

Social Accountability Certification

SA 8000 Standard

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Definition

SA 8000 is an international auditable standard which implementation is volunteer and allows the verification of social accountability management system by a certifying organism.

The SA 8000 standard is composed by nine requirements. Are They: Child labour; Forced labour; Health and Safety; Freedom of Association and Right to Collective Bargaining; Discrimination; Discipline; Working hours; Compensation and Management Systems.

Certification is the recognition by an independent entity, in this case SGS ICS, that the SA 8000 standard requirements are followed by Group Auchan Portugal.

SA 8000 Standard

With the certification, Auchan Portugal:

Is the first in the distribution sector, in Portugal

Is the first in the international Group Auchan

Is the second worldwide in the distribution sector

Standard Requirements

Child labour – child labour is unacceptable. Employees may not be under the minimum age determined by national law, and in any case, under 14 years old

Forced labour - forced labor will not be tolerated under any form, including corporal punishment, physical or mental coercion, verbal abuse

Health and safety - provide a safe and healthy work environment; take steps to prevent accidents and injuries of its employees

Freedom of Association and Right to Collective Bargaining – the company must not interfere in the employees' exercise of their rights relatively to form and join trade unions and bargain collectively

Standard Requirements

Discrimination – No discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age; salaries, promotion, retirement or access to professional training.

Discipline – no corporal punishment, mental or physical coercion or verbal abuse.

Working Hours – The company complies the applicable legislation by paying the extraordinary working hours.

Compensation – The company rewards the employees according to the law and, by this, assures the payment of all taxes

Management Systems – top management must define the company's policy regarding social accountability

Stakeholders Involvement

We involve all our suppliers in the certification process



Signature of the commercial ethic code
(near 1.700 already signed)



Supplier Audits

Good Practices

Investing in People

99% of our employees are shareholders

Sharing knowledge, responsibility and results: this is the policy of participation that Auchan Portugal determines for its employees.

Auchan Portugal facilitates economics training to all its employees for a better understanding of the company's financial reports and investing responsibly. This opportunity given to the employees allows that, nowadays, that 17% of Auchan Portugal is owned by its employees.

In the last 6 years the value invested by our employees was 13.070.169 Euros.

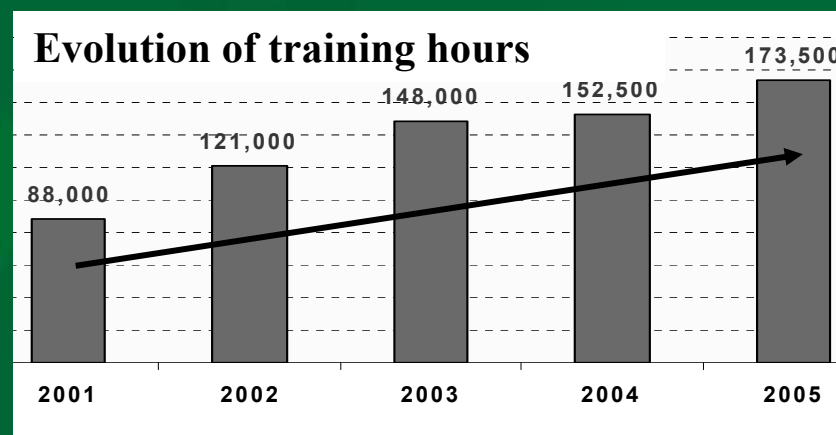
Internal Promotion

The development strategy of Auchan Portugal is to give to their employees the opportunity to grow with the company, and that means a clear bet in internal promotion. Actually 70% of the company's staff are a result of this internal promotion.

Bet in People

The training investment grew more than 97 %

To prepare its employees for a better performance in their work, Auchan Portugal has several training programs adopted to the specific necessities of each one. Training is a very important instrument in the integration, orientation and professional evolution of the teams. Since 2001, the Group's training investment grew 97% and our objective is to reach 40 hours of training/year for each employee. In 2005, 93% participated at least in one training action and, in average, each employee received 29 training hours.



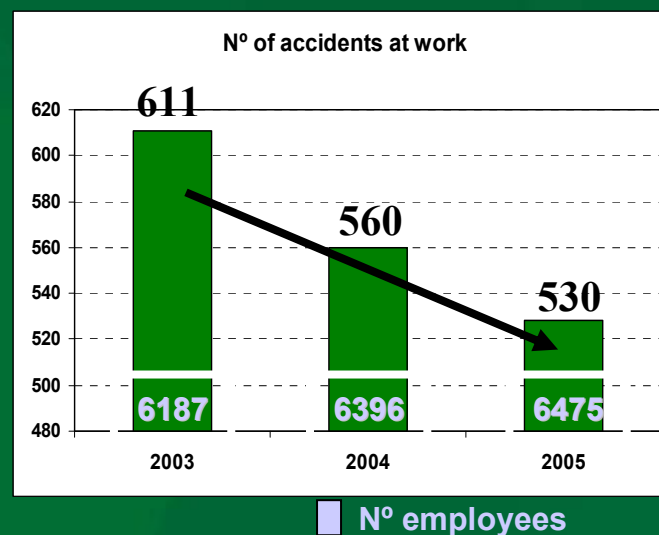
+ 97 %

Bet in People

Working Conditions Improvement

Commissions of Health and Safety at work

To develop health and safety at work in a solid way, Auchan Portugal established a partnership with the most representative trade union in this sector. The objective is to involve all employees in the definition and concretization of practices that provide an improvement of working conditions.



Bet in People

Internal Code of Conduct

Auchan Portugal strongly promotes internal principles and ethic values, which are essential to sustain a socially responsible posture. The goal of Code of Conduct is the formalization and sharing of those principles in a consistent and solid way between all employees.

The Code reinforces the social compromise of the Group and establishes the orientations of our posture and action as representatives of the company.

The principles described in the Code involve all aspects of the business, including the established relationship between the Group and its employees, directors and all stakeholders.

Bet in People

Equality of Opportunities

The Code of Conduct defines a position of no discrimination (sex, age, religion, politic orientation, sexual orientation, race or nationality).

The Group also develops a policy to integrate people with handicaps. Actually, the group has 54 handicapped employees. In 2010, the goal is to have 100 handicapped employees completely integrated. Besides integration, Auchan also promotes traineeships in collaboration with local Private Institutions of Social Solidarity (in 2005: 19 traineeships).

In 2003 the Faro Jumbo store was award with the First Category Merit Diploma by the Employment and Professional Training Institute for its performance in the integration of handicapped people.

Bet in People

Solidarity and Auchan Collaborators

The Pão de Açúcar - Auchan Foundation is the visible and acting face of the spirit of solidarity towards the Auchan Portugal employees.

This spirit is translated in the practices of: assisting employees socially and with health cares and their families, supporting employees' children at school and in their free time (day-nursery, kinder garden and university scholarship), playful actions and support to former employees.

Since 2002 the Foundation attributed:

58 University scholarships to employees' children

182 interventions in social or health assistance

840 monetary contributions for expenses with day-nursery and kinder garden

235 educative cares

16 merit awards to employees' children

91 supports in initiatives personal/professional valorisation

1633 participations of employees' children in holiday camps

Bet in People

Social Benefits

Auchan Portugal has the objective of promoting a healthy work environment to all employees. So, we develop efforts to present solutions considered by all as benefits.

For example we have: health insurances for employees and families; life and personal accidents insurances; protocols to provide special conditions; 5% of discount in purchases in all stores of the Group.

Environmental Practices

Rick & Rok Club

The Rik & Rok Club is a pioneer in the distribution sector, with a strong pedagogic component about life in society and the world that surrounds us. This component is, sometimes, materialized in partnerships with schools and companies in the communities where Pão de Açúcar and Jumbo stores are implanted. Through the years several actions were realised by the Club with the objective of call children's interest in nature and importance of its conservation.

Waste Management and Natural Resources Preservation

Auchan Portugal assumes the compromise to contribute for the improvement of the environment where it is implanted and in which depends, through the prevention and minimization of environmental impacts. To achieve this, the Group implemented a waste management policy that consists in gathering and handling paper, packages, glass or food. Trough these actions, the principle of energetic efficiency is respect and energy consumption is optimized.

Environmental Practices

Employees Training

Our environmental concerns are also visible in the internal training of employees. So it was developed a specific training module to all employees where we present the environmental concerns of the Group as well as its practices.

Consumer Sensitization

One of the bases of Auchan Portugal environmental practices is clients' sensitization. As a way to implement and influence correct environmental attitudes and behaviours the Group, in each store, offers the following products and services: gathering of used batteries; gathering of used toners; recapture of old car batteries; domestic recycling bins (In the stores the clients have available a domestic recycling bin so they can start immediately to practice waste sorting); and green and basket bags to promote the reuse shopping bags.

Environmental Practices



Environmental Improvement

Auchan Portugal signed a protocol with the Agriculture Ministry, contributing to the reforestation of the forests “Tapada de Mafra” and “Pinhal de Leiria” with 1 million trees.

Sustainable Partnerships

“Auchan Life” Products

The “Life Vida” products were introduced in 2002 to stimulate the production of farming and cattle estates that guarantee the respect for food safety, the environment and animal well fare.

The commercialization of these products gives body to the sustainable farming concept - a way of production that consists in growing animals in their natural environment and treating them according to their needs (contact with nature, free of movement, transport). The vegetables are cultivated in fertile and equilibrate soils with a rational management of water resources and pesticides. At the moment, there are 97 “Auchan Life” products.

Support to National Production

In the last years, Auchan, through Jumbo and Pão de Açúcar stores has been supportive of the local production development and promoting the exports of Portuguese products, mainly to Spain, France, Italy, Luxemburg, Poland and Angola.

Sustainable Partnerships

Suppliers comply with the Ethics Code

The consistency and solidity of the Auchan Portugal Social Accountability policy also refers to the involvement of our suppliers, which means they are committed to the improvement of employees' working conditions and to the regard for human rights. No discrimination, no child labour and health and safety at work are some of the good practices that Auchan verifies through Social Audits. All of our merchandises and services suppliers sign this commitment with Auchan Portugal.

Involvement with Society

Humanitarian Projects

The Auchan humanitarian project aims to support institutions of social solidarity, schools and kinder gardens dedicated to needed and handicapped children. This support consists in offering products of first necessity to each institution like food, personal hygiene products, clothes, books, toys and so one.

To strengthen this support and also to involve our clients in this solidarity initiatives, Auchan Portugal organizes public collections in all stores, every first Thursday of each month. The goal is to collect more and more products for these institutions. Since 2001, Auchan Portugal supported more than 250 institutions, collected more than 700.000 products and helped more than 50.000 children.

Cultural Sponsorship

Auchan Portugal supports culture through two Foundations: Serralves Foundation (Porto), on which is a founder partner and Marquês de Pombal Foundation (Oeiras)

Involvement with Society

Promotion of Accessibility

Auchan Portugal has come to launch products of its own and of the Rik & Rok brand (owned by Auchan), which package has designations in Braille to facilitate shopping by blind clients (actually there are 782 products with Braille designations).

Others ways used to promote the accessibility and mobility in stores are: the personal attendance during shopping, provided by trained employees; accessibility to wheel chairs and shopping cars adapted to wheel chairs.

The home delivery service is free for handicapped people.

Consumers

Strengthen the Acquisitive Capacity

To improve, each day, the acquisitive capacity and the quality of choices for as many consumers as possible, Auchan delineates its local offer according to the clients' needs with an adapted diversity of products, «hard discount» prices, stores with a strong commercial dynamic and a permanent concern about quality of service.

In the last 3 years Auchan invested in lower prices, launched a line of “first price” products and seasonally made campaigns with products at 1€ (mainly non food products).

Consumers

Demand for Quality

The support to consumer empowerment implicates demanding quality standards. At the Hygiene and Food Safety level, all stores guide their actions by the HACCP system (Hazard Analysis and Critical Control Point) and are subjected to monthly quality auditorships.

Auchan has four stores (Alfragide, Almada, Maia and Gondomar) that have already obtained the Service Certification by SGS – Qualicert System - for the Fresh Products Department according to the referential Technical Specification SC-RETR19.

Thank you