suppliers in the transition to an alternative breeding method, leveraging multi-year contracts to better assist them in their investment efforts. For its private-label eggs, the Group has set up an open-air breeding chain free of antibiotics during the laying period, with hens raised on GMO-free feed (<0.9%). This led to the launch of two new products in April 2019. Casino Group has already committed to going a step further by pledging to eliminate egg products from caged hens in all its private-label products by 2025. In 2020, 26% of private-label egg products contained eggs from cage-free hens. Since 2017, Franprix and Monoprix have also been selling Poulehouse® brand eggs ("The egg that doesn't kill the hen") in 150 stores. This brand goes the extra mile when it comes to the animal welfare of laying hens, using a production method that avoids slaughter.

- In South America in 2017, Group subsidiary GPA launched a line of eggs from cage-free hens that has extended its organic and free-range egg products. 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 2020, more than 30% of its private-label chicken eggs were from cage-free hens. GPA also extended its commitment with the announcement that it would be discontinuing sale of national-brand eggs from caged hens at its Extra and Pão de Açúcar outlets by 2028. Specific identity and information material were brought in at Multivarejo stores to inform consumers on different egg categories. In Colombia, all private-label eggs sold by Grupo Éxito are from cage-free hens. Since 2019, Grupo Éxito has been working with the Colombian National Poultry Farming Federation (FENAVI) on developing a sustainability compliance label. Once this standard has been approved by the stakeholders concerned, Grupo Éxito has committed to applying it across 100% of its suppliers.

• 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 UHT milk complies with "Who's the Boss?!" specifications, which guarantee that the cows have had four to six months of grazing, that feed is GMO-free (<0.9%), and that farming conditions meet specific criteria on animal welfare. 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.
- In 2019, Franprix won the CIWF Good Dairy Commendation for its commitment to maximally virtuous dairy cattle farming by the end of 2024. The criteria here include access to free grazing for at least 150 days per year, the absence of contention, and the monitoring of farmed animal welfare indicators.
- The Casino Bio, Monoprix Bio and Franprix Bio brands guarantee permanent access to grazing land, whenever weather conditions make this possible.

• Broiler chicken sourcing

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

- signed up to the Better Chicken Commitment, which aims to significantly improve the rearing and slaughtering conditions for all broilers (lower densities, slower-growing strains, enhancing the environment with perches, natural light in livestock buildings, more humane slaughtering methods, etc.). The Casino and Franprix banners are committed to ensuring that, by 2026, all of the chickens marketed under their Casino private labels will be labelled level "C – Satisfactory" or better, under the animal welfare labelling system set up by Casino Group and three animal protection NGOs – LFDA, CIWF and OABA. In 2020, Terre & Saveurs brand chickens were all rated "Good" or "Superior" in terms of animal welfare. This label was rolled out to Casino Bio products in 2020 and on chickens under the Monoprix Bio Origines brand;

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- offers a range of chickens farmed organically under better animal welfare conditions;
- is extending its commitments, as with Monoprix's October 2018 decision to discontinue sale of fast-growing broilers under its private label, with stores now carrying only medium- or slow-growing breeds. In addition, all of the rotisserie chickens comply with 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.

• 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 slaughtering. These preliminary audits have been carried out by veterinarians since 2015. More than 70 slaughterhouse inspection points are examined. 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, 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 every stage in an animal's life, from birthing and raising to transport and slaughtering. Compliance with each of the criteria is assessed through annual external audits performed by independent firms. The first labelled products, sourced from broiler farms, appeared in stores in 2018. The labelling system has been extended to other brands and products. The label appeared on Casino Terre & Saveurs and Casino Bio products in 2020, and is currently being rolled out across Monoprix Bio Origines products. Additional details about the programme may be found at www.etiquettebienetreanimal.fr.

Since 2020, Casino Group has been taking part in the work of the French association for animal welfare labelling (AEBEA) on developing animal welfare labelling for pork products.

3.5.4. Casino Group, actively committed to protecting the environment and climate

3.5.4.1. ENVIRONMENTAL POLICY

■ Commitment

Casino Group has set up a group environmental policy addressing the risks, challenges and opportunities identified as relating to its operations in France and abroad.

In view of the direct and indirect impacts identified, Casino Group's environmental policy takes three focuses:

- low-carbon strategy, to reduce the Group's greenhouse gas emissions and combat climate change (see section 3.5.4.2);
- preservation and conservation of resources, to support the circular economy and the fight against food waste;
- 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;
- the Science Based Target Initiative, for which Casino Group has joined the We Mean Business coalition;

- the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), for which Casino Group became a "TCFD supporter" on February 2021;
- National regulations such as the 2030-2050 roadmap from the French Agency for Environment and Energy Management (ADEME);
- the recommendations of the Consumer Goods Forum, and national commitments to which it is signatory, such as the following in France:
 - the Act4Nature "Business for Biodiversity" manifesto,
 - 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 refrigerators containing fresh produce in 2020,
 - France's National Pact on Plastic Packaging,
 - the National Pact on Sell-by Dates, to combat food waste,
 - the French Business Climate Pledge.

In South America, through its Grupo Éxito subsidiary, the Cerrado Manifesto Statement of Support and the TFA 2030 initiative to counter deforestation.

The Group's environmental policy is accessible on its corporate website (www.groupe-casino.fr/en) – under "Commitments" – "Preserve".

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Task Force on Climate-related Financial Disclosures (TCFD)

Casino Group is committed to following the TCFD recommendations in the following fields:

- (i) Governance: challenges, risks and opportunities with regard to climate change are notified to the Board's Governance and CSR Committee. Details on this are given in section 5.5.2, page 336 onwards.
- (ii) Strategy: the Group has outlined risks and opportunities at short-, medium-, and long-term timeframes, and the degree of impact on the company.

(iii) Risk management: the process for identifying and assessing climate-related risks is detailed in section 3.2.2. This is integrated in the company's global risk management system;

(iv) Indicators and objectives: the Group publishes monitoring indicators, such as Scope 1, Scope 2 and Scope 3 emissions, and consumption of resources and materials (energy, water, waste). Details on this are given in section 3.6. A performance table appears on pages 237 and 238.

■ Organisation

The Group's environment and climate policy is organised and led by the CSR department, which is responsible for coordinating environmental priorities, sharing best practices and monitoring action plans. The Group CSR department liaises with the Group Risks and Compliance department on management of environment and climate risks, and with subsidiaries' CSR Committees. It also reports on these challenges to the Governance and CSR Committee (see section 5.5.2, pages 336 to 338).

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 and climate priorities;
- deploying an environmental management system supported by the environmental indicators needed to manage the action plans for the defined priorities. Each business unit undergoes an annual review by the CSR department.

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

■ Commitment

As signatory to the Science Based Target initiative, Casino Group takes up the following commitments in line with international objectives:

- 18% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2025 compared with 2015;
- 10% reduction in Scope 3 emissions from 2018 to 2025 in the categories "product and service purchases" and "use of products sold", which account for more than 65% of indirect emissions.

The Group's low-carbon scenarios were submitted and approved in line with the Science Based Targets in 2019, including for Scope 3 emissions.

Each business unit sets reduction objectives consistent with Group targets.

In 2020,

- Grupo Éxito committed to a 35% reduction in Scope 1, Scope 2 and goods transport emissions by 2023;
- GPA committed to a 30% reduction in Scope 1 and Scope 2 emissions by 2025;
- Monoprix committed to a 50% reduction in Scope 1 and Scope 2 emissions by 2030, on the way to carbon neutrality by 2040.

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

- direct fugitive emissions from refrigeration systems (85% of Scope 1 emissions);
- indirect emissions from 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).

Casino Group is attentive to the impacts of the growth in online shopping and related services. The Cdiscount e-trader has joined the Planet Tech Care collective initiative, whose aims include more precise measurement of the environmental impacts of the digital boom. It is also a signatory to the charter of the *Institut du Numérique Responsable* (Digital Responsibility Institute). A Cdiscount action plan covers aspects such as optimization to lighten the website weight and thereby reduce the number of servers used, shrink the network footprint, and minimise impact on the devices used by customers to access the site.

■ Action plans

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

- reduce emissions from refrigerated display cases;
- reduce emissions from energy consumption;
- reduce emissions from goods transport, and bring in more sustainable mobility;
- shrink the carbon footprint of store merchandise.

■ Performance

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

- the Group's Scope 1 emissions, corresponding to direct emissions from combustion and refrigerants, amounted to 1,240,000 tonnes of CO₂ equivalent in 2020;
- its Scope 2 emissions, corresponding to indirect emissions from the consumption of purchased electricity, amounted to 241,000 tonnes of CO₂ equivalent in 2020 (location-based method).

Allowing for consumption of energy guaranteed as renewable, its Scope 2 emissions totalled 222,000 tonnes of CO₂ equivalent in 2020 (market-based method).

These results are in line with Casino Group's SBT commitments for Scope 1 and Scope 2 emissions.

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The Group also tracks changes in ratios per square metre of retail space for greenhouse gas emissions from electricity use and refrigeration systems. These intensity ratios are down by 7% on 2019 for emissions from electricity use and by 1.6% for emissions from refrigeration systems.

See Group performance indicators on pages 237 and 238.

An initial measurement of indirect (i.e., Scope 3) emissions arising from the Group's operations was carried out in 2012, with support from a specialist consultancy. Since then, the Group measures all these emissions from internal data and related emission factors. It currently estimates its Scope 3 emissions at around 30 million tonnes of CO₂ equivalent a year. The most significant sources of Scope 3 indirect emissions identified are merchandise sold excluding fuel (61%), the transport of goods and customer mobility (21%) and fuel sold (11%).

3.5.4.2.1. Reducing fugitive emissions of refrigerants

The Group is committed to reducing its fugitive emissions of high global warming potential refrigerants by 18% by 2025, with respect to 2015.

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 refrigerants with low global warming potential and eventually migrate all refrigerated display cases to carbon-neutral systems.

In France, under the European F-gas regulation, and in Brazil and Colombia, the banners are phasing in fluids with lower CO₂ emission levels and global warming potential of less than 1,500, along with hybrid refrigeration systems (at 255 sites in 2020) producing negative cold with climate-neutral natural coolants, and systems running on 100% natural coolants (at 47 sites in 2020).

3.5.4.2.2. Reducing emissions related to energy

Reductions in emissions from energy consumption are sought in four ways:

- through changes in behaviours and usages, to reduce consumption;
- through improved energy efficiency;
- through the use of energy from renewable sources;
- through the production and consumption of energy from renewable sources.

These methods, outlined in section 3.5.4.3.1, guide the Group toward meeting the SBT target for Scope 2 emissions, which predominantly concern energy consumption.

3.5.4.2.3. Reducing transport-related emissions

Casino Group measures the emissions resulting from the transport of its merchandise, and is committed to reducing them.

• *Upstream and inter-site (warehouse and shops) goods transport*

In 2020, the Group's business units in France took up the FRET 21 programme, on targets for emission reductions and actions for meeting them. This is coordinated by the French Agency for Environment and Energy Management (ADEME) and freight trade organisations, with support from the French Ecological Transition and Transport ministries. Under this programme, Casino's logistics subsidiary committed to a 25% reduction in the carbon footprint of goods transport, emitting 25,080 tonnes less CO₂ eq. by 2022.

Casino Group is committed to the following measures on reducing the emissions generated by the transport of goods from warehouses to stores:

- reducing journey mileages, by optimising delivery schedules and fill rates;
- increasing loads carried per delivery, by using double-deck trailers and increasing the proportion of 40ft units versus 20ft units in the container fleet, and using 3D machines to make custom-fit recyclable packaging at Cdiscount, for space and materials savings;
- using railways and inland waterways as alternatives to road transport: Franprix, for example, has prioritised using the Seine river to restock its stores (300 stores concerned) since 2012;
- using rail and waterway transport for import containers. Some 20% of Casino containers are carried to warehouses by barge or rail, and the target for 2022 is 50%;
- modernising the vehicle fleet: with sights set on 100% green transport. Casino Group is committed to having 400 lorries, or around 40% of its proprietary fleet, running on CNG (compressed natural gas), by 2021 in France. Some of these will be running on biogas. Using CNG fuel reduces particulate matter emissions by 85% and greenhouse gas emissions by 60%. Casino's logistics subsidiary, signatory to the FRET21 programme, targets a 25% reduction in transport-related GHG emissions by 2022, through measures that include 90 vehicles running on biogas;
- using biofuels and alternative fuels: Alternative fuels bring a local and ecological solution, with substantial reductions in greenhouse gas and atmospheric pollutant emissions. Monoprix supports the use of biomethane fuel in its CNG lorries, and Casino is developing the use of B100, a natural rapeseed-derived alternative to diesel fuel;
- training in eco-driving.

• *Goods transport from shops to customers*

Casino Group is committed to reducing the emissions generated by the transport of goods from shops to customers, with an emphasis on home deliveries on foot, by bicycle or electric cargo tricycle. In Paris, for example, all Monoprix outlets deliver using these eco-friendly transport modes.

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• *Customer and employee transport*

Neighbourhood access to the thousands of Casino Group convenience stores makes for minimum use of cars and facilitates home deliveries using eco-friendly transport modes, thereby minimising the impact of shopping transport. Casino Group plans further extensions to its network of convenience stores. 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. For example, Grupo Éxito is committed to having electric vehicle charging stations at all its car parks by 2035. Employees are also offered training employees in eco-driving techniques.

• *Transport related to online shopping*

With the growth in its e-commerce operations (Monoprix online, Sarenza and Cdiscount chiefly), the Group is developing customer deliveries using 100% electric or biogas vehicles in France.

Cdiscount is developing many innovations for reducing the environmental impact of goods transport and advancing toward carbon-neutral delivery services:

- optimised fill rates: Cdiscount has equipped its warehouses with 3D machines for right-sized product packaging, bringing a 30% reduction in empty parcel space and the materials used. It also uses bulk loading on some package flows. Together, these two measures bring a 30% reduction in the number of lorries required across all package deliveries;
- carbon-neutral home deliveries: With its delivery partners, Cdiscount is developing 100% electric flows (rail plus last-mile electric vehicles). In 2019, Cdiscount assessed its remaining greenhouse gas emissions, after deduction of these flows, and committed to offset them each year by means of environmental sponsorship to finance reforestation projects.

In Colombia, Éxito is also developing electric-vehicle customer deliveries; 26 vehicles came into service in 2020.

3.5.4.2.4. Reducing the emissions in connection with the products sold in stores

In accordance with the aims of the Paris Climate Agreement, Casino Group has undertaken to reduce the greenhouse gas emissions linked to its food products, which represent its main indirect impact (Scope 3). To support this transition toward low-carbon consumption, the Group is taking action on several levels.

• *(i) Encouraging consumers to eat more vegetable protein*

To implement a low-carbon strategy, the Group needs to support the shift in production and consumption practices towards low-carbon products and especially a better balance between animal and vegetable protein in a store's product offering. Lastly, 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 fruit, 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 bulk offerings for legumes, broadening the private-label vegetable-based lines and providing consumers with more detailed animal welfare information.

In so doing, Casino Group:

- is developing several lines of vegetarian and vegetable-based 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 developing its 100% vegan organic produce stores, stocked with 2,000 staple foods that are entirely vegetable-based. Casino Group was also the first retailer in France to sell products from American start-up Beyond Meat® under the Monoprix, Franprix, Géant and Casino Supermarkets banners;
- promotes new bulk concepts, offering customers a variety of innovative bulk solutions. In 2020, new concepts for selling products from national brands were tested for use alongside existing systems (for pulses, cereals, etc.);
- encourages more detailed information for consumers on the degree of animal welfare related to products, enabling them to consume higher quality products and to change their habits when it comes to purchasing animal protein.

The responsible consumption survey carried out by Casino Group subsidiary Relevanc across a large panel of households faithful to Group banners showed a 6% increase in bulk products with respect to 2019⁽¹⁾.

• *(ii) Promoting local products*

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

One of the Group's objectives is to make local products more visible to its shoppers.

In France, Casino's "CAP" CSR approach reasserted its commitment to promoting local products. In 2011, Casino launched the *Le Meilleur d'Tci* label for local products made within a radius of about 50km around Casino outlets, or 200km for regional products. This highlights products from close to 1,500 local and regional suppliers at Casino stores. Monoprix also carries a range of local products produced within 100km of each store, which represented close to 4,100 grocery, beverage, produce and frozen SKUs in 2020.

In all, more than 27,200 locavore products are on offer in France, sourced from more than 1,900 local producers.

(1) <https://relevanc.com/nov-2020-barometre-consommation-responsable-impact-de-la-crise-liee-au-covid-19-sur-les-usages-des-francais/>

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In South America in 2020, 90% of the fruit and vegetables marketed under Grupo Éxito banners were grown in Colombia, of which more than 80% were sourced locally and directly from small farmers. Éxito continues its training programme for suppliers, in partnership with EAFIT University, and runs workshops on product reformulation (fats and oils). In addition, Éxito periodically brings together its fruit and vegetable producers to encourage and help them to meet Global Good Agricultural Practice standards, with the goal of improving performance across the entire fruit and vegetable supply chain. In Brazil, GPA's *Caras do Brasil* programme promotes sustainable family farming in five regions of Brazil (North, South, South-East, Centre-West and North-East), providing responsible small-scale farmers such as cooperatives and associations the opportunity to sell their products in Pão de Açúcar stores. Social and environmental criteria are used in selecting producers to supply the range, which have a dedicated space within certain stores.

- **(iii) 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, Casino Group has supported the display of standardised environmental labels on food products. Following on from the carbon index label for its private-label products in 2008, it brought in an environmental impact label in 2017, drawing upon a public database and a national standard, plus a lifecycle analysis of carbon emissions and aquatic pollution. In July 2017, Casino provided 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.

The Group also runs campaigns for raising customer and employee awareness on climate issues. The CAP ("*avec Casino Agissons pour le Planète*") CSR operation addressing Casino banners, teams and customers in 2020 explained commitments and prompted a number of initiatives. In France, employees may attend e-learning courses on the environmental impact of their shopping.

Products certified as carbon-neutral are beginning to make an appearance on the shelves at Casino Group outlets. GPA in Brazil brought in *Carne Viva* carbon-neutral products across twenty or so stores in 2020.

- **(iv) Mobilising suppliers**

Casino Group is committed to a 10% reduction in indirect emissions from 2018 to 2025, an objective in line with SBT and the Paris Agreement. To reach this goal, it set up the Carbon Forum, a group of 30 major suppliers committed to the climate cause.

The Carbon Forum has these main objectives:

- encourage all members to take up SBTs on reducing their carbon emissions;
- track and support progress toward these targets, by sharing best practices;
- run collaborative workshops on climate impact topics.

The Carbon Forum is committed to having SBTs taken up by 50% of its members by 2022.

It met twice in 2020. A dozen or so workshops have been prepared for 2021, on climate metrics and commitment, along with actions on reducing the carbon footprint in energy consumption, transport, sourcing and suppliers' farming practices.

3.5.4.2.5. Adapting to climate change

Casino Group operates a low carbon policy designed to combat and attenuate climate change. In addition, it conducts actions for adapting to climate change, with particular regard to the physical and transition risks identified as liable to impact its operations (see under "Climate change risks", page 174).

The main climate change risk that could potentially impact the Group's operations is the increase in extreme weather events, such as flooding in France (the 100-year flood in Paris), and flooding and droughts in Latin America. Were these types of events to become more frequent, they would not only have direct consequences for the Group's operations (business interruption, loss of assets), but also an indirect impact in that they would lead to 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 by cutting energy consumption and expanding alternative renewable energy sources. GPA now includes a carbon emission reduction target as a factor in managers' variable compensation, and plans to bring in non-hydroelectric renewable energy sourcing, as with the development of photovoltaic installations.

In the event of extreme weather events, the business units all have their own business continuity plans.

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3.5.4.3. PRESERVING AND REDUCING THE USE OF NATURAL RESOURCES

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

■ **Commitment**

Casino Group is committed to reducing its consumption and ensuing pollution in line with the SBT Scope 2 objective of 18% by 2025 (with respect to 2015).

Local objectives are set by the business units accordingly. Grupo Éxito, for example, targets a 20% reduction in energy consumption for 2021 with respect to 2015. In France, a reduction target is included as a factor in managers' variable compensation for 2020.

Reductions are sought in three ways:

- (i) through the wide-scale implementation of energy efficiency management systems, shifts in usages, and training in eco-friendly practices;
- (ii) by increasing the proportion of renewable energy in overall energy consumption;
- (iii) by increasing the production and consumption of energy from renewable sources.

■ **Action plans**

Under a firm commitment on energy challenges, Casino Group set up GreenYellow in 2007, a subsidiary specialising in energy efficiency and production of renewable energies. GreenYellow provides support to the Group's business units in three areas:

- (i) Reductions in energy use, 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 refrigerators 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 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. Energy performance contracts are currently in force at 1,400 Casino Group sites in France and abroad.

In France, energy management at 100% of hypermarkets and 90% of Casino supermarkets, Monoprix stores and administrative sites is certified to the ISO 50001 energy management standard. More than 550 sites were certified in 2020.

In South America, Grupo Éxito is continuing upgrades on warehouse and in-store installations, including all-LED retrofits in around 30 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.

- (ii) Higher proportions of renewable energy in overall consumption, through sourcing from suppliers or markets guaranteeing renewable energy origin.

In Latin America, 83% of Multivarejo's electricity consumption comes from an energy mix based on renewables including biomass, wind and solar energy. The subsidiary is committed to achieving a target of over 90% by 2024. The Group has also brought in its first long-term energy provision contracts, in the form of Corporate Power Purchase Agreements (CPPAs). In 2020, Éxito and GreenYellow signed an initial CPPA financing development of a solar power plant. In 2019, Libertad signed a PPA for 122,000 MWh over the period 2019-2024 in Argentina.

- (iii) Production and consumption of energy from renewable sources.

The Group is actively engaged in deploying renewable energies, with for example the installation of solar power units on store roofs and car park canopies. Solar panels at Casino Group sites measure a total of 500,000 square metres. In 2020, 148 photovoltaic installations were in operation.

Self-consumption is also being developed. 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 22% 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. In Brazil, Assaí had eight solar power plants generating electricity for its own consumption in 2020.

Two Casino Group innovations make positive contributions to self-consumption: the Reservoir Sun joint venture founded in 2018 to develop solar power self-consumption for businesses and municipalities in France, and the ScaleMax cloud computing joint venture that installs and operates new-generation data centres at which the heat generated by the servers is used to heat the buildings concerned.

■ **Performance**

The Group's performance in executing its energy efficiency strategy is managed by measuring the amount of electricity used per square metre of retail space, and the proportion of renewable energy produced and consumed.

In 2020, average consumption per square metre has been cut by 9% compared with 2015. The proportion of energy declared as renewable in overall energy consumption rose from 20% in 2019 to 26% in 2020. The solar power plants at Casino Group sites generated 142,000 MWh of electricity in 2020, cutting emissions by close to 700 tonnes of CO₂ equivalent.

See Group performance indicators on pages 237 and 238.

Casino Group subsidiary GreenYellow operates more than 290 photovoltaic power plants, with production capacity totalling 320 MWc. In 2020, these generated 465,000 MWh for customers including Casino Group, thereby avoiding the emission of 2,000 tonnes of CO₂ equivalent.

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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*

In 2020, the Group's water consumption was estimated at around 6.2 million cubic metres of water for 78% of its retail space.

Performance is also measured in terms of the ratio of water consumption per square metre of retail space. Consumption in 2020 was 1,539 litres per square metre, down by 9% on 2019.

See Group performance indicators on pages 237 and 238.

3.5.4.4 PROMOTING A CIRCULAR ECONOMY

3.5.4.4.1. Reducing, sorting and reusing product waste

■ *Commitment*

Casino Group is committed to reducing, recovering and reusing the waste from its subsidiaries' operations, and thereby reduce and eventually eliminate disposal by dumping and/or partial incineration without heat recovery.

■ *Action plans*

• *(i) Managing operational waste*

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 installs and uses waste sorting systems to reduce the amount of unsorted, landfilled waste and supports the development of local recycling businesses. It operates innovative solutions on recovery of the waste produced. For example, in 2020 around 3,900 MWh of electricity was generated using the methane produced from 11,140 tonnes of organic waste from Casino hypermarkets and supermarkets. Franprix stores in the Paris region have a partnership arrangement for recovering their organic waste and producing compost from it, for sale in their stores.

In South America, Multivarejo continued to roll out its in-store programme for recovering and reusing recyclable and organic waste. This pilot project, begun in 2018 with a private-sector partner on management of store waste, was extended to 92 stores and distribution centres. In Colombia, Éxito is running 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 has recovered and reused more than 31,000 tonnes of store waste. Managed by the Éxito Foundation, the resale of recyclable materials provides around 30% of its funding.

• *(i) Reducing the use of plastic bags*

To encourage more responsible shopping and reduce household waste, since 2003 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 South America, subsidiaries are deploying an increasing variety of actions to encourage a preference for reusable bags (in store displays, loyalty programme incentives, etc.) and reduce the use of disposable plastic bags. 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. Single-use plastic packaging at sales outlets has been reduced by more than 60% since 2015.

• *(iii) Collecting customers' used products*

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

In Latin America Éxito and Carulla stores provide collection points for used batteries, end-of-life electrical and electronic devices and out-of-date medicines. In Brazil, Assaí has fitted 32 stores with collection points for customers' waste including electronic devices, cooking oil, paper, cardboard and plastic. To encourage waste recovery, customers using these collection points receive discount vouchers for reducing their electricity bills.

■ *Performance*

In 2020, the Group sorted more than 227,500 tonnes of waste, including cardboard, paper, plastic, organic matter, glass, wood and scrap metal. This was 8% more per square metre than the previous year. By constantly seeking to make use of all sorts of waste (including biomethane production, for example), Casino Group achieved a waste recovery rate of 78% in France.

Customers returned more than 7,400 tonnes of waste to store collection boxes. Of the total, 20% was paper and cardboard and 16% was waste electrical and electronic equipment (WEEE), which was transferred to accredited service providers for recycling.

See Group performance indicators on pages 237 and 238.

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3.5.4.4.2. Reducing the impact of packaging

■ Commitment

The Group is deploying an ambitious packaging policy comprising five commitments: reduce unnecessary packaging and disposable plastic products, reduce the use of materials through eco-designed products, use more recyclable packaging, incorporate recyclable materials, and encourage new consumption habits and improve selective sorting procedures.

Under this policy, Casino Group signed France's National Pact on Plastic Packaging in February 2019, supported by the French Ministry for Ecological and Social Transition, and makes the following commitments for its own-brand products:

- phasing-out problematic and unnecessary packaging, prioritising packaging containing PVC (polyvinyl chloride) and expanded polystyrene;
- eco-designing packaging, with the aim of making it 100% recyclable or reusable by 2025;
- ensuring that packaging contains on average 30% recycled plastic by 2025;
- increasing bulk sales and the use of reusable containers.

Casino Group is therefore 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. The Group supports its suppliers in meeting these goals with training and projects that promote the circular economy.

■ Action plans

• (i) France's National Pact on Plastic Packaging

The main measures introduced under the National Pact on Plastic Packaging concern:

- assessment of own-brand products to identify all areas for optimization, under the "5 R's" method (refuse, reduce, reuse, recycle and rot). In 2020, more than 650 items were optimised, involving more than 1,000 optimization operations. 50% of Casino Bio fruit and vegetable packaging was reviewed;
- improved recyclability, for example by replacing materials not covered by existing recycling processes. In 2020, close to 140 items were reviewed in France. For example, the non-recyclable plastic sachets for Casino-brand herb teas were replaced by sachets in recyclable paper, and 100% of the *Sincère* bed and household linen range (eco-responsible own-brand product lines) is now sold without plastic packaging, which avoids the release of more than 23 tonnes of PVC;
- incorporation of recyclable material in plastics: more than 200 products were reviewed, including Franprix-brand lavender cream tubs, now using 100% rPET packaging, and Casino- and Monoprix-brand orange juice bottles, with 50% rPET;
- elimination of problematic and unnecessary packaging, including items difficult to sort: more than 350 items were redesigned in 2020;
- the development of new bulk and repurposing concepts (see below).

Casino Group also took part in working groups on the National Pact on Plastic Packaging, such as the group working on a monitoring and reporting system for tracking the average percentage of recycled material incorporated or the percentage of recyclable material in a product portfolio.

• (ii) Eco-designing products

The Group supports product eco-design by reducing packaging and incorporating certified and recycled materials.

In France, Cdiscount minimises packaging using an automatic machine that reduces the empty space in shipped packages (2D and 3D packaging). More than 90% of the cardboard boxes used for shipment packaging are now made from recycled raw materials. 100% are FSC- or PEFC-certified, and hydrocarbon-based inks have been replaced by vegetable inks for printing visual identity and customer addresses on more than 20 million shipped packages. All plastic bubble wrapping has been replaced by kraft paper. The "Reduce the Environmental Impact" prize was awarded to Cdiscount in February 2020 in recognition of its overall sustainability approach; Casino Group is a member of the *Pôle Éco-conception* association in Saint-Étienne, where it is helping to raise awareness on eco-design techniques among SMEs and facilitating implementation of their projects. Through the intermediary of this skills centre, teams in charge of packaging are advised on eco-challenges and helped in the task of running eco-design initiatives for own-brand products.

In Latin America, GPA began a review of packaging design in 2019, developing a strategy on reducing the use of materials that are difficult or impossible to recycle. For example, polystyrene packaging for fruit and vegetables was replaced by containers made of biodegradable material. The 94 recycling points at Pão de Açúcar stores, which encourage customers on eco-responsible behaviours, have collected more than 120,000 tonnes of recyclable materials since 2001, for use in making packaging for other products. In Colombia, Éxito is helping suppliers of Taeq, Carulla and Cautivia products to cut down on packaging. For example, polystyrene has been discontinued for fruit and vegetable packaging, and the plastic film binding certain products has been replaced by biodegradable film. Éxito has also discontinued sale of plastic straws and stirrers, and introduced the Soy Re programme of providing in-store collection points for plastics, aluminium and cartons.

• (iii) Developing bulk sales and reusable containers

In France, to reduce the amount of packaging, Casino, Franprix, Monoprix and Naturalia develop bulk sale concepts for dried fruit and vegetables, cereals, coffee, pasta and cleaning products, including certified organic produce. For example, various Franprix stores sell 50 or so products by bulk, including organic cereals and grains, detergent, fabric softener and dishwashing liquid by weight, and wine in reusable, refillable bottles. Additionally, more than 180 Franprix outlets are already equipped with scoop-and-weigh bulk sale systems. Franprix stores also offer bulk products in box dispensers and in late 2020, they began testing a national brand bulk product offering. Several Monoprix stores sell products by bulk. In all, more than 150 organic products are available, in different types of container (kraft paper bags, glass jars, cotton bags). To encourage consumers to opt for bulk product purchases, Naturalia doubles the loyalty points on non-packaged organic produce.

Through GPA's Bulk Project in Latin America, customers at 25 stores can opt for bulk purchases of more than 40 food products, including organically-farmed fruit and vegetables.

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In France, the Monoprix and Franprix banners are testing a number of solutions with a view to reintroducing reusable packaging practices in France. With its Zero Waste Meal project, Franprix provides reusable glass containers for customer self-service use: more than 1,500 containers were returned across the five stores that tested this project. In 2020, Franprix brought in a new deposit system, offering reusable containers with a €2 deposit for the salad bar, redeemable in purchase vouchers. Reusable glass bottles are provided at the orange juice machines in three stores. Monoprix is testing deposit systems for glass bottles for mineral water, sodas and beers.

• (iv) 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.

• (v) Developing second-hand sales

To encourage a circular economy, Casino Group has developed new services.

Initiatives run by Cdiscount in France include a wide-reaching product second-life offering. On the website, customers can find a wide range of reconditioned or second-hand products sold by professionals (reconditioned high-tech products, second-hand clothes and books, etc.) or by individuals, on the *Cdiscount Occasion* platform. Customers are also offered a range of product second-life solutions: DIY repair advice (fault-finding, spare part sales, tutorials, videoconferences with experts), the *Cdiscount Reprise* platform for buyback and reconditioning of smartphones, consoles and tablets by professionals operating in France, and product donations.

3.5.4.5. 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 innovative solutions to customers and employees, deploying systems to reduce spoilage and unsold food, and donating food.

The Group supports the international Stop Food Waste Day with initiatives to raise awareness among customers and employees, and:

- signed the National Pact Against Food Waste in 2013, set up by the French Ministry of Agriculture and Food;
- the National Pact on Sell-by Dates, supported by the French Ecological Transition, Agriculture and Food ministries. This includes ten concrete and measurable commitments on the management and understanding of sell-by dates;

■ Action plans

Actionable levers in the fight against food waste include:

- continuously improving store operating procedures by optimising orders, better management of in-store sell-by dates, limiting spoilage through employee training and awareness, and improving the promotional stockpiling of damaged or expiring products. The Group has upgraded its damaged produce systems in order to be able to sell short-dated products at a discount. It has also formed partnerships with start-ups like Too Good to Go and Phénix in France, which offer specially priced surprise bags of unsold, yet still edible food that their stores have to throw out at the end of the day. At the anti-waste corners launched at Franprix stores in 2020, “products worth saving” (i.e., with approaching eat-by or sell-by dates) are displayed in a special area and sold at reduced cost;
- 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 Brazil, more than 500 Multivarejo and Assaí stores have joined the Partnership Against Food Waste programme that donates damaged fruit and vegetables to NGOs or food banks;
- raising awareness of 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. Employee awareness is developed by means of an “eco-practices” guide, to reduce spoilage and optimise waste management. And employees also have access to an online training programme on how to avoid food waste. Éxito is pushing ahead with its waste management plan, which covers food waste, and is building team awareness on proper food management practices. In 2019, GPA introduced a specific programme on analysis and reduction of damaged products, with operations addressing employees;
- joint work with suppliers to:
 - extend product sell-by dates, without increasing health risks,
 - remove best-by dates on certain categories of products,
 - 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.).
- the development of new concepts such as:
 - scoop and weigh: the Group's banners sell organic dried fruit and vegetables in bulk,
 - the re-processing of damaged fresh produce: Monoprix's “Shop and Give” service has been in place since 2017. When customers order new groceries for home delivery, they can give any products that have not passed their sell-by date, as well as any used batteries or light bulbs to the deliverer for donation or recycling. The banner is also continuing its partnership with Re-Belle jams made using over-ripe or damaged fruit collected from its stores,
 - the sorting of inedible meat, fish and other organic food scraps for reuse in animal feed, biogas generation or composting.

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3.5.4.6. PRESERVING BIODIVERSITY

Aware that biodiversity is a prerequisite to balanced diets around the world, Casino Group partnered the Fayol Institute École des Mines graduate school in Saint-Étienne on a survey to assess the direct and indirect pressures its operations might exert on biodiversity (through climate change, pollution and land use). This survey concluded that such pressures are largely indirect, and related to the product offering.

Present in countries with rich ecological diversity, such as Brazil and Colombia, Casino Group is committed to acting both at the level of the production chains and on the identified impacts.

■ **Commitment**

In its commitment to preserving biodiversity, 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, the Group joined the Roundtable on Sustainable Palm Oil (RSPO) to support sustainable palm oil and is a member of the Earthworm Foundation, the Palm Oil Transparency Coalition and the Duralim platform that supports sustainable animal feed, allowing it to participate in collective progress initiatives.

■ **Action plans**

The Group has defined five priority actions:

- combat climate change;
- limit direct pressures on biodiversity;
- market a product offering that helps to preserve the environment and biodiversity;
- preserve fishery resources and protect endangered species;
- combat deforestation caused by production of commodities.

• **(i) Combating climate change**

According to IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) climate change is the third cause of biodiversity erosion.

In line with the Science Based Targets scenario, Casino Group has pledged to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 18% from 2015 to 2025 and its Scope 3 emissions by 10% from 2018 to 2025 (see section 3.5.4.2).

• **(ii) Limiting direct pressures on biodiversity**

The main pressures on biodiversity are indirect, from usage of the products sold. Casino Group takes a number of measures to limit its direct impacts, which arise chiefly from its real-estate operations:

- During site construction, it runs programmes to ensure building operations and services are environmentally respectful. These programmes include the specification of sustainability criteria in the process for building new stores and operating sites, on factors such as energy efficiency, responsible water management, and the responsible application and use of materials. A number of Casino Group sites have obtained certification on the basis of these environmental criteria. In 2020, six sites obtained BREEAM certification and eleven sites obtained LEED (Leadership in Energy & Environmental) certification by the Green Building Council, in recognition of superior sustainability performance in site design, construction and operation. In Latin America, around a dozen Grupo Éxito sites obtained carbon-neutral certification by the independent organisation ICONTEC (*Instituto Colombiano de Normas Técnicas y Certificación*). These stores set a sustainability benchmark in Latin America, for their reductions in greenhouse gas emissions, with the installation of hundreds of solar panels and a natural refrigeration system replacing traditional systems, and offsetting for the remaining emissions.
- During site upkeep: Casino Group applies ecologically virtuous practices that are respectful of biodiversity during operations on the upkeep of buildings and grounds. Since 2014, 23 Casino Group sites have obtained BREEAM In-Use certification, under an assessment procedure developed in 1990 by BRE (Building Research Establishment) to analyse the environmental performance of buildings in operation. Depending on the type of site, this certification procedure includes an assessment on Land Use and Ecology, examining the existing biodiversity conditions and the action plans on preserving biodiversity (such as plants and shelters for birds and other wild life). Gardening contracts for the upkeep of site grounds include the following requirements on contractors:
 - limit the use of crop protection products, for example by using alternative methods such as mechanical weeding, organic products and mulching,
 - preserve sheltered biodiversity areas, with, for example, staggered mowing schedules, flower meadows, bird nesting boxes and insect shelters,
 - prevent overpopulation of invasive species liable to jeopardise local biodiversity.

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• (iii) Market a product offering that helps to preserve the environment and biodiversity

Casino Group takes action on environment and biodiversity protection by supporting organic farming and ecological farming practices such as reduced pesticide use and exposure to plastics. In so doing, Casino Group:

- extends its offering of certified organically-farmed products;
- extends its offering of products labelled as ecologically respectful and free of pesticide residues;
- endeavours to eliminate unnecessary plastics and use recyclable plastics where necessary;
- develops its organic produce banners.

Casino Group offers a wide range of organically farmed products, with more than 2,700 private-label SKUs and around 20,000 national brand SKUs. Outside France, the Group's banners market some 2,400 organically grown food products, which are regularly advertised and showcased to customers either in dedicated corner displays or in the usual store sections. Pão de Açúcar, for example, promotes organically grown products during its "Organic Wednesdays and Thursday" events, offering customers a 20% discount on all products in this category. The Group encourages its suppliers to comply with the Good Agricultural Practices (GAP) standard. For this reason, Éxito has implemented a GAP certification programme for its suppliers.

In addition to organically-farmed products, Casino Group stores also offer customers:

- products with certification attesting to an environmental progress programme such as NF Environnement, FSC, PEFC, European Ecolabel. Casino Group stores offer more than 32,800 products certified as eco-responsible to exacting specifications in various product categories. For wood products (such as furniture) sold in stores, packaging materials and paper for office or advertising use, Casino Group turns to FSC or PEFC certification, to promote responsible management of global woodlands, through ecologically appropriate, socially beneficial and economically viable practices. For example, 50% of the boxes for the Monoprix Bio range of fruit and vegetables have FSC certification and more than 93% of the office paper used by the Group is FSC- or PEFC-certified;
- products guaranteed as pesticide-free, which reduce the Treatment Frequency Index and the use of pesticides upstream, and promote good agricultural practices and integrated agriculture. Casino has the largest "zero pesticide residue" offer on the market, with 65 products available;

- fruit, vegetables and wines with HVE (High Environmental Value) certification, attesting that agricultural practices across the farm preserve the natural ecosystem and minimise pressure on the environment, as regards soil, water, biodiversity, etc. Franprix is also extending its offering of High Environmental Value fruit and vegetables, highlighted in its new store concept;

- products developed with Casino partners already committed to agro-ecology under Casino's AgriPlus programme on development and promotion of innovative agricultural initiatives beneficial to the environment, farmers and consumers. This 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 agro-ecological 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;

- products developed under the *Tous Cultiv'acteurs* programme, which addresses more than several hundred fruit and vegetable farmers on issues such as the elimination of neonicotinoid pesticides liable to harm pollinators. A three-year agreement is in place with a set of specifications drafted in collaboration with the Bee Friendly® label and experts from the world of farming. In 2019, the initiative involved 39 suppliers and brought together more than 700 farmers. The supplier progress plan gave an average score of 59.9/100 vs. 52.8/100 in 2016. 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 2019, the partnership was extended for another three-year period, with 20 suppliers under the label.

Casino Group banners make commitments on limiting the environmental impact of their packaging, including plastic packaging (see section 3.5.4.4.2). In France, as signatories to the National Pact on Plastic Packaging, they commit to ensuring that 100% of packaging for own-brand products is recyclable or reusable by 2025.

The Group is extending the coverage of its organic product banners, with Naturalia, which has more than 200 stores, and the 2019 launch of a new convenience store concept, "Casino#Bio", with an assortment of 4,000 specialist organic brand products, including 700 organic Casino products, to make the offer as affordable as possible.

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• (iv) *Preserve fishery resources and protect endangered species*

In this respect, Casino Group policy takes four angles:

- a) protect endangered species: Casino introduced a ban on the sale of endangered fish species in 2007. Twelve species are covered by this ban in France today;
- 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.

In France 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, tusk and, since January 2020, red sea bream), as well as other vulnerable species including the eel, elver, North-East Atlantic dogfish, grouper and, since 2017, tope shark and blue shark. Casino limits its supply of bluefin tuna to small-scale line-fishing of the species so as to encourage its reproduction. Lastly, based on the scientific consensus that depleted fish stocks must be rebuilt, since 2019 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.

In South America, 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. Since then, 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 fish species that are endangered in Brazilian waters. In 2019, after two years of development, Pão de Açúcar began selling eight species of unconventional Brazilian fish in its assortment to reduce the concentrated consumption of the three most commonly eaten species in Brazil (salmon, cod and tilapia). In 2020, GPA extended its From the Source quality programme to cover seafood sourcing. This programme develops responsible breeding and traceability conditions compliant with the new recommendations of the Brazilian Ministry of Agriculture.

Private-label tinned tuna

The seafood production chain, particularly for private-label tinned tuna, runs a number of risks linked to poor conditions and procurement (overfishing). To encourage more sustainable fishing practices, Casino Group has therefore pledged to:

- fight against illegal fishing and ensure 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 the 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.

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

- at least 80% of the yellowfin tuna is caught in free schools (without fish aggregating devices or FADs). The rest is fished by pole and line, either as part of a Fishery Improvement Project (FIP) to support sustainable fishing practices and management, or following MSC-certification (five-year programme of improvement for fisheries to comply with the MSC standard),
- at least 20% of skipjack tuna caught in free schools and at least 50% as part of an 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. The Monoprix and Franprix banners offer a range of private-label tinned yellowfin tuna certified as being caught by French-flag vessels in free schools using purse seines (guaranteed without FADs). Casino and Monoprix stores also carry Aquaculture Stewardship Council (ASC)- and Marine Stewardship Council (MSC)-certified products, as a guarantee of more sustainable fishing and aquaculture. At the end of 2020, 100% of Franprix frozen fish and shellfish products held ASC, MSC or organic certification.

To strengthen the measures to prevent risks raised by its private-label tinned tuna, the Group joined the TUNA Protection Alliance (TUPA) 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 producing a map to accurately track the progress of each stakeholder in terms of transparency and traceability, fished volumes by species, and to track and verify fishing methods and fishing areas. According to TUPA's work on supplies in 2019, 99% of the supply chain of Casino's nine tuna suppliers can be traced from boat to retailer. In addition, among the 97 boats providing suppliers with fish, 100% of tuna seiners are registered on the Proactive Vessel Register and are therefore engaged in a fishing activity that can be tracked remotely. In 2020, oversight was extended to include the monitoring of fishing operations in partnership with OceanMind, a UK non-profit organisation that uses satellites and artificial intelligence to ensure that the supply chain is exempt of illegally fished produce. The activity of vessels at sea was analysed, particularly by studying their trajectory, thanks to automated identification system (AIS) signals. Results will be presented and the programme extended through 2021.

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• (v) *Combat deforestation caused by production of commodities*

Aware of the risks liable to ensue from some of the raw materials used in its private-label products, Casino Group is committed to fighting deforestation caused by the production of commodities, focusing on beef, palm oil, soy and cocoa.

Cattle farming in South America

Under its commitment on countering deforestation caused by cattle farming in Brazil and Colombia, Casino Group runs an audit programme covering suppliers of beef for sale by its GPA and Éxito banners. Casino Group stores in France do not sell private-label beef products sourced from South America. The Group's policy and inspection programme in Brazil appear in the duty-of-care plan, detailed in section 3.5.3.4.

Sustainable livestock farming is a pillar of the CSR strategy of Grupo Éxito, which in Colombia supports and participates in the implementation of a livestock farming model that contributes to ecosystem conservation, animal well-being and the economic, social and environmental development of the country.

Éxito's forest conservation policy was developed in partnership with WWF, Animal Bank by Portafolio Verde, Climate Focus, and the International Centre for Tropical Agriculture (CIAT), on supplier auditing, using the Global Forest Watch satellite observation system. Grupo Éxito is a signatory to the TFA 2030 zero deforestation commitments and the New York Declaration on forests. And it takes part in the Colombian Round Table on sustainable livestock farming.

In 2020, Éxito audited 100% of the land (more than 37,000 hectares) farmed by its 39 suppliers, by means of the satellite observation system. For more information, go to: <https://www.grupoexito.com.co/es/noticias-grupo-exito/modelo-de-ganaderia-sostenible-un-compromiso-con-la-proteccion-de-la-biodiversidad-del-pais>.

Palm oil

Some own-brand products sold at Casino Group stores may contain palm oil. In 2010 the Group brought in a policy and traceability plan for the palm oil used by its suppliers. This appears in the duty-of-care plan, detailed in section 3.5.3.4.

The Group has identified its suppliers' main importers and/or refiners and analysed their zero-deforestation policies in order to engage them in maintaining and strengthening their commitment to producing deforestation-free certified palm oil. In 2019, it joined the Palm Oil Transparency Coalition to work with other businesses in engaging with palm oil refiners and importers in Europe. Casino Group has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011: 100% of the palm oil used in private-label food products in France is RSPO-certified (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, 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 2022, based on audits by UTZ, Rainforest and other independent organisations.

Soy

Casino Group is committed to ensuring that by 2021 100% of the soy used as an ingredient in its products is sourced from areas not at risk of deforestation.

Soy from Brazil can potentially be found in the animal feed used by our French suppliers to raise animals. France imports around 3 million tonnes of soy, 1.5% of which comes from areas in Cerrado that are at risk of deforestation. Furthermore, the soy supply chain is particularly complex, with at least seven intermediaries between the meat suppliers and the soybean farmer. The small number of traders exporting soy and soybeans to China and the European Union therefore have a key role to play.

To help reduce soy-related deforestation risks, Casino Group:

- endorsed the Cerrado Manifesto Statement of Support, to participate in global multi-stakeholder initiatives;
- joined Duralim, the French collaborative platform, that supports sustainable feed for farmed livestock in order to learn about the commitments in place, particularly as concerns soy in the animal feed industry. The Group took part in work meetings organised by Duralim to support the collective momentum aimed at ensuring that the soy imported in France is deforestation-free. On this platform, which has also contributed to SNDI, France's National Strategy against Imported Deforestation, Casino Group is an active proponent of adequate attention to soy issues. This gave rise to two surveys conducted to obtain a shared vision of challenges and solutions, one by the Earthworm Foundation, and the other by Céréopa, on price impact factors;
- proposes a diversified offer of organically farmed and "Label Rouge" products, which provides consumers with additional guarantees on the origin of the soy used;
- took part in drawing up the French Manifesto to Counter Soy-related Imported Deforestation which it also signed, and joined the alignment group set up by the Earthworm Foundation in pursuit of the commitments involved.

Specifically, Casino Group recognises the importance of:

- combating Cerrado deforestation and ensuring that the soy used in animal feed does not entail Cerrado deforestation risks;
- seeing that as from 1 January 2020, supplier requirements specify a cut-off date for soy imported to France;
- setting up a risk management mechanism such as that set out in the report by the Scientific and Technical Council of SNDI, France's National Strategy against Imported Deforestation;
- mobilise the whole of the supply chain;
- assess importers' policies and actions on combating deforestation under the Soy Transparency Coalition.

Through its GPA subsidiary, Casino Group also:

- supports the voluntary Amazon Soy Moratorium set up in 2006 by soy importers, as well as the Cerrado Working Group (GTC), which brings together civil society stakeholders, importers, industry associations and soybean farmers.

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3.6. NON-FINANCIAL PERFORMANCE

Group CSR commitments

Main CSR commitments and objectives – France and Group	Target	Scope
Promote workplace equality and diversity		
Increase the number of women in management by 5 percentage points between 2015 and 2020	2020 (Achieved)	Group
Increase the number of employees with disabilities in the Group by 1 percentage point between 2015 and 2020	2020 (Achieved)	Group
Deploy the low-carbon strategy to fight against climate change		
Reduce Scope 1 and 2 greenhouse gas emissions by 18% between 2015 and 2025	2025	Group
Reduce Scope 3 greenhouse gas emissions by 10% between 2018 and 2025	2025	Group
Reduce the impact of packaging		
Implement the Plastic Pact	2025	France
Achieve target of reusable, recyclable or compostable packaging for all private-label products	2025	France
Expand the range of certified sustainable and organic products		
Increase sales of organic products	Ongoing	France
Continue to eliminate controversial substances in private-label products	Ongoing	France
Continue to develop agroecological initiatives	Ongoing	France
Step up action to support animal welfare		
Continue to roll out animal welfare labelling	Ongoing	France
Discontinue the sale of eggs from caged hens under private labels and national brands*	2020 (Achieved)	France
Stop the use of eggs and egg products from caged hens in private-label products	2025	France
Roll out the Better Chicken Commitment	2026	France
Combat food waste		
Fulfil the commitments of the Pact on Expiry Dates	Ongoing	France
Monitor and improve the social and environmental conditions of the supply chain		
Complete a valid ICS social audit on all active plants (active plants based in countries at risk and producing private-label products for the Group)	Ongoing	Group
Combat deforestation caused by raw materials: beef, palm oil, soy and cocoa		
Continue initiatives to combat deforestation caused by the use of raw materials		
For its own brands in France		
100% RSPO-certified palm oil	2020 (Achieved)	France
100% of products containing more than 20% of UTZ-certified cocoa	2022 (Partially achieved)	France
100% of the soy used as an ingredient in its products sourced from areas not at risk of deforestation	2021	France
For suppliers in Latin America		
100% of the GPA beef suppliers adhered to the policy updated in 2020	Yearly	Latin America
100% of farms supplying beef identified and assessed by a geo-monitoring system in Brazil	Yearly	Latin America

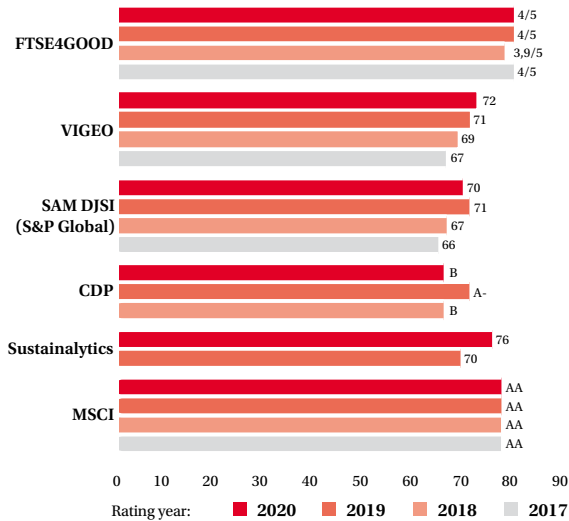
* GPA has also committed to discontinuing sales of eggs from caged hens under its private labels by 2025.

For specific GPA and Éxito commitments, please refer to the respective publications for both entities. For GPA: <https://www.gpabr.com/en/>; and for Éxito: <https://www.grupoexito.com.co/en>.

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Non-financial rating and index

In 2020, the Group's ESG commitment was recognised by the Wall Street Journal, ranking 40th in the world's top 100 most responsible businesses.



Casino Group was also ranked first in its industry by Vigeo Eiris and achieved a B grade from the CDP. In 2019, Casino Group was placed at level 3 of the Business Benchmark on Farm Animal Welfare (BBFAW), included among the highest-ranking French retailers on the subject.

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.

Since 2012, Casino Group has favoured the following three non-financial indices: Euronext Vigeo Eiris, FTSE4GOOD and SAM DJSI (S&P Global).

In 2020, Casino was included in the following indices:

- Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Euronext Vigeo World 120;
- FTSE4GOOD Europe Index, FTSE4GOOD Developed Index, FTSE4GOOD Developed Minimum Variance Index;
- MSCI;
- Grupo Exito joined the DSI index as one of the ten most sustainable retailers in the world and GPA joined the Brazilian stock market CSR index ISE B3, which applauded its climate commitments.

The changes in non-financial ratings and the discussions with SRI investors were presented to the Governance and Social Responsibility Committee in 2020.

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Group performance indicators

Commitments	Indicator	2018	2019	2020	Year-on-year change
Committed employer					
Promoting diversity and equal opportunity	Number of employees at 31 December✓	216,736	219,132	205,769	-6%
	% of employees in permanent employment	93.5%	93.7%	95.5%	+1.8 pts
	Percentage of employees <30 years old	38.7%	38.8%	37.2%	-1.6 pts
	Number of people on Group work-study/apprenticeship programmes at 31 December	8,483	7,755	6,291	-19%
	Number of disabled employees at 31 December✓	8,129	8,546	8,460	-1%
	Disabled employees as a proportion of total headcount*✓	3.8%	3.9%	4.1%	+0.2 pts
Fostering gender equality in the workplace	Percentage of women employees	52.4%	52.2%	52.0%	-0.2 pts
	Proportion of women managers✓	39.0%	39.5%	40.4%	+0.9 pts
Providing an environment conducive to employee fulfilment	Percentage of employees in part-time employment	17.2%	17.7%	16.1%	-1.6 pts
	Total hours of training per person	21.1	26.1	17.3	-34% ⁽¹⁾
	Lost-time accident frequency rate	16.6	14.4	11.5	-2.9 pts
	Lost-time accident severity rate	0.64	0.62	0.61	-0.01
	Absenteeism rate due to accidents and illness	4.3%	3.4%	4.5%	+1.1 pts
Local corporate citizen					
Supporting food relief	Group donations of foodstuffs in meal equivalents ⁽²⁾	38,117,440	37,406,560	37,627,220	+0.6%
Supporting children in need and fighting social exclusion	Number of people reached through foundations or outreach partnerships ⁽²⁾ ✓	Over 101,200	Over 103,300	Over 135,500	+31%
	Funds distributed for community outreach (€ thousands)	77,427	79,835	80,237	+0.5%
Responsible retailer					
Ensuring product quality	Number of quality analyses (microbiological and physiochemical) carried out on private-label products*✓	-	Over 44,900	Over 59,290	+32%
Supporting consumer health	Number of organic food products (private-label and national-brand products) ⁽³⁾	19,800	22,600	22,700	+0.4%
	Sales of organic food products in France (private-label and national-brand products) (€ billions)	1.0	1.1	1.3	+12%
Monitoring and improving the social and environmental impacts of the supply chain	Number of ICS audits (social and environmental) performed in plants involved in the production of private-label products for the Group*✓	1,483	1,153	1,217	+6%
	Percentage of active audited factories, located in a country at risk, with Acceptable status*✓	68%	63%	65%	+2 pts
	Percentage of active plants located in countries at risk and producing private-label products for the Group covered by a valid ICS social audit	93%	90%	89%	-1 pt

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Commitments	Indicator	2018	2019	2020	Year-on-year change
Proactive on the environment and climate					
Reducing carbon emissions⁽⁵⁾	GHG emissions related to cooling systems per square metre of retail space ($\text{kgCO}_2\text{eq./sq.m.}$)*	194.0	205.7	202.5	-1.6%
	Greenhouse gas emissions associated with electricity consumption by square metre of retail space ($\text{kg CO}_2\text{eq./sq.m.}$)*	50.5	48.9	45.3	-7%
	GHG emissions, Scope 1 (tCO_2eq) ^{(4)*} ✓	1,196,000	1,285,000	1,240,000	-4%
	Of which France*✓:	440,000	405,000	326,000	-19%
	Of which Latin America*✓:	756,000	880,000	914,000	+4%
	GHG emissions, Scope 2 (tCO_2eq) ^{(5)*} ✓	278,000	267,000	241,000	-10%
	Of which France*✓:	61,000	56,000	54,000	-4%
	Of which Latin America*✓:	217,000	211,000	187,000	-11%
	GHG emissions, Scopes 1 and 2 (tCO_2eq)*✓	1,474,000	1,552,000	1,481,000	-5%
Saving and preserving resources	Total electricity consumption(MWh) ⁽⁶⁾	2,992,700	2,834,100	2,740,600	-3%
	Electricity consumed per square metre of retail space (kWh/sq.m.)*✓	565	547	540	-1%
	Renewable electricity produced by the Group (MWh)	106,700	114,000	142,000	+25%
	Percentage of waste recovered (excluding food donations) ⁽⁷⁾	44.4%	50.2%	53.6%	+3.4 pts
Promote biodiversity	Number of sustainable-certified products ⁽³⁾	Over 29,300	Over 29,500	Over 32,800	+11%
Ethics and compliance					
	Number of confirmed cases of corruption*✓	-	14	10	- 4 cases

* Indicator integrated in the Non-Financial Information Statement.

✓ Data audited by EY.

(1) Indicator down compared with 2019 due to the difficulty of organising face-to-face training in view of the health situation in 2020.

(2) Excluding Disco Devoto.

(3) Excluding Cdiscount and Libertad for 2020.

(4) Data from the three years were extrapolated to calculate 100% of the Group's scope. In 2020, the primary data integrated in Scope 1 represented 96% of these data, i.e., an estimated 4%.

(5) Data from the three years were extrapolated to calculate 100% of the Group's scope. In 2020, the primary data integrated in Scope 2 represented 97% of these data, i.e., an estimated 3%.

(6) Data correspond to 98% of the Group's retail space.

(7) Data exclude Naturalia, Disco Devoto and Libertad.

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3.7. NON-FINANCIAL INFORMATION STATEMENT CROSS-REFERENCE TABLE

Pursuant to Article L. 225-102-1 of the French Commercial Code (*Code de commerce*), the Company is required to produce a Non-Financial Information Statement. This statement must contain information on the Company's approach to assessing the human resources, environmental and societal consequences of its operations.

Chapter 3, Chapter 1 and section 4.3 contain the Non-Financial Information Statement. In the interests of simplicity, the cross-reference table below enables readers to locate 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 the business model	Chapter 1 Presentation of Casino Group, section 1.4 Casino Group business model	Pages 13 to 15
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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 172 to 175
Human resources	Sections 3.5.1.1 and 3.5.1.2 Fostering diversity and gender equality in the workplace	Pages 184 to 189
Societal	Section 4.3 Main risk factors: Risks related to product quality and safety (section 4.3.3, I)	Page 277
Environmental	Section 4.3 Main risk factors: Climate change (section 4.3.3, III)	Page 279
	Section 3.5.3.4 Duty of care plan/ Duty of care risk map	Page 204
Human rights	Section 4.3 Main risk factors: Social and environmental impact of the supply chain (section 4.3.3, II)	Page 278
Anti-corruption/Anti-tax evasion	Section 4.3 Main risk factors: Legal and regulatory risks (section 4.3.4, I)	Page 280
	Anti-tax evasion	Page 175
Human resources	Section 3.5.1 Casino Group, a committed employer/see sections 3.5.1.1 to 3.5.1.2	Pages 184 to 189
	Group performance indicators	Pages 237 and 238

Key policies, results and indicators

Societal	Casino Group, a responsible retailer/ see section 3.5.3.1	Page 199
	Group performance indicators	Pages 237 and 238
Environmental	Section 3.5.4 Casino Group, actively committed to protecting the environment and climate/ see section 3.5.4.2	Pages 223 to 226
	Group performance indicators	Pages 237 and 238
Human rights	Section 3.5.3.4 Duty of care plan	Pages 202 to 220
	Group performance indicators	Pages 237 and 238
Anti-corruption/Anti-tax evasion	Section 3.4 Ethics and compliance/see sections 3.4.1 to 3.4.8	Pages 179 to 181
	Anti-tax evasion	Page 175

Information and commitments

Societal commitments to sustainable development	All commitments are detailed in Chapter 3 CSR and the Non-Financial Information Statement	Pages 170 to 238
Societal commitments to the circular economy	Sections 3.5.4.3 and 3.5.4.4 Preserving and reducing the use of natural resources and Supporting the circular economy	Pages 227 to 230

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Respecting animal welfare	Section 3.5.3.5. Ensuring animal welfare	Page 220 to 222
Combating food waste and food insecurity	Section 3.5.2.1. Supporting food relief	Page 196
	Sections 3.5.4.3. and 3.5.4.4. Preserving and reducing the use of natural resources and Supporting the circular economy	Pages 227 to 230
Respecting fair, responsible and sustainable food choices	Section 3.5.3. Casino Group, a responsible retailer/see sections 3.5.3.2. to 3.5.3.5.	Pages 200 to 222
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 190 to 195
Combating discrimination, promoting diversity and measures taken for people with disabilities	Section 3.5.1. Casino Group, a committed employer/see sections 3.5.1.1. to 3.5.1.2.	Pages 184 to 189
Human resources information		
Employment		
Total workforce and workforce by gender, age and country	Section 3.5.1. Casino Group, a committed employer	Pages 183 and 237
Hires and terminations	Section 3.5.1. Casino Group, a committed employer	Page 183
Compensation and changes in compensation	Section 3.5.1.3.3. Incentivising compensation to drive individual, collective and CSR performance	Page 191
Working practices		
Organisation of working time	Section 3.5.1. Casino Group, a committed employer	Pages 183, and 193 to 194
Absenteeism	Section 3.5.1. Casino Group, a committed employer	Pages 194 and 237
Health and safety		
Health and safety conditions at work	Section 3.5.1.3.6. Fostering health, safety and well-being at work	Pages 192 to 194
Workplace accidents, especially their frequency and severity, and occupational illnesses	Section 3.5.1. Casino Group, a committed employer	Pages 194 and 237
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	Page 190
Summary of collective agreements	Section 3.5.1.3.1. Encouraging social dialogue	Page 190
Training		
Training policies implemented	Section 3.5.1.3.8. Developing employability with training	Pages 194 to 195 and 237
Total number of training hours	Section 3.5.1.3.8. Developing employability with training	Pages 194 to 195 and 237
Equal treatment		
Measures taken to promote gender equality	Section 3.5.1.2. Fostering gender equality in the workplace	Pages 187 to 189 and 237
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 186 to 187 and 237
Measures taken to combat discrimination	Section 3.5.1.1.1. Combating discrimination and stereotypes	Pages 184 to 185
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 222 to 223
Resources allocated to preventing environmental risks and pollution	Section 3.5.4. Casino Group, actively committed to protecting the environment and climate	Pages 222 to 234

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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 223 to 226 and 238
Measures to address noise and other forms of pollution specific to an activity	-	-
Circular economy		
<i>(i) Pollution and waste management</i>		
Measures to prevent, recycle, reuse and other ways of repurposing waste	Sections 3.5.4.3. and 3.5.4.4. Preserving and reducing the use of natural resources and Supporting the circular economy	Pages 227 to 230 and 238
Combating food waste	Section 3.5.4.5. Combating food waste	Pages 230 and 238
<i>(ii) Sustainable use of resources</i>		
Water use and supply in relation to local restrictions	Section 3.5.4.3.2. Managing water consumption	Pages 228 and 238
Raw materials use and measures taken to use them more efficiently	Section 3.5.4.6 Preserving biodiversity	Pages 231 to 234 and 238
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 227 and 238
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 223 to 226 and 238
Measures taken to adapt to the consequences of climate change	Section 3.5.4.2.5. Adapting to climate change	Page 226
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 223 to 226 and 238
Protecting biodiversity		
Measures taken to develop biodiversity	Section 3.5.4.6 Preserving biodiversity	Pages 231 to 234 and 238
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 176 to 179
Impact of the Company's operations on local residents and communities	Section 3.3. Stakeholder dialogue	Pages 176 to 179
Stakeholder relations and the forms of dialogue adopted with them	Section 3.3. Stakeholder dialogue	Pages 176 to 179
Partnership or philanthropy initiatives	Section 3.5.2. Casino Group, a local corporate citizen	Pages 195 to 198 and 237

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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	Pages 201 and 202 Pages 202 to 220
Consideration of corporate social responsibility standards in dealings with suppliers and subcontractors	Section 3.3. Stakeholder dialogue	Page 177
Fair business practices		
Action taken to prevent corruption	Section 3.4. Ethics and compliance	Pages 179 to 181
Measures taken to promote the health and safety of consumers	Section 3.5.3. Casino Group, a responsible retailer/see sections 3.5.3.1. to 3.5.3.2.	Pages 199 to 201
Promotion of and compliance with the ILO's fundamental conventions on:		
▪ The respect for freedom of association and the right to collective bargaining	Section 3.1. CSR commitments and governance Section 3.5.1.3.1. Encouraging social dialogue Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain	Pages 170 and 171 Page 190 Pages 201 and 202
▪ 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	Pages 184 and 185 Pages 201 and 202 Pages 202 to 220
▪ 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	Pages 201 and 202 Pages 202 to 220
▪ 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	Pages 201 and 202 Pages 202 to 220
Human rights		
Action taken to promote human rights	Section 3.1. CSR commitments and governance 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	Pages 170 and 171 Pages 201 and 202 Pages 202 to 220
Methodology note		
	Section 3.9. Reporting methodology for non-financial indicators	Pages 246 and 247
Conclusion on the fairness and compliance of information		
	Section 3.10. Independent third-party's report on the consolidated non-financial statement	Pages 248 to 250

Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

3.8. SDG – GRI CROSS-REFERENCE TABLES

3.8.1. Sustainable Development Goals - SDG

United Nations Sustainable Development Goals	Main SDG targets impacted	Our commitments and actions	References	Pages
Committed employer				
 	5.5.; 10.2.; 10.3.	Promoting diversity and equal opportunity <ul style="list-style-type: none"> Combating discrimination and stereotypes Acting for the integration and retention of workers with disabilities Acting for intergenerational diversity 	3.5.1.1. 3.5.1.2.	183 to 187
Fostering gender equality in the workplace				
 	4.3.; 4.4.; 4.7; 10.2.; 10.3	Promoting diversity and equal opportunity <ul style="list-style-type: none"> Developing work/study schemes and enable access to entry-level work experience Facilitating student guidance and integration 	3.5.1.1.3.	187
Providing an environment conducive to employee fulfilment				
		Managing talent and supporting career development	3.5.1.3.7.	194
		Developing employability with training	3.5.1.3.8.	194-195
Helping young people enter the workforce				
	3.4.; 3.5.; 3.6.	Providing an environment conducive to employee fulfilment Fostering health, safety and well-being at work	3.5.1.3.6.	192-193
Local corporate citizen				
  	2.1.; 2.2.; 4.3.; 4.4.; 11.1.	Supporting food relief Supporting children in need Fighting social exclusion Encouraging the civic engagement of employees	3.5.2.1. 3.5.2.2. 3.5.2.4. 3.5.2.5.	196 196-197 198 198
Responsible retailer				
	12.8.	Maintaining close relationships with suppliers and supporting them in their CSR initiatives	3.3.3.	177-178
	3.4.; 3.5.; 3.6.	Taking action to protect consumer health: <ul style="list-style-type: none"> Improving the nutritional profile and ingredients of private-label products Offering organic products guaranteed to be free of pesticide residue Developing specific product ranges Informing consumers about product nutritional profiles and encouraging balanced eating habits 	3.5.3.2.	200-201
 	8.7.; 8.8.; 10.2.; 10.3.	Monitoring and improving the social and environmental impacts of the supply chain Duty of care plan	3.5.3.3. 3.5.3.4.	201-202 202 to 220

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United Nations Sustainable Development Goals	Main SDG targets impacted	Our commitments and actions	References	Pages
Environmentally committed group				
	13.2.	Implementing a low-carbon strategy to fight against climate change	3.5.4.2.	223 to 226
  	7.2.; 11.1.; 13.2.	Preserving and reducing the use of natural resources and Supporting the circular economy ▪ Reducing energy consumption and encouraging the use of renewable energies	3.5.4.3.	227-228
	12.2.; 12.3.; 12.4.; 12.5.; 12.8.	▪ Reducing, sorting and reusing waste ▪ Reducing the impact of packaging	3.5.4.4.1. 3.5.4.4.2.	228 229-230
		Combating food waste	3.5.4.5.	230
 	14.4.; 15.1.; 15.2.	Preserving biodiversity	3.5.4.6.	231 to 234

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3.8.2. Global Reporting Initiative - GRI

	Corresponding sections
GRI 101: Introduction	
Reporting principles	3.3./3.2.2./3.5.1.3.3./3.5.3.4./3.9.
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./ 1.4./1.6./2.1./3.5.1./3.5.3.4./3.6.
Strategy	3.2.2.
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.
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./4.1.
206: Anti-competitive Behaviour	4.3./3.4.
GRI 300: Environmental	
301: Materials	3.5.4.4./3.6.
302: Energy	3.5.4.3./3.6.
303: Water	3.5.4.3.2./3.6.
304: Biodiversity	3.5.4.6.
305: Emissions	3.5.4.2./3.6.
306: Effluents and Waste	3.5.4.4./3.6.
307: Environmental Compliance	3.5.4.
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	3.4.9./4.3.1.
419: Socio-economic Compliance	3.2./3.4.

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3.9. REPORTING METHODOLOGY FOR NON-FINANCIAL INDICATORS

REPORTING SCOPE

Unless otherwise specified, the human resources, societal and environmental data concern all entities under the operational control of 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.
- "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 and Franprix banners,
 - Brazil: operations of GPA and its entities Multivarejo, Assaf and Compre Bem,
 - 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 as defined above, excluding some exceptions that are specifically mentioned in the report. The indicators proposed per square metre of retail space cover only the data reported by stores.

Data from previous years presented in this document were recalculated on the 2020 CSR reporting scope to enable comparisons with performance indicators.

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 the Casino scope, for which workplace accident frequency and severity rates and the number of lost hours cover the period from 1 December 2019 to 30 November 2020.

Environmental data cover offices, logistics sites and stores that operated for a full 12-month period between 1 October 2019 and 30 September 2020.

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 government order no. 2017-1180 of 19 July 2017 and decree no. 2017-1265 of 9 August 2017 relating to the disclosure of non-financial information;
- consistency and proper understanding of calculation methodologies in all subsidiaries in France and abroad;
- the reliability of reported data.

Since the 2018 rollout of the integrated reporting tool, training and information sessions are regularly organised for users, and tutorials are made available to all. The following matters were covered as part of this process:

- the organisation of the process for 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 methodologies 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 who is 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.

EXTERNAL AUDIT

The reporting procedures and tools, as well as indicators related to the Non-Financial Information Statement, were audited by EY, our Statutory Auditors.

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

BACKGROUND

Casino Group mainly operates in France and Latin America.

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

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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

Employee data exclude part of the GreenYellow headcount representing around 0.2%.

- 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 "employees with disabilities" is defined by the laws applicable to 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 continuous 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 receive a certification from a qualified third party, and include:

- organically farmed food products;
- organic cotton textile 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 label;
- products with certification attesting to an environmental progress programme, e.g., MSC, NF Environnement, FSC, PEFC, European Ecolabel.

The 2019 data was recalculated after an adjustment to the number of certified products meeting the indicator criteria at Éxito.

- ICS audit: regular inspections are carried out to assess company labour or environmental practices and measure plants' compliance with the Social Clause Initiative (ICS) methodology applied by Casino Group (available at <https://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.

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.

Scope 2 emissions are suggested based on two calculation methods:

- the location-based method for which the emission factor associated with electricity consumption is based on the energy mix of the country concerned;
- the market-based method, which takes into account the renewable electricity consumption pledged by the Group and assigns an emission factor based on a country's residual mix to the other consumptions, or if necessary, the energy mix.

The location-based method is used by default.

The Group uses the ADEME Carbon Base emission factors or factors published by recognised sources such as the IPCC's 5th assessment report (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 sorted operational waste includes waste processed by the Group's facilities and delivered to accredited service providers for recovery. Depending on subsidiaries, it mainly includes the following: cardboard, plastics, paper, office and sales equipment, organic waste, wood, glass, lighting consumables, print consumables, waste cooking oil, bone and tallow, and scrap and metals. The valuation rate includes sorted waste and mixed waste that has been recovered by the waste treatment service provider.

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

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. 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 2020

To the General Meeting of Shareholders,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (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 2020 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (or which are available on request at the entity's head office).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF THE WORK

The work described below was performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000⁽¹⁾:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III of the French Commercial Code as well as information set out in the second paragraph of Article L. 22-10-36 regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

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- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For the risk of corruption, our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Casino France (France), Franprix (France);
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;

- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 13% and 16% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (16% of the staff, 15% of Scope 1 GHG emissions, 13% of Scope 2 GHG emissions);

- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our verification work mobilized the skills of four people and took place between December 2020 and February 2021 on a total duration of intervention of about eleven weeks.

We conducted several interviews with the persons responsible for the preparation of the Statement representing, in particular, the Risk and Compliance, Human Resources and Corporate Social Responsibility (CSR) departments.

CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, 25 February 2021

Independent third party

French original signed by:

EY & Associés

Jean-François Bélorgey
Partner



Eric Mugnier
Partner, Sustainable Development



Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

APPENDIX I: THE MOST IMPORTANT INFORMATION

Social Information

Quantitative Information (including key performance indicators)

Percentage of employees with disabilities.

Qualitative Information (actions or results)

The fight against discrimination and stereotypes.

Action to promote the integration and retention of disabled workers.

Action in favor of intergenerational diversity.

Action in favor of professional equality between women and men.

Environmental Information

Quantitative Information (including key performance indicators)

Greenhouse gas emissions in absolute value: Scopes 1 and 2 (*teqCO₂*).

Greenhouse gas emissions related to refrigerants per square metre of sales area (*KgeqCO₂/m²*).

Greenhouse gas emissions related to electricity consumption per square metre of sales area (*KgeqCO₂/m²*).

Qualitative Information (actions or results)

The low-carbon strategy based in particular on reducing emissions related to refrigerants (preventive maintenance of existing facilities, increasing the proportion of fluids with low global warming potential, gradual replacement of refrigeration equipment).

Adaptation measures.

Societal Information

Quantitative Information (including key performance indicators)

Number of quality analyses (microbiological and physico-chemical) of own-brand products.

Number of ICS (social and environmental) audits carried out in plants involved in the production of own-brand products for the group.

Percentage of active factories audited located in a country at risk with an "acceptable" status.

Number of proven cases of corruption.

Qualitative Information (actions or results)

The quality management system (dedicated organization and experts, IFS standard, regular audits, quality analyses, traceability, recall and crisis management procedures and tools).

The product withdrawal policy.

Social, human and environmental risk assessment of suppliers and supply chains.

The control and improvement process for suppliers of own-brand products located in countries at risk.

Commitment to the fight against corruption (Group Ethics Committee, Code of Ethics and Business Conduct, mapping of corruption risks, network of ethics officers, training and awareness-raising on the Group's ethics and anti-corruption policy).