

Auchan | RETAIL
ROMÂNIA



2020

Sustainability Report

Auchan | RETAIL
ROMÂNIA

About this report







Corina Dospinoiu

CSR Responsible,
Auchan Retail
Romania

”

This is the first Sustainability Report of Auchan Retail Romania written under the standards of the Global Reporting Initiative. GRI is the most commonly used system of indicators of transparency and sustainability of companies. The report complements the Extra-Financial Statement of Performance, which is a legal obligation for Auchan and is published annually in March.

The report was written in collaboration with Deloitte Romania and includes the presentation of Auchan Retail Romania, as well as the projects carried out and the results obtained in sustainability projects, on fundamental rights and freedoms and on the fight against fraud and corruption. The reporting period is the year 2020, between January and December and some data correspond to the year sliding October 1, 2019 – September 30, 2020, in accordance with the Extra-Financial Reporting of the Auchan Retail Group.

Also, part of the KPIs in this Report was audited by a third party entity, Mazars Romania, which ensured the process of transparency and fairness of the selected KPIs. The declaration drawn up following the verification process can be found online at www.romania.auchan.ro.

We undertake to make this report annually as a step towards transparency towards all parties involved, sharing the progress of responsibility and sustainability in the business of Auchan Retail Romania. Moreover, we consider that we have a moral and ethical duty to keep our customers, partners, employees and shareholders informed about the steps and decisions we take.

You will see in the following pages topics addressed in several areas, the report being structured in accordance with the 3 strategic priorities of CSR: Healthy Eating & Food Waste, Fighting Plastic Pollution and Reducing the Carbon Footprint. Other identified points of interest are added, such as: Sustainable lifestyle, Solidarity and, finally, the Auchan Response on the Covid-19 pandemic context.

In this way, I would like to send a sincere thank you to all the teams for the tireless effort in designing the report, to my team and, especially, to Iuliana Mihailescu for her dedication, energy and determination in designing this first sustainability report!

”



Iuliana
Mihailescu

CSR Specialist

”

I am Iuliana Mihăilescu, a 24-year-old young woman, a recent graduate of the National School of Political and Administrative Studies in Bucharest. I am currently a CSR specialist and I am glad that I have the opportunity to contribute, with a lot of enthusiasm to implement CSR strategy within Auchan Retail Romania so as to bring together customers, employees and society in projects to support them, to enjoy them and to conserve planetary resources for future generations.

My professional experience is not vast, having recently graduated, but at Auchan I found support and encouragement to develop and grow. I started this beautiful journey in the fall of 2019, a period that coincided with the beginning of my master's courses. For 4 months I was in an internship program in the CSR department, and I was very happy to be selected from many talented people. I was fascinated by the pleasant work environment, the wonderful people and the warmth of each colleague. But above all, the enormous support and the confidence level I had from Auchan mattered the most.

These things made me want to stay in the company, to develop more and more and after the internship period I was accepted for a part time job. In these two years I have learned a lot, both professionally and personally. And now, I look forward to the time that has quickly passed and to my evolution.

Due to the trust I gained and my dedication, I gradually took over projects on my own, currently celebrating the accomplishment of the first Sustainability Report in Auchan Romania. It is an enormous responsibility and I have worked extremely hard on this report, together with my colleagues and an external partner. However, I am glad that I received this opportunity to demonstrate my knowledge and to show my gratitude.

Thank you, Auchan, for believing in me and for providing me with an environment in which to learn and grow!

”

Table of contents

Setting the scene	8
1.1 Introduction	12
1.2 Stakeholders	18
1.3 Responsible Employer	20
Sustainability	24
Good nutrition	30
3.1 Engagement on healthy food and consumers' safety	32
3.2 Food waste	38
Carbon footprint and climate change	40
4.1 Climate change	42
4.2 Carbon footprint	42
4.3 Biodiversity	44
Fighting against plastic pollution	46
5.1 Packaging and plastic reduction	48
5.2 Reducing plastic in stores	49
5.3 Reducing plastic in logistic	49
5.4 Plastic in private brands	50
Sustainable lifestyle	52
6.1 Waste management	54
6.2 Circular economy	55
Solidarity	60
7.1 General Information	62
7.2 Community commitments	62
7.3 Local communities	63
7.4 Social impact	63
Response to Covid-19	64
8.1 Priorities	66
8.2 Safety at stores	66
8.3 Products safety	67
8.4 Employee safety in the context of Covid	68
8.5 Community support and hospitals support	68
8.6 Safety with logistics	72

Setting the scene

Chapter 1









Statement of

**Ionuț
Ardeleanu**

CEO
of Auchan Retail
Romania

”

2020 was a year full of challenges that determined us to act differently, to adapt quickly and to discover new opportunities. The needs of our customers have evolved compared to previous years. Attentive to our customers and the changing environment, we have created solutions better adapted to their needs and to the current context. Auchan has a tradition of doing good, this year is the first year in which we launch a Sustainability Report for Auchan Romania and we committed to build responsibly with care for the environment, customers, and employees. Throughout this period, social responsibility has gained more strength and has been more obvious in the actions of each of us: partners, employees, customers. I encourage you to continue believing in the causes you have chosen and to get involved responsibly and in solidarity when and where your help is needed.

”

1.1 Introduction

HIGHLIGHTS, REVIEW OF THE YEAR OF AUCHAN ROMANIA – BIG PICTURE



9,286
Total number
of employees*

**72 million
clients**

Total number of clients*

71.923.993



73
stores

6 billion RON

Turnover*

6.046.347.268 RON



197,593
Daily
customers*

2

distribution
centers*



**487,638 RON
(98,953 EUR)****

Amount of money invested
in charitable actions

6.717

Number of own brand
products (without textile)*



* For the period of October 1, 2019 – September 30, 2020.
** For the period of January – December 2020.

Who we are?

Our customers find in Auchan Retail Romania stores a plethora of quality products which includes on average of **2,646,385** products **sold** daily. We offer both food and non-food products, from cosmetic, detergents to houseware items and electronics. Our own brand objective is for our products to represent about 50% of our total offer. We are committed to support local producers, which is why over 35% of the entire variety offered represent local products and most of the suppliers for our own-brand products are local producers. With an overall 280,000 square meters retail surface, we cater to a population of about 5 million living in the proximity of our retail surfaces. For an unique experience, we deploy a phygital business model allowing us to be equally present online and offline with our drive and click & collect services. Our mission is to offer the best quality-price ratio. Auchan Retail Romania is part of the Auchan Holding Group which combines two companies with complementary businesses. Auchan Retail, which is a new generation retailer and Ceetrus, which develops and enlivens sustainable and smart living zones and shops. Auchan Retail is present in 13 countries.

Selectioneer-designer

Today, more than ever, we care about the health and well-being of our customers. The food needs and preferences of Auchan customers have always been our priority.

Out of care for them, we have developed the filières, long-term projects, with local producers, carefully selected, through which we create a unique and varied offer for today's customer: fresh, qualitative products, cultivated with respect for the environment and people, in accordance with the ethics of our organization and through which we support local producers. By the end of 2020 we have developed 13 filières, and our local partners cultivate for us, and under our close supervision, fruits and vegetables. By 2022, we plan to have 100 supply chains – a complete offer for our clients and an excellent development opportunity for local agriculture; our trade will be more connected to the customer and more responsible.

During the recent years, we have listened more to our customers, and our own brands have undergone remarkable transformations. We have removed some of the blacklisted ingredients, and most of our own brand products already have the Nutriscore label, also known as the 5-Colour Nutrition Label or 5-CNL, a nutritional rating system conveying information on the nutritional quality of foods. Tomorrow, our brand will be an excellent image creator, through an exclusive and high-quality offer, through premium products, with the best quality-price ratio.

Creator of connections and experiences

Online commerce has become one of our priorities. In order to be more agile, we developed the Auchan application for online orders and expanded the drive project which is currently available in 31 hypermarkets.

In the fall of 2020, we concluded an exclusive partnership with OMV Petrom. In 5 years, we will be present in 400 OMV Petrom stations and in 250 localities, answering the needs of some clients that we would not have reached otherwise.

We continue developing local partnerships, where customers will be able to buy food and non-food products at local producers' fairs and cooking shows, to share with them our passion for food and to give them confidence in our fresh products.

Passionate collaborators

Over time, we discovered our passions, talents and shared them with our clients. We have learned to be careful, authentic, and responsible in our relationship with them.

CSR

Through concrete actions, we began to be even more responsible. We did not stand aside when society needed us and together, we built two field hospitals, in Bucharest and Cluj. Also, this year we completed a large project: the logistics campus - an efficient solution, but also a method to reduce the carbon footprint in Romania. This summer, we began the fight against food waste, implementing Zero-Risipă, a solution to reduce losses.

About Auchan Romania

Objectives

Expanding and implementing our sustainable development policies is no longer an option for the Group, but a debt that must be made good.

Our goal is to enable our company, which is synonymous with the democratization of consumption, to pursue its historic ambition – that of improving people's quality of life. This ambition is reflected in two strategic pillars:

» Being the benchmark player for what is good, healthy and local through the selection and design of a unique, fair and responsible offer

» Bringing people together and providing enriching experiences to improve the quality of life of residents

Simply summarized as "Auchan 2022" business project, it is structured around three international collective campaigns:

1. Promote healthy nutrition and fight against food waste
2. Fight against plastic pollution
3. Reduce our carbon footprint

VALUES



Trust

This is key to a working relationship that is effective, considerate and full of meaning, for all.

In a constantly changing world, confidence drives us to forge deep and lasting relationships, every day.



Excellence

Working to the highest standards and cultivating a similar thinking in others.

Being passionate about our products, services and relationships. Excellence guides us: we do not simply strive to do better, we want to give each and everyone the best there is.



Openness

Openness is a state of mind that makes all the difference and makes change possible.

Curiosity, enthusiasm, an ability to challenge oneself to invent retailing of the future, that will change the lives of the 8 billion inhabitants of this planet.



Awards

Our efforts in the sustainability area were recognized by the community through various awards.

At the Romanian CSR Awards Gala, a Mention was awarded in the Environment category to the "Waste Oil Collection and Recycling Project" (June 4, 2020).

During the Smart City Industry Awards event, the „New Bucharest Medical Support Unit" was awarded the Best Smart Citizen Project (December 20, 2020).

Value chain of Auchan Romania

Business model

We operate on a phygital business model ensuring our presence both online and offline, which is why our customers can combine the different methods according to their preferences. They can enjoy a traditional grocery shopping experience or they can come into the store, choose their items and then place an order for their items to be delivered. They can experience a full online experience where they place their order online and have it delivered to their door or they can opt to retrieve their groceries in the store, or at the drive point or in a Petrom as station point.

We are also present on different delivery platforms such as FoodPanda, Glovo and Takeaway. Increase in number of stores: 2 new supermarkets were opened in 2020 in Turda and Buziasului. Overall Auchan had a physical presence in Romania of 25 Petrom station shops, 10 proximity stores, 4 supermarkets and 33 hypermarkets. We are planning to expand further the MyAuchan brand up to 400 Petrom stations shops.



Ethics and Corporate Governance

We conduct our business in accordance with the values set by our Ethics Charter which is the ethic compass for every employee regardless of their position. There are two other governing documents in terms of ethics, The Ethics Code and The Commercial Ethics Code which is mandatory signed by each and every business partner that Auchan works with. To mitigate risks, we have an internal control

and risks departments as well as an economic security department and we are bound by our duty of vigilance to prevent social, environmental and governance risks in our operations and those of our subsidiaries. We have established an Ethics Committee in charge of enforcing our Ethics Charter, which includes an external member, an Ethics professor that ensures 100% transparency and impartiality. The role of The Ethics Committee is to ensure on all business operations of Auchan:

- » the respect of human rights
- » fighting against discrimination and harassment
- » fair and safe working conditions
- » fighting against corruption
- » the respect of privacy
- » the right to continuous training for employees, career advancement and fair treatment
- » the right to quality services and products for clients
- » transparency
- » data protection
- » environmental protection
- » fair trade
- » animal welfare

Risk management

We have performed a CSR risk analysis at group level (also considering suppliers and subcontractors of each of its entities), also one was performed at Auchan Romania's level and led us to the implementation of a risk management system based on COSO ERM. The main exposures identified were related to the environment (including across the supply chain), product and human rights. Thereby, the measures undertaken to mitigate these risks were grouped under four directions:

1. Present a healthy, qualitative and responsible food offer
2. Commit with passionate employees
3. Limit the environmental impact of our activities
4. Establish responsible and ethical business relationships

Each of these directions was addressed a list of commitments such as: selecting responsible raw materials traced from farm to fork, favoring local producers and reducing carbon footprint, drafting a blacklist of ingredients and a list of ingredients to be avoided.



Professor
Dacian Dragoș

member
of the Ethics Committee

”

Ethics is an extremely important issue in any business. It should be integrated into a company's policies, in the exercise of various duties and guide difficult decision-making. The Auchan Ethics Committee is meant to oversee compliance with the company's mission and values, in all its relations, and to advance the ethical agenda in the business environment. I responded positively to the company's invitation to be a member of the Auchan Romania Ethics Committee. My purpose, through my participation in the committee meetings, is to contribute with an objective analysis of the compliance with the corporate ethical responsibility. I would like the ethical spirit to be promoted by Auchan through its employees and to be a positive example for other large companies operating in Romania.

”

The Quality Charter, one more ethical commitment of Auchan is resting on 10 pillars among which products ensuring healthy nutrition, safety and compliance of our products, favoring local products and reduce carbon footprint, ensures the products' quality in line with the principles of responsibility and fairness.

1.2 Stakeholders

Stakeholder engagement

We attach great importance to the dialogue with our stakeholders, engaging them into the various processes of our development. Auchan defines its stakeholders as those groups that the company's activities have an impact on, or that can influence the company's activities. We feel responsible to all

our stakeholders and we make every effort to maintain long-term and trustworthy relationships with them. We mapped our stakeholders and divided them into key groups. We communicate with them in an efficient way and respond promptly to concerns about common issues of interest.

STAKEHOLDER GROUP	TOPICS OF CONCERN	HOW WE COMMUNICATE AND ENGAGE
CUSTOMERS AND INHABITANTS	<ul style="list-style-type: none"> » Products (quality, availability, safety, assortment) » Affordable prices » Shopping experience » Possibility to address a claim » Data protection » Safety during pandemic » Materials and packaging » Sustainability » Diverse and inclusive marketing and merchandise 	<ul style="list-style-type: none"> » In-store marketing » Brand claims » Customers loyalty program » Corporate website » Social media monitoring and engagement » Newsletters
EMPLOYEES	<ul style="list-style-type: none"> » Competitive wages and benefits » Ethical workplace » Diverse and inclusive workforce » Well - being and benefits » Learning, development and growth » Health and safety » Career opportunities » Safety measures during pandemic » Philanthropy 	<ul style="list-style-type: none"> » Annual employee survey » Intranet » Feedback channels » Internal magazines and other documents » Personal and professional development and trainings » Company events » Regular direct communication » Focus groups and listening sessions
SUPPLIERS OF AUCHAN OWN - BRAND PRODUCTS	<ul style="list-style-type: none"> » Auchan expectation » Delivery terms and conditions » Terms of payments » Ethics and transparency » Cooperation towards innovations 	<ul style="list-style-type: none"> » Corporate website » Individual meetings » Supplier surveys » Audit and inspections » Supplier event
LOCAL PRODUCERS / FARMERS	<ul style="list-style-type: none"> » Auchan expectation in terms of volumes and quality » Delivery terms and conditions » Terms of payments » Ethics and transparency 	<ul style="list-style-type: none"> » Personal meetings » Phone communication » Dedicated meetings » Audits
OTHER BUSINESS PARTNERS	<ul style="list-style-type: none"> » Supply chain management » Terms of payments » Partnership conditions 	<ul style="list-style-type: none"> » Corporate website » Direct mailing » Personal meetings » Telephone calls » Special events » Audits and inspections



STAKEHOLDER GROUP	TOPICS OF CONCERN	HOW WE COMMUNICATE AND ENGAGE
LOCAL NATIONAL AND INTERNATIONAL AUTHORITIES AND ADMINISTRATION	<ul style="list-style-type: none"> » Taxes » Reporting compliance » Transparency » Ethics » Data security and privacy » Community engagement 	<ul style="list-style-type: none"> » Letters and written or verbal testimony » Meetings with local team members and company leaders » Trade associations and policy-based organizations » Phone calls or emails
LOCAL COMMUNITIES	<ul style="list-style-type: none"> » Community involvement » Job opportunities » Sponsoring » Sustainability » Impact on environment » Food waste » Safety shopping 	<ul style="list-style-type: none"> » Interactions through community partnerships and volunteerism » Various events » Philanthropic investments and sponsoring » Participation in conferences and forums » Social media communication
MEDIA	<ul style="list-style-type: none"> » Ethics and transparency » Open dialogue » Quality of information » Collaboration 	<ul style="list-style-type: none"> » Corporate website » Corporate publications » Press releases, social media » Press conferences » Email and phone communication » Projects communication
INVESTORS	<ul style="list-style-type: none"> » Profitability » Financial stability and performance » Sustainable performance » Risk management » Ethics and transparency 	<ul style="list-style-type: none"> » Annual meeting of shareholders » Financial community meeting » Participation in conferences and forums » Regular calls and in-person meetings » Topical calls as requested » Financial annual reports
AUCHAN HOLDING GROUP	<ul style="list-style-type: none"> » Profitability » Reputation » Sustainability 	<ul style="list-style-type: none"> » Reports » Regular conferences » Personal meetings and calls
NGOS	<ul style="list-style-type: none"> » Philanthropy » Sustainability » Community engagement » Sponsoring » Humanitarian causes » Organizing events 	<ul style="list-style-type: none"> » philanthropic investments and sponsoring » individual meetings » social media communication » special events » email and phone communication

1.3 Responsible Employer

Working environment in accordance with values

We are committed to apply our Ethics Charter not only in the hiring process but to our working environment as well. Self-development and equal opportunity for promotion are part of our culture. And our human resources policy is based on seven commitments:

- » Organizational efficiency
- » Business lines and skills
- » Working methods
- » Cultural transformation
- » Talents
- » Meaning
- » Recognition

Not only are there internal and external procedures in place for hiring ensuring equal opportunities and access to outsiders and employees alike, but we ensure confidentiality of the job application even internally through an Online app.

Diversity, equality, inclusion

Diversity and inclusion are at the heart of our culture. For years, we have been trying to build an inclusive workplace, so that everyone has access to the same opportunities for promotion and development and build teams that bring value. We promote diversity, equality and foster an inclusive working environment guaranteed by our Ethics Charter and our Ethics Committee, which oversees compliance with these principles in our day-to-day activities.

The daily needs of all Auchan customers are many and varied. Therefore we rely on employees whose diversity is a reflection of the local communities, to best meet the expectations of each customer. Auchan is strongly committed to promote diversity and making it a real performance driver.

In Auchan Romania, women play an important role in the organization, representing 68% of all employees and at least 56% of management staff are female.

Employee satisfaction, wellbeing & benefits

Our employee satisfaction is of paramount importance to us. We want our employees to be proud of their workplace and recommend us to others. Which is why we conduct yearly satisfaction surveys. In 2020, we[‡] are happy to report that over 90% of the respondents have declared themselves proud to work for Auchan Retail Romania, 90% would recommend Auchan as an employer and as a retailer and over 80% said given the choice they would still re-apply for a job with Auchan Retail Romania. 94% said that Auchan takes the role of responsible company and develops its offer considering the social and environment protection challenges, 95% responded that Auchan is a company that pays attention to the health and safety of its collaborators and 94% consider that they can engage along with Auchan to face social and environment protection challenges (qualitative alimentation, packages and plastic reduction as well as carbon print).

Over 90% of the respondents have declared they feel supported, encouraged, and understood by their manager and over 85% have declared to work in a pleasant working environment and consider Auchan an inclusive working environment. 70% of the respondents consider their salary to reflect their performance. Such results allow us to believe that the actions we take for employees' wellbeing are in line with their expectations which motivates us to continue our initiatives.

Our employees enjoy multiple benefits like meal vouchers, holiday bonus, medical, dental and life insurance as well as a fidelity bonus and gifts for special occasions (Easter, Christmas), days off and bonuses for special occasions. The employees in our headquarters enjoy the Bookster corner.

[‡] 8,016 employees of Auchan Retail Romania responded of the total number of 9286



Statement of

Adina Nanu

Director of Human
Resources and
Transformation

”

The mission and values of Auchan Retail Romania are the basis of everything that means the working environment in our company.

Together we built a code of conduct that puts moral and professional ethics above all else and brought it to a standard in which the team and teamwork are the core of the company.

Auchan is the place where you can learn, develop and reach your full potential, using the unlimited resources available, regardless of the position you hold. Because at the center of Auchan's activities is always the person. We are committed to providing a work environment that offers equal opportunities for development and promotion to all.

Diversity and inclusion are not just words checked in a report, they represent values and principles that we promote every day and that we apply in all our actions. Building an open work environment, without discrimination of any kind, creates a sense of belonging, which, in the end, translates into the company's success.

We believe in people and consider them part of the great Auchan family. And when people are satisfied, this is reflected in the satisfaction of our customers.

In the Human Resources Department of Auchan Retail Romania we do more than recruit employees. We identify needs, offer solutions, streamline processes and discover talent.

We integrate sustainability in all our endeavors, including internally, where we constantly carry out actions designed to encourage a responsible lifestyle among the Auchan team.

The responsibility of colleagues and their involvement in the CSR projects we carry out are part of our policy, through which we want to continue the vision and mission of Auchan Retail Romania, to contribute to a more sustainable future, starting directly from within the company.

We want to be like an engine that puts all the wheels in motion and every part in its place, exactly where it needs to be.

”

Our survey in 2020 showed that most of our employees were interested in finding new ways to manage stress and crisis situations, which is why we have deployed our "Wellbeing pill" project. During 12 weeks, written materials or video materials have reached our employees concerning stress and emotions management in a microlearning approach. We have organized a series of webinars for personal development. 97% of our employees declared finding the content useful and 99% of our employees have recommended the events to their work entourage.

Employee learning and development

Our employees benefit from continuous training that summed up **57,730** hours. To this, **7,279** hours were added by new employees for their induction training leading to a total of **65,009** hours of training hours for employees.

Moreover, the Personal Sustainability Program #nue-preatarziu was deployed by Auchan Romania Retail in 2020 and centered around its employees to support the ideas and individual programs of social responsibility of employees and to create a mechanism of social imitation through the power of the example of colleagues.

The employees could choose one social cause to support:

1. environment, with the following topics: recycle, zero plastic, reduce food waste, reduce carbon footprint, selective collection, less printed paper
2. personal life, with the following topics: healthy food, do sports, reduce smoking, be available for your family, personal development
3. society, with the following topics: volunteering, blood donation, support disadvantaged people

After the kick-off meeting for the project, over 92% of the employees have declared that they will volunteer for the Program. 3,122 employees received training concerning climate and sustainability-related issues throughout the duration of the project.

Following a feedback questionnaire, 90% of employees considered that the program is useful, while 85% of them wants the program to go on. They also proposed actions that could be taken as part of the project: Environment month, Personal plan month, Social month, and Volunteering calendar.

THE RESULTS OF THE PROGRAM CAN BE SUMMARIZED AS FOLLOWS:



Health and safety

Not only are we committed to ensuring the health and safety of its employees generally, but it has also deployed new mechanisms to ensure this safety in the context of the health crisis. In 2020, 7,2335 hours of training were deployed for ensuring work safety and security.

Auchan Retail is committed to preventing, reducing or eliminating the risk of contagion for its employees and customers and maintaining the mental well-being of its employees. Between July 2020 and October 2020, the "Well-being pill" was deployed, a project targeting the mental wellbeing and offering psychological support, encompassing a series of micro learning materials about psychological wellbeing and personal development, webinars, and personal development workshops.

Ensuring our employees' wellbeing was the purpose of the project "One fruit per day for each employee" developed in 2017 which has continued in 2020. In every dedicated employee space, a corner for wellbeing has being created where our employees have at their disposal fresh fruits.



Ioana Olteanu

Training Responsible
Auchan Retail
Romania

”

The year 2020 meant a moment of evolution for employee training: our teams, regardless of their level of experience or management, have started a journey of awareness. Basically, through CSR training programs we have begun to understand that personal interests and benefits are directly connected with those of the company and those of the communities and ecosystems of which we are a part. Without realizing it, we start to think sustainably.

”



Sustainability

Chapter 2





Strategy

"Auchan 2022" is the business project designed within the group to respond to the new challenges, to customer and society expectations, while ensuring a sustainable growth.

Our employees play a big role in our sustainable transition. Our employees' collective labor contract allows them 2 days off for volunteering since 2019. Which is why in 2020 we have started the project "1 day / year for CSR", allowing for each employee one day off for volunteering.



The designed goal is Auchan's historic ambition, to improve the quality of life, by:

- » becoming the designer and selectioner of a unique, fair and responsible offer, and
- » becoming a creator of relationships and experiences by making our premises local platforms that are connected to the surrounding living area.

The CSR priorities are aligned to United Nations Sustainable Development Goals. Considering the importance and urgency of environmental and social issues, we have decided on 4 pillars:

- » Promote healthy nutrition and fight against food waste
- » Fight against plastic pollution
- » Reduce our carbon footprint
- » Social and societal commitments.

Promote healthy nutrition and fight against food waste

Roughly one third of the food produced in the world gets thrown away and is responsible for 8% of the world's climate emissions, according to the research performed by the Food and Agriculture Organization of the United Nations. This is the reason why the fight against food waste is one of our priorities and we have implemented measures across the entire value chain: measuring and reducing loss, redistribution, raising employee and customer awareness, transforming, or reusing waste and promoting solidarity.

Moreover, we aim to help consumers to eat healthy, by applying the Auchan Retail Responsible Quality Charter to our owned-brand products.

What have we done?

- » Centralized the orders as much as possible to ensure stores receive just the right quantities;
- » Increased the variety of organic products; many stores have a dedicated space for organic products, and sales agents together with promotional offers are designated to make these products more widely accessible;
- » In 2020, 720 own-brand references (98%) displayed a nutrition facts label.

Our goal is to have 100% exclusive products to display a nutrition fact label (Nutri-Score or equivalent) by 2022.

Fight against plastic pollution

Plastic pollution is the most visible example of the negative impact we are causing to our planet. Everybody is part of this plastic crisis and every single one must be part of the solution.

We pledge to curb plastic proliferation. Considering that plastic is involved all along the product lifecycle: from manufacturing, transport and packaging to customer logistics, this commitment requires voluntary action that brings on board and engages employees at every stage of the life cycle of the product.

What have we done?

- » In March 2020, Auchan Retail formally confirmed its commitment by signing the European Plastic Pact.
- » In 2020, we started replacing the plastic recipients with cardboard recipients.

Our goal is to have 100% reusable, recyclable or compostable packaging for own-label products and maximum elimination of plastic packaging in the fresh food and fruit and vegetable departments by 2022.



Reduce our carbon footprint

Climate change is one of the biggest challenges we are facing. Human activity over the last 200 years has led to significant damage to the environment. Therefore, Auchan's third objective is to reduce its carbon footprint.

What have we done?

- » The Group pledged to reduce GHG emissions for energy consumption by 20%. In 2020, we've managed to accomplish reduction by 25% in electricity vs 2014. To reduce the impact of goods transport, service providers are encouraged to adopt more ecological driving techniques and to modernize their fleet, through the increasing use of vehicles meeting the Euro 5, or even Euro 6, standard.

These more demanding standards often involve updating calls for tenders.

- » The sourcing of products sold in stores is also being investigated, especially with a view to reducing their impact of deforestation and consequently the greenhouse gas emissions produced by their manufactures.

Our goals are that by 2022, we manage to:

- » reduce by 20% the greenhouse gas emissions from goods transport;
- » reach 50% low carbon electricity;
- » reduce by 25% the energy consumption of stores (2014 bases, at a constant scope).



Social engagements and society

In a society where the search for meaning and responsibility is increasingly important, this approach encourages, promotes, and nurtures responsible commitment in Auchan Retail employees, and gives them a real sense of pride in their profession. In the field, this commitment can take the form of initiatives that are within the scope of local CSR policies, or solidarity actions run by Group foundations (Weave our future and Auchan Youth Foundation).

This mobilization encourages engagement in employees who also benefit from long-term career development within the Group through training programmes and career paths. Finally, - and the COVID-19 crisis has underlined the full extent of the needs and significant challenges in terms of safety at work - Auchan Retail tirelessly strives to ensure a safe, healthy, and fulfilling working environment for its teams, and optimal health and safety conditions for customers of its stores and Drive services.

Our goal for 2021 is to organize an Employee Engagement Day on the theme of our CSR commitments for all employees.

Sustainability management

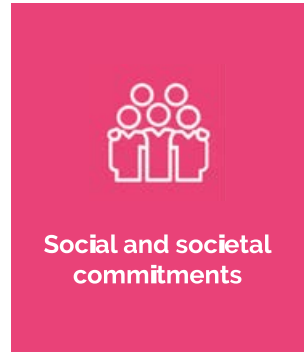
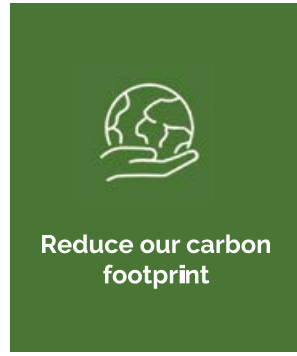
We have a plan. How do we make it happen it?

We have implemented a CSR governance throughout organization. We have a CSR Manager who defines the CSR roadmap, aligned to Group's CSR priorities and to national issues. Further, each country has created its National CSR Committee, responsible for defining actions to promote CSR daily in the field and in contact with customers.

Sustainable Development Goals (SDGs) of the United Nations

Auchan Retail has joined UN Global Compact on September 21st, 2016.

Our CSR priorities are aligned with the sustainable development goals of the UN, as we promote a healthy lifestyle and fight against food waste, we fight against plastic pollution, we take measures to reduce our carbon footprint and we promote social engagements and society.



Good nutrition

Chapter 3





3.1 Engagement on healthy food and consumers' safety

More than half of all deaths in Romania can be attributed to a selection of behavioral risk factors among which is poor diet. Dietary risks (27%) include insufficient fruit and vegetable intake, and excessive consumption of sugar and salt. Although Romania is the country with the lowest obesity rate in the EU, obesity has been observed more frequently among those with a lower income (OECD, Country Health Profile 2019). At Auchan, we understand that food quality is a constant concern for our customers so we strive to make it affordable to all. We made these concerns about health and nutrition our primary responsibility and the heart of our mission: to offer millions of our daily customers a safe, varied and accessible offer that contributes to a balanced diet and the pleasure of eating.

To fulfill this mission we formalized, on a Auchan Retail group level, our main commitments in a responsible Quality Charter organized into 10 topics including the topic of nutrition among which:

1. Guarantee the safety and compliance of Auchan products;
2. Select responsible raw materials and supply chains, traced from farm to fork;
3. Design products that make good nutrition a pleasure;
4. Make products the customer can recognize and trace;
5. Develop specific products for all types of food;
6. Ensure clear transparency on origin and promote national origin;
7. Avoid food waste.

Responsible products and services

Our Responsible Quality Charter was drafted with Our Responsible Quality Charter was drafted with respect to the principles of responsibility and fairness. And it rests on 10 pillars, which encompass safety and compliance, farm to fork tracking of the supply chain, healthy eating and local food promotion.

Singularity is one of our main goals targeting that **at least 50% of our product offer be own-brand products singularly found in our retail stores.** We are fiercely engaged in our fight against plastic pollution and against food waste, two of the pillars of our CSR policy.

Responsible communication, responsible sale & marketing

We have developed internal and external transparent communication processes (through developing an internal site dedicated exclusively to the CSR topic which is updated monthly with new information and news, communicating monthly internal newsletters - Auchangenews, press releases or social media posts) with the aim of keeping our employees and customers up to date with our local and global efforts and results in the sustainability area such as: #zerorisipă solution, #nuepreatarziu campaign, support for restaurants in the context of the Covid19 pandemic, short chain through collaboration with local suppliers by creating channels, cashiers dedicated to NGOs and elderly people, donations to the bank for aliments, medical units projects, Waste Oil Collection and Recycling Project etc.

Product quality and safety

Ensuring the quality and safety of our products is one of our top priorities and our Quality Charter ensures it. Furthermore, we have drafted a blacklist of ingredients and have implemented their phasing out. It is how we managed to reformulate, among other products, the recipe of our bread using entirely natural ingredients. We also measure product quality and safety with respect to the environment, which is why we are constantly striving to reduce plastic, encourage the principles of a circular economy and strive to ensure traceability from farm to fork of our products.





Nutriscore in private labels

We have a product certification system in place and suppliers for our own brand products are audited at least twice a year by our quality department together with an external audit company. Our suppliers also undergo social audits targeting respect to human rights, applicable labor laws and compliance with the environmental legislation. We promote transparency in the relationship with our customers, which is why, in 2020, we started implementing Nutriscore. In 2020, 45% of the own-brand products displayed the Nutriscore label on the packaging and we plan to reach 100% in the upcoming years.



Mihai Toader

Head of Own Brand Food Products



It is important for our client to understand the Nutriscore is not a rating system of products per se, but one of the tools ensuring transparency about the nutritional values of our products



Healthy products

We are trying to develop the healthiest version of our products, with our suppliers having to meet the highest possible standard in terms of safety, certifications of origin and efficient use of resources. We favor locally produced ingredients, which is why Small and Medium Enterprises (SMEs) represent the source of most of our turnover. We create our recipes with just the right amount of salt and sugar, ensuring a healthy diet to our customers. Starting 2020 we aim that our recipes and products do not contain controversial ingredients. We are working to eliminate synthetic pigments (azo dye), flavor enhancer (glutamate) and hydrogenated fats, on own brands segments.

Organic food, vegan

Organic products (also known as eco or bio products) are those complying with natural and environmental factors to produce more sustainable and healthier food. Organic products are grown or manufactured without genetically modified organisms, hormones, antibiotics and fertilizers.

The impact of organic/ eco food products on the environment is minimal which means they pave the way from decoupling resource use from economic growth. They are the first step of creating sustainable options for our clients encouraging our customers to take into account sustainability when choosing their products.

We offer a wide range of organic products across shelves: fruits and vegetables, fresh, frozen and cold cuts as well as consumer products. We develop products specific for all food regimens and have a variety of vegan/ gluten-free offerings (e.g. rice drink bio, Eco almonds, ECO black chocolate with almonds, Musli Eco, gluten free rice flour, Ground coffee Bio, sticks and pretzels Eco, gluten free corn flour, gluten free country bread). We are further expanding our offerings catering to the growing demand of these products particularly among the younger generations.



Local food promotion

Promoting local food is one of the pillars of our development strategy. We support local producers and promote national products. In Auchan Retail Romania, we consider national products as local, but we further developed the ultra-localized category for the products only available at suppliers operating in the proximity of the stores. Local products are signaled on our shelves informing our customers about our support of local producers and ensuring transparency. Our ambition for 2022 is to bring Romanian culture food into the spotlight and promote a culinary return to the "origins." Our new project focuses on Romanian traditional recipes with simple ingredients originating from carefully verified supply sources.

Customers & employees awareness

We strive to keep our customers informed and create healthy habits and promote healthy eating habits through social media. Thus, following our pages, you could learn about the benefits of certain ingredients or products, find healthy alternatives to their daily treats and even find healthy recipes created especially for you by Razvan Exarhu entitled „Exharhu's dish”.

During the pandemic while in-store training was temporarily suspended, we have developed "Healthy Eating" training materials in order for our employees to know all the actions and all the projects with relation to healthy food and to encourage our employees to maintain or develop healthy habits. These training materials are to be delivered to all our employees in 2021.

Customer service

As our global strategy includes being a truly user centric and data driven actor, we have put in place an entire plan of customer voice listening which includes both market studies and customer satisfaction studies.

As we want to take fast actions and to closely monitor the satisfaction of our customers immediately after they had a contact with our brand. We are measuring NPS via hot surveys addressing the NPS question after visiting our points of sales or some departments in our hypermarkets; after doing purchases online or offline or after interacting with Auchan via assisted or non-assisted channels.

NPS is a key performance indicator monitored at operational level and closely watched over at top management level.



NPS results and customer voice details are reported weekly and monthly and distributed within the company to follow evolution and to generate continuous improvement actions. CSR topics are included in the perimeter of the customer service processes. Customers can request information or submit complaints related to CSR policies. These interactions are stored in our CRM system and reach the customer service team who analyzes the situation and provides an answer to the customer. The interactions are mapped in our CRM on distinct topics with 2 registration levels. For CSR, we have a dedicated type of registration which enables us to have full traceability on volumes and specific customer service indicators.

Complaints channels (for all customer interactions, CSR topics included)

As we are an omnichannel, customer centric actor, we offer support and are available for our customers on multiple channels (phone, email, website, social media etc).

Complaint handling processes

We have specific training instructions formalized with the training team on Auchan posture and skills to meet the customer's needs.

Responsibly sourcing

We ensure a geographical certification of our products and we adapt our recipes according to the store's geographical location. We audit our suppliers and local producers who supply ingredients for our own-brand products must meet the highest possible standard in terms of quality. All our partners need to adhere to our Commercial Ethics Code and their products must comply with the principles set out in our Quality Charter. We encourage our suppliers to adopt sustainable practices in their operations, which is why we designed in 2020 and started the deployment in 2021 of the Filières **block chain app** ensuring full traceability of the supply chain from farm to fork. A QR code shall thus enable our customers to check the entire documented supply chain of their favorite products.

Materials, responsible products

We strive to make products that the customer can recognize and trace and we select responsible raw ingredients from farm to fork. We are committed to respecting animal welfare and have thus removed eggs from chickens raised in captivity from any new product.



We are committed to the environment and have thus banned palm oil from our recipes and use a certification scheme for our suppliers. All our products are geographically certified. In our strive to offer responsible products, we have removed shark from our product selection and are rapidly phasing out pangasius.

Native/ local suppliers

SMEs represent the majority of our supply chain for the food division. We promote local producers and foster partnerships with them offering them more flexibility in our contractual agreements. We have 13 local suppliers (fillières) and the local production includes fruits, vegetables and poultry. We keep our own-brand suppliers informed about our ambitions concerning sustainable and responsible supply chains and advise them about actions to undertake to implement sustainability principles.

3.2 Food waste

General information

Fighting against food waste is one of the three combats we have assumed in 2020 for the 2022 horizon. It is embedded in our Responsible Quality Charter and we have implemented priorities and measures across the entire value chain. It involves all players throughout the company's value chain and involves improving the operational excellence of its activities. We advise our suppliers against food waste and strive to take actions even further.

Actions against food waste

According to Government officials, every Romanian throws away 129 kilograms of food per year, on average, including cooked food, fruits and vegetables, bakery products, dairy and meat. A regional study conducted by four universities from Romania, North Macedonia and Republic of Moldavia concluded that 5 tons of food are wasted annually in Romania. In order to minimize food waste in every aspect of our activities we have developed Project Renaissance aiming at the supply chain process optimization reducing markdowns. Our fight against food waste enshrined in our Quality Charter focuses on five levers:

1. Collaborate with retail players

Auchan Retail is developing partnerships in order to extend use-by dates (USD) on own-brand products, without increasing the risk, and remove the best-before dates (BBD) on certain product categories.

2. Professionalize the fight against waste throughout the chain

Across the value chain, whether in central purchasing or in-store, a particular attention is paid to the management of the product range. Products must best meet customer needs and particular attention is paid to portions offered, smaller in ultra-convenience stores, for example, to avoid exceeding use-by dates.

3. Organize the donation of products to associations

To the extent allowed by the laws of the country, Auchan Retail disputes their food donations through local non-profit organizations and food banks. In Romania, in 2020, 15 tons of food were donated to the Food Bank that were further distributed to orphanages, retirement homes and other vulnerable groups.

4. Develop new concepts

Various innovative solutions are used to combat food waste and Zero Risipă is one of them. It is an organized system of selling products close to their use-by date at lower prices, based on a software solution. Through our partnership with Zero Gachis through our project Zero Risipă, we have saved in 2020 330 tons of products amounting to 660.310 meals. With our Zero-Risipă corner filled with products approaching their expiration date but otherwise in perfect condition, we encourage our customers to avoid food waste and save money at the same time.

5. Raising customer awareness

We are developing numerous communication supports raising awareness about food waste. We post zero-waste recipes on our social media pages, encouraging cooking with leftovers #zerorisipa. Our zero-waste corners are signaling the importance of avoiding food waste.





Carbon footprint and climate change

Chapter 4





4.1 Climate change

We fiercely believe transparency and an honest plan to improve is the way to tackle climate change, which is why our awareness of climate change and measures to reduce our carbon footprint are embedded in our group's CSR policy. With this in mind, we have been audited by the CDP (Carbon Disclosure Project) in 2020 and we have obtained a score B, meaning we are a company striving to take actions against climate change.

4.2 Carbon footprint

The total national quantity teq CO₂ produced by Auchan Romania in 2020 was 2,542,473 and the three calculation scopes considered are:

- » scope 1 – refrigerant (16,527 teq CO₂)
- » scope 2 - energy (65,124 teq CO₂)
- » scope 3 - products and transport (2,460,822 teq CO₂)

Reducing our carbon footprint is one of our commitments at group level in our effort to tackle climate change. At group level we have the ambition to:

- » Achieve a 20% GHG emissions reduction from goods transport
- » Increase the use of low-carbon electricity by 50%
- » Achieve a 25% reduction in energy consumption in our stores compared to our 2014 levels

THE FIGHT AGAINST GLOBAL WARMING AT AUCHAN RETAIL

Reducing our greenhouse gas emissions with both in-store and out-of-store levels

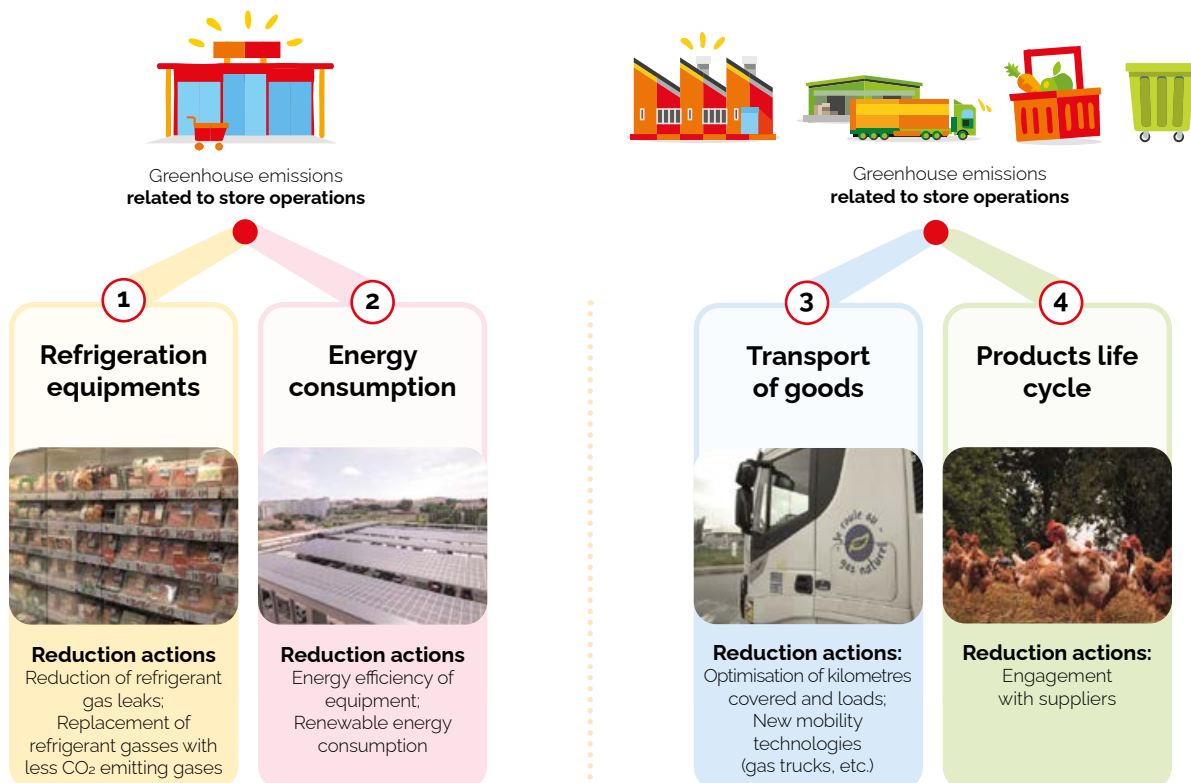
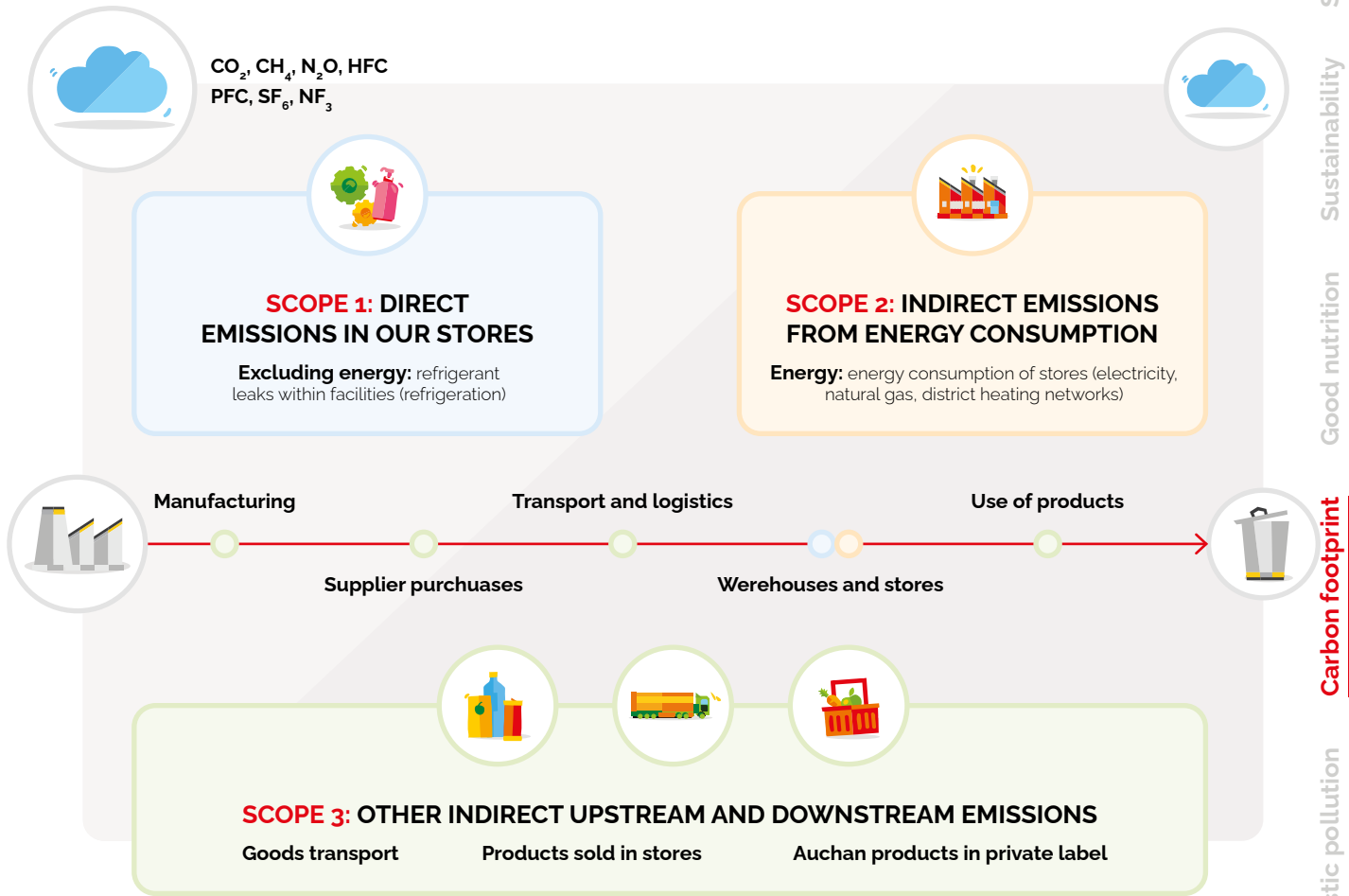


DIAGRAM OF THE GHG EMISSIONS MEASURED BY AUCHAN RETAIL



In Romania, we already managed to achieve a 25% reduction in electricity consumption compared to our 2014 levels.

Our commitment in this direction is firm and with concrete actions that will lead to a continuous decrease in consumption such as:

- » Replacing freon r404 cold systems with co2 systems
- » Changed LED lighting in offices
- » Waterproofing roofs with much better materials than the existing ones
- » Changed LED lighting in the sales area
- » Carrying out technical audits to find solutions to reduce energy consumption
- » Replacing ventilation systems with more efficient ones and with lower energy consumption

We are reducing carbon footprint in transport, by using railway transport whenever possible, using Euro 5 and Euro 6 and above vehicles, biofuel-based vehicles and

by streamlining truck loading (reduction of free spaces in the truck trailer) to save transportation costs, carbon emissions and traffic congestion. We enforce an environmental clause in our contracts with our service suppliers ensuring they conform to the same standards for their vehicles. The logistics providers must use Euro 5 and Euro 6 trucks (requirement included in the contracts) and must report to us monthly the km that the trucks make to calculate the carbon footprint.

We are working to reduce GHG emissions across our value chain: direct emissions in our stores (SCOPE 1), indirect emissions from energy consumption (SCOPE 2) in stores as well as other indirect upstream and downstream emissions (SCOPE 3) (goods transport, products sold in our stores or own-brand products).

We are working towards an integrated inventory of our GHG emissions in Romania, following which an action plan shall be deployed, targeting the most vulnerable sectors of our value chain.

4.3 Biodiversity

We are striving to preserve fish resources by avoiding overfishing and protecting the environment, which is why our offer no longer includes endangered shark species. We also ensure full traceability of our tuna-based products and are phasing out pangasius from our offer starting in March 2021.

Moreover, we expect full traceability of these products from our suppliers ensuring they are not harvested in ways that would pose a threat to biodiversity.

One of the fillieres that we developed is related to sea bream and levrek. 27,000 tons of sea bream and levrek

are produced per year in farms located in Milas, Didim and Karaburum. Production facilities are compliant with international standards, and our manufacturers have international certifications Global GAP, ASC, ISO 9001.

The number of customers preferring Bio, eco and dietary products increases year by year. The bio and dietary alimentation has many benefits for health as well as for the planet and we offer our clients a range of 1000 such products.

A major project led by Auchan meant to raise awareness the citizens as well as promoting the Romanian wild nature with the message that "some things have to stay the same" was the movie "Untamed Romania" - a documentary produced by Auchan Romania to honor the Romanian country unification 100-year celebration and which was



available in cinemas all around the country, gathering over 80.000 viewers. Moreover, the movie is available on streaming platforms such as Netflix and Amazon Prime, and it was also awarded the prize for best documentary movie about nature, environment and ecology during Cannes 2018 Media & TV Awards.

In order to contribute to the decrease of deforestation we have removed palm oil as an ingredient for our own-brand products (we are in the process of obtaining RSPO certification), since it presents risks related to deforestation, soil erosion, water pollution and working conditions in palm plantations. The fight against deforestation is linked to the exploitation of raw materials and we expect our suppliers to ensure and verify that products sourced from wood or vegetable fibers are legally harvested, purchased, transported, and exported from their country of origin.



RICE DRINK, BIO



MUSLI ECO



**COFFEE BIO
GRAINED ARABICA**



**BLACK
CHOCOLATE ECO
WITH ALMONDS**



**ALMONDS,
BIO**



**RICE FLOUR
GLUTEN FREE**



**CORN
GLUTEN FREE**



**STICKS AND
PREZELS
ECO**



**CHOCOLATE
BROWNIES
GLUTEN FREE**



**COUNTRY BREAD
GLUTEN FREE**



**BUTTER BISCUITS
GLUTEN FREE**

Fighting against plastic pollution

Chapter 5





5.1 Packaging and plastic reduction

» We are fiercely fighting plastic pollution and for this purpose, we have signed in March 2020 the European Plastic Pact that aims at bringing together frontrunner companies and governments to accelerate the transition towards a European circular plastic economy. We have developed a Fight Against Plastic Pollution Policy, which is a common set of rules for our group's campaign to reduce plastic pollution applicable in all countries where Auchan is present.

We have identified plastics-related issues all along the value chain.

We have thus identified five major potential sources for plastic pollution across our value chain on which we have decided to take specific action. Furthermore, we have made transversal commitments to:

- » Set up a collaborative approach with national bodies in charge of managing the treatment of household waste
- » Achieve a significant reduction in the tonnage of single-use plastic in each of the five key areas
- » Limit the use of conventional virgin plastic (made from petroleum)
- » Ban the use of oxo-degradable plastics
- » Prioritize alternatives that have an equivalent or superior performance to conventional materials in sorting and recycling circuits (prioritize recyclable over compostable)
- » When we use bio-based plastics, opt as far as possible for agricultural residues that do not compete with human food crops
- » Only use compostable solutions when they are home compostable (or recyclable)

THE AUCHAN RETAIL PLASTICS PANORAMA

There are plastics-related issues all along value chain





5.2 Reducing plastic in stores

Many of our products are prepared on site or sold by weight and are therefore packaged in-store. We are striving to eliminate plastic packaging from Fresh Food counters and self-service Fruit and Vegetables departments. However, we acknowledge the complexity of the issue and we are trying to adopt solely those solutions proving their benefit for the environment, which do not create additional food waste and are economically viable for both producers and customers. We are trying to offer reusable alternatives for packaging fruit and vegetables.

In 2020, we started rethinking our packaging solutions for the Gastronomy perimeter aiming to replace different types of plastic with some materials as close as possible to 100% compostable packaging or 100% Recycled Pet.

We are trying to constantly diversify our offer with new alternatives to plastic products, and our customers have now the eco-responsible tableware option. Our commitment is to end sale of disposable plastic cutlery and plates in 2021.

5.3 Reducing plastic in logistic

We are committed to reducing plastic across the value chain, including in logistics. We have therefore made the following commitments at group level:

- » Maximize the use of recyclable pallet films and ensure they are recycled, in both stores and warehouses
- » Encourage our suppliers to stop using colored or printed covers and films to facilitate recycling
- » Encourage our suppliers to stop using plastic or hardboard (Masonite) pallet interlayers
- » Develop reusable solutions to limit the use of single-use plastic for transport and storage

In Romania, we are using recyclable pallet films in stores and warehouses. We are actively working to formulate an action plan to further reduce the use of plastic in logistics.

5.4 Plastic *in private brands*

As part of a sustainable approach to primary packaging, we are committed to reduce plastic packaging in our own brand products through a series of measures:

- » Eliminating from our packaging the main plastics, that disrupt waste management (PVC, EPS and Carbon Black)
- » Working to make 100% of our packaging reusable, recyclable or compostable, in that order of priority
- » Incorporating an average of 30% recycled plastic into our packaging by 2025
- » Eco-designing our packaging to use a minimum amount of material while guaranteeing the protection, conservation, and marketing capacity of the product
- » Setting up international synergies to share good practices
- » Including new packaging requirements in our calls for tenders and specifications
- » Documenting the reductions and optimizations achieved

In 2020, we turned the handle of our own-product apple juice BIB from plastic to cardboard and our salami product comes now in a cardboard casserole instead of a plastic one.

In addition, in 2020 we have delisted 43 local items made of plastic from the disposable and party range, replacing them with other sustainable solutions.

The impact of our actions can be measured as follows:

- » 200 kilos of plastic per year saved by adopting our cardboard handle for our own-brand apple juice
- » 850 kilos of plastic per year saved by implementing the cardboard casserole for our own-brand salami
- » Delisted 43 local and sustainable items from the disposable and party range
- » 74 new ecofriendly items are available in lieu of the disposable plastic tableware
- » Our toy collection moving towards plastic free.





Sustainable lifestyle

Chapter 6





6.1 Waste management

Waste management is an important topic for our company. This process has reached a high maturity level and is internally regulated through a procedure that provides for clear responsibilities at store level and at headquarter for collection, sorting, selection, recording and reporting the waste generated in Auchan Romania in its capacity of:

- » Waste generator from stores activity – products disassembly, water usage, forklifts usage, shelves disassembly, equipment etc.
- » Importer of products that will become waste (packages, batteries, electronic devices etc.)
- » Brands owner- own brands products manufactured in Romania that will generate package waste

- » Trader of products that will partially or entirely become waste: electronics, appliances, envelopes, car batteries and portable batteries and accumulators, oils, and car lubricants etc.

Our company has defined and implemented mechanisms to ensure waste reduction, waste traceability in all stages and accurate reporting to the authorities.

Besides the training programs that we have for our employees, we continuously raise awareness on the waste segregation topic to our customers through various projects and initiatives. In all stores and in the headquarter there are marked waste segregation areas and containers.

In 2020 at stores level, the quantity of waste recycled or used for energy recover was 13,000 tones.





6.2 Circular economy

Each person consumes natural resources and raw materials on a daily basis and generates quantities of waste in return. To reduce the environmental impact of waste and to help the raw materials for future generations, we encourage every person to recycle, repair or reuse products as much as possible. This is the simple principle of circular economy.

Auchan carries out several important actions to protect the environment, aimed at managing waste and saving natural resources. Among the most important projects of responsibility and circular economy are:

Textile Collection and Recycling Project

The textile industry is one of the most polluting industries globally. Because we want to actively contribute to reducing the environmental impact, we created the Textile Collection and Recycling Project.

Anyone can help reduce textile pollution and at the same time help needy families who will receive, as a donation, those products in good condition. How does the project work?

The products are donated in the textile container installed outside the 12 hypermarkets. They are collected periodically, sanitized, and sorted. After sorting it is decided whether clothes and shoes will go to pre-recycling (and then recycling - the decomposition of materials into textile fibres) or donation to the Red Cross to reach disadvantaged families.

Beyond the quantitative objective, the aim of the Textile Collection and Recycling project is to give consumers an opportunity to be more environmentally friendly. It's a service that will help us be more responsible together. 60% of the clothing collection is donated, the remaining 40% is recycled in the form of wipes or industrial raw materials.

The project was started in October 2020 and the participating hypermarkets are: Timișoara Iulius Mall, Timișoara Nord, Timișoara Sud, Cluj Iris, Oradea, Satu Mare, Baia Mare, Targu Mureș Sud, Targu Mureș City, Brașov Coresi, Brașov West, Sibiu.

In the period October - December 2020 we collected 8,816 kg (770 kg in October, 3,341 kg in November, 4,705 kg in December) of clothing and footwear items were in specially designed containers in the parking lots of Auchan hypermarkets. Auchan aims to reach the standard of Western Europe of collecting 3-4 kg of textiles / person / year.





Waste Oil Collection and Recycling Project

To contribute to a sustainable future, Auchan laid the foundations for an ambitious social responsibility project under the message „Let's keep nature clean!". The effects of spent oil for the environment are devastating, a single liter of spent food oil thrown into the sewers pollutes 1 million liters of water.

This programme comes as a natural continuation of Auchan's initiatives, carried out over the years, to protect the environment but also to promote a healthy lifestyle. Together with aqua Carpatica and Fairy partners, we want to encourage our customers to follow us in greater numbers in this gesture of social responsibility.

We invite household consumers to bring used food oil into supermarkets, being rewarded and avoiding throwing it on sewers to eliminate harmful consequences on soil and water, as well as the emergence of additional costs for the maintenance and cleaning of sewage treatment plants.



The oil thus collected is handed over to Respiră Verde, the national leader in the collection, recovery, and final disposal of used edible oils and fats, to be conditioned through a series of heating, decantation, and filtration processes. Subsequently, the oil is transported to final producers, EU companies, to produce biofuels.

Less than a year after the company's announcement, by October 2020 tens of thousands of people answered the call and brought 100,000 liters of used oil to all 33 hypermarkets for later recycling in biodiesel.

Mom recycles too

Together with Can Pack Recycling and the Alucro Association, we launched the „Mom Recycles too” (RO: „Si mama recicleaza”) campaign. The aim of the project is to encourage customers to recycle aluminum cans.

The campaign runs in 22 Auchan stores and is organized in partnership with the Alucro Association, the holder of the Every Can Counts License. To date, more than 4.8 million doses have been recycled, equivalent to more than 61 tonnes of aluminium and 819.000 cans were collected only in 2020.



Recycling batteries and bulbs

Batteries and bulbs contain toxic substances such as mercury, lead, lithium, which can seriously affect human health.

In addition to health effects, hazardous substances in battery composition can also affect the environment. By throwing batteries alongside household waste, substances can leak into the soil and groundwater, then into plants and animals, and eventually reach the human body after consuming intoxicated plant or animal products. The effects of consuming such dangerous substances is often irreversible for health.

Auchan contributes to the health of customers and to the protection of the environment by providing the population with special containers for the collection of used batteries and bulbs in some Auchan physical stores in the country.

The total quantity of batteries collected is 13648 kg, including used car batteries in partnership with Environ, Greenwee, Recobat Associations and the company DDI ECOMAX for car batteries and the total quantity of lamps collected is 1.155 kg and the partners are the Environ, Greenwee and Reclamp Associations.



Recycling of WEEE products

Auchan currently offers customers the opportunity to recycle electronics and home appliances in stores across the country. Anyone can bring to Auchan the used goods that will be sent on to authorized collectors to recycle the products or turn them into new products. Seasonally, buy-back campaigns are also carried out in which customers receive discount vouchers in return if they bring WEEE products to Auchan.

We collected 10,635 kg of small appliances WEEE in partnership with Environ and Greenwee Associations.

Collection „Green” INEXTENSO

In October 2019, Auchan signed the Fashion Pact, joining 56 other fashion companies. The initiative aims to achieve common environmental objectives, centered on three themes:

- » stopping climate warming
- » reinstalling biodiversity
- » protecting the oceans

Auchan made this commitment a reality by launching the first „eco-friendly” INEXTENSO offer, which - through exceptional value for money - makes „green” textiles accessible to many customers. The collection of „eco-friendly” jeans incorporates the promises of social responsibility of our brand in the sphere: zero waste, water conservation and recycling.

The benefit of the new collection is that the entire manufacturing process has been redesigned to integrate 20% recycled cotton for the entire range. Thus, a saving of 40% of the water used was achieved. Energy consumption has also been reduced.

For more than two years Auchan has been selling adult clothing that also has a special green collection label. The label suggests that the products contain organic or recyclable fibres. Other items are organic cotton, many of which are found in the items serving the collections for the baby and baby segments.

INEXTENSO
by Auchan

Actuel Green

In February 2020 we launched the new Actuel Green collection of single-use products made from sustainable materials. One of the directions of this approach is the creation of a complete range of 100% natural and renewable raw materials: cane plates and bowls, cardboard cups, and wood cutlery from sustainably managed forests. Through these plastic reduction measures, we come up with a real alternative to single-use plastic cutlery to actively help keep the environment clean and support customers with environmentally friendly alternatives.



Other sustainable solutions

OFFICE SUPPLIES

18 recyclable stationery items (made from recyclable plastic or plastic bottle products or products that have recycled cardboard / plastic packaging)

- » 11 items have recycled packaging, or the blister is made of recycled plastic or recycled cardboard packaging.



TOYS

To reduce the impact of toy production on the environment and to offer environmentally resistant and environmentally friendly toys, we have developed a range of approximately 50 products based on more sustainable materials.

- » A range of FSC wooden toys (from sustainably managed forests).
- » Range of plush toys made from 100% recycled polyester
- » Figures: a plush is made from 12 recycled plastic bottles.
- » In addition to the materials of the products, Auchan removed the plastic from most of the toy packaging.



Auchan | RETAIL
ROMÂNIA

Solidarity

Chapter 7





7.1 General Information

We are constantly trying to show solidarity with communities and people and are striving to reach through our actions the most vulnerable groups. We are engaging stakeholders (customers, employees and partners) to support our actions fiercely believing together we can make a bigger difference. We are encouraging food donations through our partnership with the Food Bank, we are fighting against school dropout particularly during the Covid-19 crisis, donating equipment thus allowing children to take part in online classes, together with the „Ana and Children” and „Andreea Răducan” Associations. We have a permanent campaign to collect customer donations in the ballot boxes present in stores. Donations raised allowed us to support 15 associations serving various purposes.



7.2 Community commitments

2020 was the year marked by the Covid-19 health crisis. We thus rallied to help those groups and communities most affected by the pandemic.

We responded promptly when the Romanian health sector announced being close to full capacity and built, together with Leroy Merlin, two medical units with the purpose of ensuring proper care and triage to Covid-19 patients allowing hospitals to take in charge only emergency patients.

We partnered with Red Cross at the beginning of the school year to supply children with necessary school materials enabling them to attend school in the new Covid-19 context. We carried out a national campaign collecting supplies from customers and donating products to local communities, having managed to collect 10,000 supplies.



In 2020, charity events were suspended because of the Covid-19 health crisis, but we continued to support communities and groups and encouraged others to do the same. Our dedication to charitable causes was just reshaped to accommodate physical distancing while encouraging social solidarity from a safe distance.



7.3 Local communities

We are helping vulnerable groups across local communities organizing constant solidarity campaigns: products collections and donations to hospitals, money donations for non-profits dealing with children with disabilities, placement centers or helping homeless people.

In September 2020, collaborating with FARA foundation, we donated proceeds from selling the toy-beaver Titi to their campaign offering support to vulnerable children and their families. From the beginning of the campaign until the end of December 2020, we donated over 230,000 RON.

Because every little bit of help counts, we are proud to announce that the local team from Auchan Crângăși, partnering with „Ana și Copiii” association, donated 4 smartphones in solidarity with local children unable to attend online classes because of lack of materials.

7.4 Social impact

In 2020, we cultivated meaningful partnerships with the following results:

- » Touched Association, charity providing material and moral support to marginalized women and their children (amount raised: 13,149 RON)
- » Vasiliada Association, charity providing social services for many categories of people in difficulty such as children at risk, young people with disabilities, the elderly or homeless, minorities or unemployed people seeking for a job (amount raised: 30,868 RON)
- » Magic Association, charity providing support and guidance for children with cancer and their families (amount raised: 13,222 RON)
- » Save the Children Association, charity providing educational programs, social protection and promotion of children's rights (amount raised: 12,000 RON)
- » Romanian National Community for Children's Rights Constanța, local charity defending the rights of children and young people (amount raised: 9,677 RON)
- » Inimă de copil Association, charity providing social and support services for children and families (amount raised: 6,700 RON)
- » The Association for Little Noel, charity helping children diagnosed with SMA (Spinal Muscular Atrophy) to raise the money needed for treatment (amount raised: 3,248 RON)



Response to Covid-19

Chapter 8





8.1 Priorities

From the start of the Covid-19 health crisis, our priority has been the safety and health of our employees and customers, therefore we have implemented significant measures. Top priority has been given from the start to the supply of protective equipment (hand sanitizer, masks, and gloves) thus ensuring safe work conditions for our employees and a safe shopping experience for our customers.



8.2 Safety at stores

New reinforced disinfecting protocols were deployed and ventilation systems' air filters were replaced and are periodically checked. Our disinfecting protocols target:

- » shopping carts
- » payment terminals
- » automatic cash registers
- » conveyor belts
- » register areas
- » Point-Of-Sale machines

Automatic hand sanitizer dispensers are dispersed in all our stores and signals for safe distancing have been displayed under the motto: "Together for a safe store!"



SĂ NE PROTEJĂM!

Pentru siguranța tuturor, vă rugăm să păstrați distanța de 1 m față de persoanele din jur.

Împreună pentru un magazin sigur.



8.3 Products safety

Products safety is one of our main concerns, embedded in our Quality Charter. Amid the Covid-19 health crisis, this preoccupation has only increased. Safety was not just about safe ingredients or safe handling of our products anymore, areas where we have always excelled and our customers have always appreciated it. A new type of products safety emerged. According to our research, in 2020 our customers have prioritized security over every aspect of the products. It was thus a new type of safety we had to secure. We had to adapt and adjust – ban bulk sales to ensure security of supply for all, we had to reinforce protocols for our service employees (portioning services for cheese, meats, cold cuts) still allowing our customers to enjoy our usual selection of products.

8.4 Employee safety in the context of Covid

We deployed new enforced disinfecting protocols ensuring employee safety in the context of the Covid-19 health crisis. We suspended large reunions and conferences and our store managers have the added responsibility to check if the employees are fit to perform their daily duties safely (temperature monitoring, cold-like symptoms). Our employees are provided masks and gloves and have at their disposal multiple hand sanitizer dispensers in the store.



Employees from our central headquarters have worked exclusively from home starting March 2020 until July 2020. When work from the office became a possibility again, we deployed new reinforced protocols ensuring everybody's safety: temperature body scan at the entrance, double-check the temperature with the mobile body thermometer in case of alert of the scan at the entrance, automatic authorization to leave in case of high body temperature. Disinfecting protocols are in place and our headquarters employees, just like the ones in our stores, are supplied with masks and have hand sanitizer dispensers at their disposal.

Employees were for the better part of 2020 encouraged to work from home. It seems the hybrid system work from the office/ work from home has proven very effective and it might have a lasting effect.

We have proven our resilience and ability to carry on doing what we do best, finding new ways to achieve our goals.

8.5 Community support and hospitals support

As to continue our innovative approach of CSR with this kind of projects, during the COVID-19 pandemic, we thought we have a huge capacity to do meaningful and transformative actions and we strongly felt that the donations of food or financial resources are not quite enough for us, even though we have been offering such supplies from the beginning of the crisis even to the hospitals, such as in Suceava where the crisis stroked the most. Moreover, taking into consideration that our in-store staff was, from the first day, in the first line, we felt the need to take all necessary measures to protect them and those around them. This is why we strongly felt that it was our utmost duty to push the boundaries and do something that could benefit our community, colleagues, their families, each and every one of us, along with supporting our national authorities the best way we can.

In April 2020, at the peak of the Covid-19 in Romania, we partnered with Leroy Merlin and have built two Covid-19 medical centers, one in Bucharest "Unitatea de suport Medical Bucureștii Noi and the other one in Cluj-Napoca Unitatea de suport Medical Cluj Sala Polivalenta. Fully equipped, the medical units were aimed to build the bridge between traditional medical centers and full-on hospitals, allowing Covid-19-diagnosed patients to receive proper triage and monitoring thus freeing the hospitals for emergencies related to the pandemic.



Statement
Silviu Dragu

Manager Technical
project

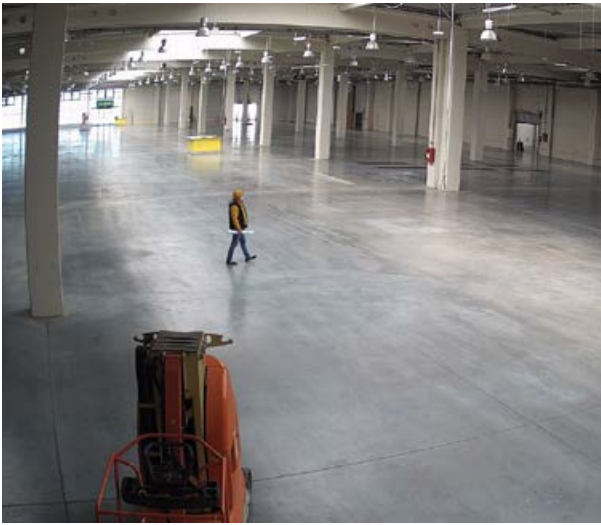
”

I completed this project together with colleagues and other volunteers. We were all partners in the challenges but also the satisfactions of this unique adventure. I met a variety of people and we were all helpful in carrying out the project of arranging the medical support unit in Bucharest. The result of my involvement encouraged me to get involved in the following projects with the same devotion. I urge everyone to take part in such an experience, to take advantage of every opportunity that arises because, in the end, it will be an incredible experience.

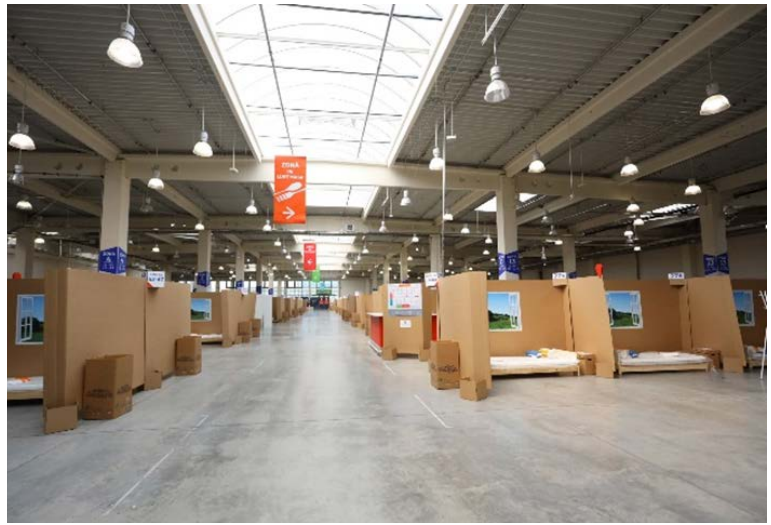
”



BUCHAREST MEDICAL SUPPORT UNIT BEFORE



BUCHAREST MEDICAL SUPPORT UNIT AFTER



Camelia
Tomescu

Internal Control and
Risks responsible

”

The challenge to participate in the „making” of a hospital came first of all with a strong emotional background, compassion, help for people, rescue ... so the percentage of involvement and desire to succeed were decisive.

I admit, I have never negotiated at such a high level, and I consider that this was one of the challenges, to discover the negotiation techniques, not to make concessions and to fight for every cent or for an extra bed.

The benefit was obviously the knowledge (from the process, to the people) and the discovery of the abilities of a good communicator and negotiator. It was an exit from the comfort of my job, which I did not feel so strongly, and due to the talent and skills of the colleagues I worked with.

”



Ionuț Ardeleanu

CEO Auchan
Retail Romania in
a message pleading
for solidarity at the
peak of the Covid-19
health crisis.

”

That's how we thought we should get involved, that's what we thought best to do: a field hospital, even if maybe it is less than that. We want to receive people infected with coronavirus, which would reduce, as much as possible, the pressure put on hospitals to provide care for all. This initiative is carried out with the support and collaboration of the Ministry of Health and the Department for Emergency Situations (DSU), and we want, to the extent necessary and successful with the first unit, to expand it to other cities. Dear business people, dear business leaders, I address you with this collegial message of involvement and solidarity: we are waiting for you to join us and your support is very important! I know that many of you have already appreciated this idea, I now invite you to make it a reality!

”



8.6 Safety *with logistics*



safety for employees



safety for products



safety for clients



Oana
Toma
Human Resources
Responsible

”

We have forcibly distanced ourselves for reasons purely related to ensuring the health of each of us. Even from a distance we tried to stay in touch with each other as much as possible. We favored the activity in Telemuncă for the eligible trades.

The 2020 Commitment and Satisfaction Barometer included questions about working from home, measuring the impact of the work carried out at the level of Central Services. It revealed that Telemunca, although it brought challenges, also brought mental comfort in these times (76% of respondents stated a positive emotional state). 85% said they had access to information from the company about their health in the context of COVID-19. In addition, the majority appreciated the good communication with the direct manager but also the atmosphere within the teams. Almost 70% of employees want to be able to keep this human connection that often makes Auchan teams more than colleagues - even friends. We thought of addressing the need to keep in touch, to stay connected no matter where we operate and we launched a new project - an online community dedicated to Central Services employees (here you will find institutional, organizational information, as well as an environment of open interactions between colleagues).

We are still #responsible & supportive.

”





**Corina
Dospinoiu**

CSR Responsible,
Auchan Retail
Romania

”

In Auchan Romania we have a strong and cohesive CSR strategy, which responds to the major pressure trends, such as climate change, or biodiversity loss, moreover we also have the will and force among the teams to empower it. While we embarked and have started working on an enormous transformation from “business as usual” to a “sustainable business model”, we are still at the beginning. Many challenges lie ahead of us, in terms of sustainable sourcing, eco-design of products, or building a responsible, healthy, low CO₂ products range to our customers. We will work to reduce our energy consumption and have at least one net zero store on scope 1 and 2, and continuing the efforts of new approach of our logistics to reduce the carbon footprint, in the following years.

We must forge and we will involve our business partners in our transformation in order to create inclusive, ethical and sustainable business practices along the entire value chain, while evolving into a more circular economy approach, including our clients in the same time.

Each and every Auchan employee is actively contributing to our CSR strategy through their daily jobs, for example by reducing food waste, making more healthy recipes, by making an easy call to print less paper or by choosing a personal sustainability program that can motivate and inspire others within the community as well.

A special thank you and an admiration note to the teams that are working tirelessly for transforming our company to an even more sustainable business for the long term.

”

Auchan | RETAIL
ROMÂNIA

This report is printed on recycled paper.