



## 2. Issues social

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Promoting diversity

Facilitate career paths Improve the quality  
of life at work

**Marked by the outbreak of the health crisis, the social year 2020 was an exceptional one, with priority given to the health and safety of our employees in the pursuit of our business.**

The implementation of extended teleworking for most of the employees of U Enseigne establishments, the maintenance of on-site work necessary for a majority of U Log employees, the management of partial returns to the sites, the creation of new relationships and remote work methods, the distribution of operational recommendations to store associates have mobilized both the U Enseigne HR teams and the U Log team.

A crisis unit was activated at the Group level on February 26, with the constant concern to preserve the health of all employees.

In conjunction with the public authorities and its social partners, U Enseigne has adapted its work processes throughout the year and has paid particular attention to the safety of its employees, both physical and psychological (see Health and Safety chapter on page 50): provision of protective equipment, computer equipment for teleworking, training for managers, support actions, etc.

of the social link, opening of a confidential psychological listening cell...

In a survey of all U Enseigne employees conducted in June 2020 ("What do you say?"), which received a 76% participation rate, 94% of respondents felt that the crisis had been well managed by the company,<sup>ere</sup> both in terms of communication and organization of telecommuting than in preparation for deconfinement.

In this context, U Enseigne has continued to build its social contract, initiated since the

creation of U Log in April, then 2016 of the Cooperative U Enseigne in July 2017.

Three negotiations have been conducted at the site level with a 2020 view to agreements to be validated in early 2021. They concern in particular the employment of disabled workers and the end of careers. At the U Log level, in view of the health crisis, apart from the NAO agreement (mandatory annual negotiations), negotiations planned in 2020

have been postponed to 2021.

However, U Log has decided to compensate for work stoppages related to Covid in order to neutralize the consequences of absences related to the pandemic as much as possible, and has negotiated an amendment to the collective profit-sharing agreement to preserve the collective profit-sharing of employees.

In addition to continuing to negotiate our social contract, the result of open and balanced social dialogue,

U Enseigne has continued to harmonize the HR tools and processes of the establishments initiated in 2018. This now facilitates the implementation, monitoring and evaluation of policies. It ensures that practices are fair and processes between all employees.

Ad hoc work committees and time for listening and sharing with managers and employees contribute to nurturing and maintaining a quality dialogue. This is the case, for example, with the commissions set up under the GPEC agreement for the establishments, and with the working groups set up within the establishments or SSCT (Health, Safety and

Safety and Working Conditions) activated on all logistics sites managed by the Group, in addition to those sites subject to regulatory requirements.

Through the "What do you say?" consultation carried out with all employees of the establishments in June, two 2020, and a half years after the unification of its structures, U Enseigne wanted to listen directly to their expectations on three themes: recognition, management and the future of the organization. The areas for improvement identified by this observatory have since been the subject of working groups within a community of one hundred managers from all professions.

U Enseigne remains attentive to accompanying its employees through changes, particularly organizational and managerial changes.

Within the framework of the GPEC agreement of the establishments, specific training modules have been developed for were created to support the transformation of certain businesses (fresh produce, digital, etc.).

A specific training program has been set up to help managers implement the new social status and master the key management tools.

U Log also supports its employees and managers in the evolution of its businesses and prevention (new technologies, new products, new services). technologies, versatility, managerial proximity...).

At the end of the year, while 2020, the health crisis persists, U Enseigne saluted the commitment of each of its employees and the growing strength of its collective.

At the heart of negotiations and social dialogue, U Enseigne favors transparency, sharing social data with employee representatives each year and sharing the company's performance and projects with employees. Given the health context, these communications were carried out remotely in 2020. In 2020, the entire scope of the extra-financial performance declaration, this social dynamic is reflected in 2020:

## RESULTS & INDICATORS

**438 joint meetings**

conducted with the trade unions and representatives of the of the staff

**8 signed agreements**

Payment of an exceptional bonus of

**1000€**

to employees U Log (permanent and temporary) in proportion to their presence from March to May 2020

**76%**

participation rates U Log professional elections held during the year\*.

\*Concerns only U Log in 2020 (by-election on one site, employee college)

# PROMOTING DIVERSITY

With the U Enseigne Cooperative and its subsidiaries, the U Enseigne group brings together almost all employees 7700 with varied profiles (69% of whom are in logistics) spread over more than thirty sites in France. Because the human factor is a founding and emblematic value of our company, we know that social diversity is a source of wealth and performance for the company.

U Enseigne relies on the regulatory framework in force to fight against discrimination and promote equal treatment of all employees and future employees.

In order to respond to the risk of weakening the collective, U Enseigne relies on the regulatory framework in force to fight against discrimination and promote equal treatment of all employees and future employees.

Our commitments to promote diversity are based on the following main 4 objectives:

- Fight against discrimination in hiring
- Integrating youth
- Promoting gender equality
- Welcoming disability

## Fight against discrimination in hiring

### OUR POLICY

In 2020, U Enseigne recruited nearly 730 new employees on permanent contracts. In its recruitment processes, it ensures that it respects the principles of non-discrimination laid down by the legal framework.

Since then, specific 2017, training has been offered to HR employees and managers in charge of recruitment to ensure equal treatment of candidates in the recruitment process. Since this 2020, module is part of the training program "new manager" of U Enseigne establishments.

Because the U brand is deeply rooted in the regions, U Enseigne is particularly attentive to its social and territorial responsibility, and its contribution to social cohesion. U Enseigne dialogues with its local ecosystems to help improve understanding of the corporate world, its business sector and its professions, to facilitate access to employment and to enable young people in particular to discover the diversity of the professions offered by the company.

Thanks to the meetings, forums, job dating... in which they participate locally, U Enseigne and U Log meet candidates in all their diversity and their allow them to envisage their professional orientation by discovering our sector of activity and the opportunities opened in our trades.



### ACTIONS TAKEN IN 2020



Through the "new manager" training course, U Enseigne establishments have continued to train new recruitment officers and managers to diversity and the fight against discrimination in hiring. And through the specific module dedicated to HR teams, two recent HR recruiting managers who joined the Ouest fin establishment 2019 were trained in 2020.

### RESULTS & INDICATORS

100%

recruitment officers  
within HR departments  
had access to and completed anti-  
discrimination training in the  
workplace





# ▶ Integrating Young People

## OUR POLICY

In order to attract new talent and enrich itself with diverse profiles, U Enseigne is particularly attentive to the integration of young people and has a policy of welcoming, training, hiring and monitoring young people of under-30s, in particular through work-study programs, and by involving its experienced employees to supervise them.

In the U Enseigne establishments, a process for welcoming and monitoring work-study students has been formalized in a "Work-study student/trainee passport" monitoring 2018.booklet has been introduced to promote three-way communication between the work-study student/trainee, the HR representative and the tutor. It sets out the best practices to be implemented by the Tutor and the HR advisor, and structures the integration, follow-up and end-of-course interviews with the work-study student. It also allows the student to join our pool of potential candidates.



Since then, 2019, new work-study students have been welcomed in each of the 5 U Enseigne establishments as part of an integration seminar. It allows them to better understand the company, its culture and its organization, and is an opportunity for each of them to get to know the community of work-study students on the site.

In 2020, the U Group created the Food Retail Training Center<sup>1</sup> for Apprentices (CFA): the Ecole de la Nouvelle Alimentation. In addition to the academic content provided by the partner CFAs, U Enseigne adds specific modules for working in the retail sector, led by U internal trainers. The school's priority is to train young people from outside the company in the food industry, but its role is to open up to other audiences and specialties.

Since then, 2018, alongside other U stores in the region, the establishment U Enseigne Nord-Ouest is participating in the creation of an application store in Savigny-le-Temple. This store

is managed by students at the Antonin Carême vocational high school (77) as part of their vocational baccalaureate in commerce. Thanks to this partnership, the company is involved in the professionalization of the retail sector and has established special relationships with young people who are destined for these professions.

In order to promote its businesses to high-potential future graduates, U Enseigne has initiated the creation of the first Graduate Program for work-study students in the retail sector, created in partnership with the Montpellier Business School. This customized program allows the student to discover our different businesses:

U Enseigne for the cooperative's activities, U Log for logistics, and at the point of sale where students come into contact with all the departments and professions.

The cooperative participates in the financing and implementation of this 360° path combining operational experience and continuous learning.

## RESULTS & INDICATORS

183  
employees

in work-study contracts by 31/12/2020

-12% vs. 2019

48%

of permanent hires  
over the year involved  
young people under the age 30  
of

## ACTIONS TAKEN IN 2020

- As part of the France Relance plan, U Enseigne has joined forces with Groupement U in the "1young solution1" scheme with the aim of to offer young people, with or without a diploma, the opportunity to develop within the company: to accompany them, train them and facilitate their entry into professional life, in all territories. More than 1,200 job offers are open to them.
- Since September, 2020, Enseigne has been a partner of the E2C94, the Val de Marne's "Ecole de la 2<sup>ème</sup> chance", whose mission is to facilitate the professional and social integration of young people between the ages of 12 and 18 without qualifications or diploma. Meetings have been organized between our teams and the students of the E2C94, in particular to introduce them to our company's jobs, in stores and in support functions. The Groupement U will be welcoming young people on an internship-discovery program.



- Creation of the Apprentice Training Center, the Ecole de la Nouvelle Alimentation. The first class of CAP Butcher trainees started in September: 2020 students are welcomed in four classes in Ambérieu (Ain), Lézignan (Aude), Angers (Maine-et-Loire) and Paris (19th).



- In 2020, partnership with target schools, U Enseigne welcomed 183 employees on work-study and apprenticeship contracts. In 2020, integration seminars for work-study students were held remotely and inter-establishment seminars. Seminars were organized for 1 new alternates from the West and NW sites, and for 2 those from the Rungis, East and South sites.
- Since the beginning of the school year in September, 2020, new students have joined the Montpellier Business School's Graduate Program for 24 months, created in 2018 partnership with U Enseigne.
- In addition to work-study solutions, U Log has been facilitating the professional activity of young students by offering part-time CDI contracts since the fall of 2017 that are particularly likely to suit them. 143 At the end of the year, there were more than 1,000 such

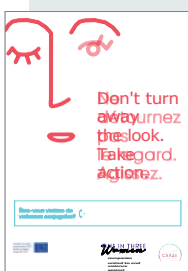
# Promoting gender equality

## OUR POLICY

Through the respect of the legal framework, U Enseigne ensures non-discrimination between women and men in recruitment and access to training, mobility and remuneration. Indeed, professional equality between women and men, but also gender diversity, are factors of collective enrichment, social cohesion and economic efficiency. They are assets for the company, its growth and its social dynamism. At the end of the year, 29% of U 2020, Enseigne's employees were women and 71% were men. of employees (60% respectively and 40% outside U Log).

Convinced that the company can be a place of prevention against violence against women, U Enseigne committed itself in December 2019 alongside the Fondation Agir Contre l'Exclusion, with 14 major groups and an employers' organization, by signing the Charter against violence against women. In complementarity and in close connection with all the actors in the field, the company is thus a privileged "entry point" for directing women victims towards the competent structures so that they can express themselves and receive legal, medical and social support.

## ACTIONS TAKEN IN 2020



- For the U sign establishments, Equal promotion and pay for men and women is examined as part of the mandatory annual negotiations.
- At U Log, a company agreement on professional equality was signed in March 2018 for 3 years. Within this framework, U Log is working in particular to adapt the organization of working hours for pregnant women by granting the possibility of working during the day to all pregnant employees who request it, and this until the start of their maternity leave. This agreement is monitored once a year by the Professional Equality Commission.
- As part of its plan to prevent, combat and support employees who are victims of domestic violence, U Enseigne establishments have created specific tools and procedures, signed an agreement with a specialized organization that provides free legal and psychological assistance to victims, and trained their HR teams to support employees who are victims of domestic violence. This program will be fully deployed to employees of the institutions in These 2021. resources have been deployed in 2020 in U stores (action sheet for associates, awareness kit for stores, distribution of the App-Elles® alert application, procedure referral to legal and psychological assistance). For our customers, during periods of confinement, which are more likely to lead to an upsurge in domestic violence, we have reminded them on all sales receipts of the hotline for women victims of violence set up by the public authorities (39 19).

## RESULTS & INDICATORS

Gender Equality Index\* (GEI)

**Cooperative U Brand 88/100 vs in 77 2019**  
**U Log 89/100 stable vs. 2019**

**188 employees**  
 have benefited from paternity leave  
 and childcare

**5% of employees on** permanent  
 contracts

**and 7% of employees** on permanent

contracts have been promoted internally  
 by 2019 the Ministry of Labor;  
 it is composed of major 5 criteria that assess inequalities between women and men in companies in the form of a score on 100.

# Welcoming Disability

## OUR POLICY

U Enseigne wishes to facilitate the reception of people with disabilities in four main areas:

- recruitment and integration of people with disabilities
- Supporting the employees concerned on a daily basis in their professional development with adjustments to their workstation and/or working hours
- raising employee awareness through workshops, meetings and training, in particular with the implementation of a DuoDay in all establishments
- collaboration with the Etablissements et Services d'Aide par le Travail (ESAT) to contribute to the social and professional integration of disabled adults.

Each U Enseigne establishment has set up an HR contact person to deal with the subject of disability. U Log also has a Disability Officer who assists human resources managers and helps them to establish contact with specialized services (Agefiph, Cap emploi, network of social workers...).

In addition to directly employing disabled employees, U Enseigne also calls upon Etablissements et Services d'Aide par le Travail or Adapted Companies for one-off or recurrent actions.

For the future, U Enseigne's ambition is to continue its commitment to disability.

## ACTIONS TAKEN IN 2020

- U Enseigne has trained the disabled referents of the establishments on their role and the legal framework of their action.
- These referents, meeting in a dedicated working group, have implemented an action plan to raise awareness of disability among employees and to make their mission better known to employees (support measures, assistance with procedures....). Given the health context, the participation of the establishments in the national DuoDay - which allows a person with a disability to be welcomed into the company for active immersion - had to be postponed until 2021, but a campaign to raise awareness among employees could be carried out remotely during the European Week for the Employment of People with Disabilities (SEEPH) in November 2020: A poster campaign by Agefiph, awareness-raising activities on the different types of disability (Handiquizz and a board game with prizes made by an ESAT partner of the group) and individual information meetings were attended by almost all participants<sup>350</sup>. Publications on the internal web community and social networks completed these actions.



- As planned during the 2020 NAO, U Enseigne establishments have opened negotiations with the trade unions with a view to concluding an agreement in 2021 to promote the employment of disabled workers. At the same time, they have also deployed a questionnaire co-constructed with the social partners among employees to gather their opinions and expectations concerning the company's disability policy with a view to progress and perfect its actions on the subject.



- U Log also took part in the SEEPH 2020 by participating in the "Handigital Café - Les rencontres de l'orientation TH" organized by the LADAPT association. It was able to present the logistics professions to disabled people undergoing professional retraining via videoconference.

- The various establishments are also attentive to the adaptation of workstations and act to maintain the employment of disabled people, in particular through the purchase of adapted equipment.



- U Enseigne establishments call on the protected sector to provide certain services. Depending on the site, these include: the purchase of office supplies, maintenance of green spaces, recovery and recycling of computer equipment, and direct mail operations. U Log also uses the sheltered sector for certain services (order preparation, pallet repair, maintenance of green spaces, etc.) and has a long-standing partnership with 19 adapted companies and ESATs.

## RESULTS & INDICATORS

5,32%

employment rate of disabled persons

**not comparable 2019**

(application of the new terms of the reform related to the obligation to employ disabled workers, which came into effect on

As of January 1<sup>st</sup> 2020)

**298 employees**

in a situation of disability with  
Recognition of the Quality of Disabled  
Worker (RQTH)

# FACILITATE CAREER PATHS

The Group's environment is constantly changing as a result of changes in consumer trends, changes in the competitive environment, new regulations, technological developments, etc., and requires U Enseigne to anticipate and adapt its human resources. These changes are both a factor of attention and a source of opportunity for our employees.

We are convinced that the quality of our business depends on the quality of the human relationships we are able to create. Attracting talent, developing and adapting skills, encouraging internal mobility, building loyalty and ensuring the sustainability of know-how are all levers to respond to the risk of losing vitality of the company's social body, to sustainably deal with the changes necessary to maintain the company's competitiveness and to enable each employee to build his or her career path.

Our commitments can be broken down into the following objectives<sup>3</sup>:

- Attracting talent
- Adapt and develop skills
- Retaining talent

## ► Attracting talent

### OUR POLICY

We want to attract the best talent in our territories, both in our U chain stores and in our U stores. Because we are in favor of a business with a human face, people are at the heart of our business.

of our employer promise. We want to assure our candidates that at U, everyone can grow professionally and personally.

Our Employer Value Proposition is built around three pillars:

- We claim stronger human values
- Proud of our brand, proud to be U
- At U, the quest for progress is a daily occurrence

Our recruitment policy reflects this.

U Enseigne favors internal mobility, which is at the heart of its Employer Promise (see the "adapting and developing skills" policies and "talent retention").

In addition to this internal dynamic, to encourage new talents to join us, U Enseigne is carrying out a dynamic action on its Employer brand: visibility on social networks, dedicated website

U-emploi.com, participation in events to identify and meet with candidates. These resources support the actions carried out as close as possible to the territories of each site and the policy of welcoming young people mentioned above.

### ACTIONS TAKEN IN 2020



- The redesign of the U-emploi.com website was rolled out in early 2020. Modernized and enriched, it gives candidates a complete overview of the Group's life and culture and provides them with an operational tool for applying for jobs published in all business lines. It recorded more than one million 1,4 visitors in 2020.

- U Enseigne is active on social networks where the LinkedIn® SYSTÈME U page registers more than subscribers 51000, still in growing numbers (+37%) and with a high rate of engagement in the food retail sector (11%).

- Despite the difficult circumstances, U Log has continued to maintain its strong permanent recruitment objectives. An inter-site working group was set up to share and disseminate best practices among hiring managers and to open up the company to the adapted sector.



- The U-brand establishments have deployed the integration program for new employees on permanent and fixed-term contracts and work-study students created in: 2019 the e-learning module The U Cooperative discovery program launched in 2019 includes a kit enabling managers to welcome and support new employees during their first few months, a seminar 2The health context has forced us to reorganize the integration seminar into a distance learning format and to postpone sessions on two occasions. The health context has forced us to reorganize the integration seminar into a distance learning format and to postpone sessions on; 2021 two seminars on Nevertheless, four of them were conducted, as well as a part of the warehouse visits.

- In the second half of 2020, U Log carried out a similar process on a pilot site (integration process, formalized follow-up and exchange points, etc.). The very positive feedback from this project will enable us to deploy this new system for welcoming employees in 2021.



To support the dynamics of the store network, U Log is committed to a strategy of modernization of logistics tools, with an investment plan of €430 million over the period 2017-2024.

infrastructure (internalization of service sites, expansion of warehouses, development of rational mechanization on 100% of sites, etc.) is accompanied by a massive plan to recruit permanent staff in order to reduce the number of employees.

the temporary employment rate. These recruitment targets are set within the framework of social agreements. More than 2,240 permanent employees have joined U Log since its creation in April 2016, almost all sites, including 572 2020.

The employment development plan will continue with 2021 more 600 permanent hires planned from September to 2020 December, targeting 2021, the position of multi-skilled logistics employee.

However, the strong variations in activity, especially during the season, require the use of a temporary workforce, which is particularly attractive to young people and students.



## RESULTS & INDICATORS

730  
**Recruitment  
CDI**  
-14% vs. 2019

of which for 572 U Log

## Adapt and develop skills

### OUR POLICY

Convinced that social performance leads to sustainable economic performance, U Enseigne is committed to promoting the employability and professional development of its employees by giving them a say in their own careers, with the support of their managers and HR departments. The agreements relating to the forward-looking management of jobs and Skills (GPEC) signed by U Log and by the U Enseigne Cooperative constitute the basis of our policy.

The GPEC allows to anticipate the organizational, structural and economic adaptations of the company, in order to ensure the to ensure that skills and jobs are always well matched. It also allows us to support our employees and to take into account their career paths and professional projects, strategic orientations, technological changes and changes in the professions.

For U Enseigne establishments, this agreement provides for support measures on :

- skills development
- career support
- the internal mobility process
- support for geographical mobility
- external mobility mechanisms

From the 2018, institutions U Enseigne build their skills development plan a common dedicated tool, thus guaranteeing the alignment of projects with the Cooperative's strategic axes and enabling the 2019 implementation of a national training program with a hundred or so modules.

For U Log, one of the challenges of this management is to protect the health of the employees thanks to the adaptation of the work possible in particular by the development :

- versatility which is an essential element in the organization of the company allowing to bring diversity and interest in work, while combating drudgery and developing the employability of employees;
- a reasoned mechanization allowing to fight against the tediousness and to limit the effects of this one.

Finally, through its internal training structure, U Enseigne provides the Group's associates with various means to support the development of their skills and those of their employees.

Thanks to specific training courses leading to certification, it assists future U associates in taking up their positions, whether they are children of associates, managers of sponsored U stores, U Enseigne employees, or entrepreneurs from outside the Group.

## RESULTS & INDICATORS

2,5%  
of the payroll allocated to the continuing education  
-0.2 pt vs. 2019

59%  
of the permanent workforce has benefited from at least one training session per year

8 hours  
of training on average per trained employee



## ACTIONS TAKEN IN 2020

## &gt; U

- In the recent context of the creation of the U Enseigne Cooperative (2017), and with a proactive approach within the framework of this unification, special attention continues to be paid to "sensitive professions" requiring the implementation of specific measures in terms of professional training, mobility, and career management. Accompanying the changes linked to the evolution of our organizations and our businesses is a constant focus of our development plan.

development.

- U Enseigne has reworked its training offer with 2020 its service providers to adapt it to the constraints imposed by the health crisis. New pedagogical tools and distance learning sessions enabled 45% of the training to be carried out (55% in person); less than 5% of the planned sessions had to be postponed at the beginning of the year. 2021.



- U Enseigne relies particularly on its managers to support the well-being at work and the development of its employees' skills. A two-year training course has been more specifically aimed since 2019 at new managers from internal promotion or external recruitment. 57 participants have completed their 2019-2020 training cycle and 41 new participants have signed up for the 2020-2021 program.

- For the 3<sup>rd</sup> consecutive year, U Enseigne has proposed to its employees in charge of training and advised sales outlets to use their Personal Training Account to enroll in a certification program recognized by the State and the professional sector: employees 35 were certified in and 2019. According to 2020, to the profile concerned, each one followed a course of 13 or 14 days of training over 6 months. A 3<sup>rd</sup> group of 15 volunteer employees joined the program in 2020.

- In 2020, despite an atypical year, five new training cycles for future U Associates were opened, bringing together 41 trainees, including four U Enseigne employees. In order to support the dynamics of the store network, U Enseigne, with the help of associates already in place, has been supporting the development of new stores for many years. date its employees who wish to invest in entrepreneurship in U stores.

- To help store teams fully embody the skills and attitudes induced by our Merchants Differently values with their customers, Since May 2019, U Enseigne has been offering a major training and animation program for employees of all U stores. By the end of 2020, more U store managers 4000 and employees had completed this training.

- Groupement U is the first retailer to open its own Apprentice Training Center (CFA) in September (2020 see our youth integration policy on page 40). Designed primarily to train candidates from outside the company in the food industry, its role will be expanded to include other groups and specialties.

## Establishments &gt; U Log



- In the health 2020 context, the full deployment of the skills development plan was hampered, with priority given to training that is essential for prevention and safety actions. A maximum number of training courses cancelled at the height of the restrictions were postponed to the end of the year or to the following year 2021.

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- The "logistics employees" represent nearly 80% of the workforce. It is by far the main profession of the company. U Log's social harmonization and HR policy are therefore naturally oriented towards enhancing the value of this profession with a qualifying career path, with a dual objective: to develop versatility which allows each employee to diversify his or her activity and thus reduce the difficulty of the workstation, while opening up a career and salary development perspective for the greatest number. Actively involved in the modernization of its warehouse operations, U Log is committed to supporting the development of skills in connection with the implementation of new technologies.

- In order to make its training offer accessible to as many people as possible, U Log is exploring new e-learning methods. Three themes have been tested in 2020.



- In order to better support its warehouse employees' skills development, U Log has designed the Défi Log training: based on a game of the operation of a logistics site, led by occasional internal managers-trainers, it aims at a better understanding of the processes and interactions between the different warehouse activities and to share business knowledge. Launched in 2019, this training continued in 2020 for new employees.

- A specific support plan to develop managerial skills was initiated in June 2018 with the Capt'Ten - the managerial foundation training. Facilitated by members of the extended Management Committee, its objective is to share a common vision of our management style in line with our corporate values. Suspended in 2020, this management training will be updated and continued in 2021.



# Retaining talent

## OUR POLICY

As an employer, the Groupement U has three major anchors, which we intend to embody in our employees and future employees, and around which the community of our employees gathers:

- we claim stronger human values
- we are proud of our brand, proud to be U
- at U, the quest for progress is a daily occurrence

Thus, internal promotion is one of the main levers of U Enseigne's HR dynamics.

The GPEC agreements in force in U Enseigne establishments and within U Log provide for formal interviews for all employees regular meetings that provide opportunities to discuss each person's needs, wishes and career development prospects.

Applying for internal mobility is a voluntary step on the part of the employee. U Enseigne is committed to facilitating the expression of its employees' wishes for internal mobility - with the possibility for each of them, and at any time, to enter their wishes for mobility via the U Talents tool -, to bring the offer of available positions to their attention, in particular via the company's intranet, to study in priority the applications

and to facilitate effective mobility. Our policy of adapting and developing skills, described above, naturally contributes to supporting this internal dynamic.

Lastly, collective actions and convivial events are organized both on the sites and within the U Enseigne entities: by strengthening team cohesion, they facilitate the integration of newcomers and contribute to employee loyalty.

## ACTIONS TAKEN IN 2020

- Internal promotion has remained dynamic and has enabled 66% of the recruitments made in 2020 to be filled. This is an area that U Log intends to revitalize over the next three years, in particular through better identification of potential. Maintaining and strengthening the employability of its employees is one of the priorities of U Enseigne establishments for 2021.



- The "What do you say? survey conducted in June among employees of the Group's establishments attracted 76% of respondents. It showed that 89% of them do not plan to leave the company, motivated by the pleasure and meaning of their work, the opportunities for mobility and career paths, the benefits and the compensation.

- Due to the health crisis, regular social events at the sites had to be postponed. Employees were nevertheless able to join local events such as the 40th edition of the Nantes Marathon, "run" virtually on 26/04, the Défi Vélo organized by the Mulhouse Local Authority and its agglomeration in September, the "e-Mulhousiennes" benefiting the league against breast cancer, the Challenge connecté contre la Faim benefiting ACF, weekly group fitness classes led by an Olympic athlete partner of U Enseigne.

- For the employees of the establishments, the vast majority of whom work from home, publications and events via the internal web community have helped to preserve collective links and "living together" (see Improving the quality of life at work). The CAP RSE learning game brought together a number of employees 500 and enabled them to become aware of the challenges of sustainable development, both in their professional sphere and in their daily lives, and to better understand the CSR commitments of U Enseigne.

## RESULTS & INDICATORS

8%  
of turn-over CDI  
-2 pts vs 2019

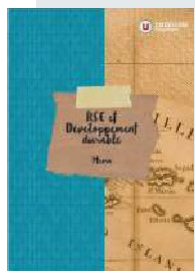
7 412  
employees  
with  
permanent  
contracts\*

at 31/12/2020  
\*not including part-time students  
+5% vs. 2019

476 contracts  
CDD and Interims  
converted to permanent contracts

99%  
of permanent contracts recruited during  
the year  
have chosen to stay with the company

482



# IMPROVE THE QUALITY OF LIFE AT WORK

Quality of life at work is a guarantee of employee fulfillment and stability within the company. As such, it is an important issue in terms of recruitment and retention of our employees.

In response to the risk of deterioration in working conditions, U Enseigne is implementing a policy to improve the quality of life at work.

## OUR POLICY

U Enseigne's Quality of Life at Work policy is based on the following objectives<sup>3</sup>

- > Implementing an efficient and facilitating work organization with regard to the evolution of U Enseigne
- > Facilitate work-life balance
- > Ensure the health and safety of employees at work, with particular attention to risk prevention and the reduction of arduousness in our logistics businesses

U Enseigne uses the legal framework to implement its policy in this area.

## Implement an efficient and facilitating work organization

U Enseigne relies on collective bargaining to organize work. A collective agreement on the length and organization of working hours within U Enseigne establishments came into effect in July 2019; it harmonized the terms of working hours for all employees. A similar agreement had been signed in February 2017 at U Log. For the establishments of U Enseigne, two new agreements signed in 2019 complete these terms, one concerning business travel time, the other telecommuting.

In addition to the regulatory bodies, U Enseigne involves its employees in discussions on improving work organization.

This is also the case when a logistics site is mechanized or with the voluntary establishment of Health and Safety Commissions Working Conditions at all of the Group's logistics sites. The same applies to U Enseigne sites on issues such as psychosocial risks.

### ACTIONS TAKEN IN 2020

#### > Establishments U Sign



- Via an agreement signed at the end of October 2019 for all its establishments, U Enseigne has opened up access to teleworking for the vast majority of its businesses. This new work organization responds to the desire of the establishments

U Enseigne to enhance the quality of life at work and consequently individual and collective performance. In order to implement this new work organization in the best possible way as of May <sup>1</sup>, 2020, an experimental phase was launched in December 2019.

- Nevertheless, the generalized implementation of telework by the public authorities for health reasons from March 2020, a modality periodically renewed during the year, has In fact, the vast majority of employees of the Group's establishments have to carry out their duties remotely. In consultation with its social partners, U Enseigne has put in place the appropriate measures for their health and safety.

Communication with all employees on the evolution of the situation has been regularly carried out. The managers of the institutions were made aware via a webinar of the specific risks related to this period (isolation, loss of connection, fear...) and guided on good practices for detecting difficulties and In addition, a confidential psychological support unit was opened, and a school support program with "Les Bons Profs", financed by the company, was offered to parents of children in junior and senior high schools from April 17 to June 17. During the return to the site, detailed organizational instructions were distributed to employees of the establishments (gradual return to the site, gauge to be respected, precautions to be taken...) and protective equipment was given to





them.

## ACTIONS TAKEN IN 2020

## &gt; U Log



- Within U Log, due to the exceptional context of the health crisis, teleworking was suddenly introduced for all compatible functions and activities. Then, within the framework of a dedicated Working Group, led by the Human Resources Director and composed of staff representatives, a questionnaire was sent in December 2020 to all the employees of the support functions in order to take into account their feelings and suggestions following this experience.

The analysis of the answers provided showed that a majority of the respondents were satisfied with the

The company's decision to develop regular telecommuting following the health crisis as part of a company agreement was supported by them.



- Throughout this period, U Log continued its logistics activities at all its sites. Regular consultations were held with the employee representative bodies at national and local levels to implement measures to ensure the continuation of economic activity and the protection of employees.

Personal protective equipment and cleaning kits were distributed, the services

The work was reorganized (regulation of breaks, staggered start and end of shifts, etc.) to ensure the health and safety of staff. Managers and employees have been made aware of the risks associated with the health situation and instructions (barrier measures) have been communicated daily in the field (briefings and posters). A psychological support unit was also set up to people in difficulty and actions have been taken with service providers (temporary employment agencies, transporters, cleaning companies, etc.).

Finally, to ensure the continuation of social dialogue, an agreement on trade union rights has been concluded, allowing meetings to be held remotely.

RESULTS  
& INDICATORS

4%

of employees working part-time  
**stable vs. 2019**

178

**managers**

of institutions participated in the  
webinars on the prevention of  
psychosocial risks related to  
confinement

9,9%

Absenteeism rate  
of which U Log  
11.3% and U  
Enseigne 5.9%.



## Facilitate work-life balance

Collective agreements on flexible working hours are currently being for both U Log and U Enseigne establishments. For the latter, the collective agreement on the duration and organization of the In particular, the new working hours policy, which came into effect on July 1, 2019, extended the implementation of flexitime for employees and supervisors in all establishments, as well as the pro rata benefit of days off work for part-time employees.

It also creates a right of absence to care for a loved one and extends to all employees of U Enseigne establishments the authorization for late arrival on back-to-school days and the benefit of a Time Savings Account.

The Annual Mandatory Negotiations (NAO) also make it possible to agree on measures to promote work-life balance.

### ACTIONS TAKEN IN 2020

#### > Establishments U Sign



- The NAO signed on 11/02/2020 includes several measures to promote work-life balance: shortening of the fixed afternoon time slot, payment of hours<sup>2</sup> for the return to school of children up to and including the first year of secondary school<sup>6</sup>, possibility of early departure with pay for the departure on the main leave of the year.

- During the period 1<sup>st</sup> of confinement and teleworking, in order to support employees who are parents of young children, U Enseigne financed a school support system (nearly 200 children were supported from April 17 to June 17). Throughout the year, advice and tips on well-being at work were disseminated via the internal web community.



- In addition to common collective agreements, and in line with the company's philosophy of proximity, each establishment is committed to facilitating the daily lives of its employees (concierge services, delivery of orders to the workplace, for example).

The U Cooperative contributes 1% of its payroll to the financing of the social and cultural activities of the CSE, enabling the social partners to facilitate access at preferential rates to certain day-to-day services such as local sports facilities or homework assistance.

- Since 2017, a solidarity fund can be activated in favor of employees of the U Enseigne Cooperative temporarily facing a difficult financial situation.

#### > U Log

Aware that difficulties of a personal nature can affect the professional sphere, U Log offers a social work service to all its employees in order to :

- respond to the demands of employees facing various social situations;
  - deal with topics outside the professional sphere (family, budget, housing);
  - take charge of administrative files
- The company does not have the required expertise for "technical" projects.



On-site or remote physical visits - in connection with the health context - are provided with appointments, but also time for the occupational social service assistants dedicated to external approaches, follow-up of files and visits to employees' homes. Financial assistance may be granted within the framework of a solidarity fund (file managed by the occupational social service assistants).

### RESULTS & INDICATORS

64  
requests  
of parental leave taken  
+39% vs. 2019





## Ensure the health and safety of employees at work

In accordance with current legislation, U Enseigne is responsible for the safety and health protection of each of its employees.

This requirement has become particularly acute in the context of the major health crisis declared in 2020: by regularly reassessing occupational risks in the light of the changing situation, the management

U Enseigne's general management, in conjunction with the social partners and public authorities, has adapted its prevention actions throughout the year and protection in order to protect the health of its employees and ensure business continuity. A crisis management system has been activated, enabling rapid decision-making and action.

The prevention of arduousness is a constant concern of

U Log. This one has the will to support the implementation of actions to prevent occupational risks by placing the group at the center of its thinking (versatility, job ..... development).

### ACTIONS TAKEN IN 2020

#### > Establishments U Sign



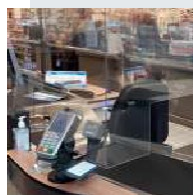
- In the context of the Covid-19 pandemic, the general management maintained regular communication with all employees on the evolution of the situation and the U Enseigne establishments, most of which were telecommuting, ensured that managers maintained their links with their employees. The latter have been made aware of



the detection and prevention of risks specific to this context and to enhanced telework. For all, advice related to the practice of telework, to the organization of work space and time were disseminated via the internal web community and a confidential psychological support unit was opened (see also the chapter on work organization).

When employees returned to the site, detailed organizational instructions were distributed to them (gradual return to the site, gauge to be respected, organization of work areas and traffic, precautions to be taken, etc.) and individual protective equipment was given to them (hydroalcoholic gel, masks, disposable tissues, etc.)

Attention has also been paid to maintaining team cohesion, both within departments and between sites: sport and well-being challenges via the U Heroes platform for the benefit of charitable actions (fight against



More than 550 employees registered), fun activities, advice on well-being at work, remote team building activities in the form of escape games, thematic competitions at Christmas (cooking, decoration, etc.). U Enseigne has also provided U Associates with recommendation guides for the protection of their employees and customers during the different phases of the Covid-19 pandemic.

- U Enseigne has set up a working group made up of members of management and staff representatives to develop a procedure for dealing with psychosocial risk situations common to all establishments. This procedure will be applicable from the 2021 negotiations with the trade unions on the quality of life at work planned for 2021, which will also provide an opportunity to strengthen existing actions in the area of professional risk prevention.



- The nursing services present on the sites make it possible to set up and run information and prevention initiatives for employees (prevention of musculoskeletal disorders, nutritional advice, etc.).

### RESULTS & INDICATORS



32,3%

Frequency rate of work accidents

**-6.4 pts vs. 2019**

of which 43.5% for U Log

1,7%

Severity rate of work accidents

**stable vs. 2019**

of which 2.3% for U Log

**3 892**  
**employees**

trained in safety during the year

0,4%

of the wage bill  
spent on safety training

U Log has established a diagnosis of the factors of arduousness, taking into account the exposure thresholds defined by the French Labor Code. In light of this diagnosis, and wishing to take into account the lengthening of the working life, the Directorate of U Log has launched a three-year action plan (2019-2022) covering the following themes: adaptation and adaptation of the workstation (e.g. shelving equipment), the reduction of exposure to occupational risk factors known as "arduousness" by developing rational mechanization in the "Ambient" sector, the improvement of working conditions through the use of plastic pallets, and the implementation of the "Ambient" implementation, for new logistics employees, of "gestures and postures" training in order to limit the risk of musculoskeletal disorders and work-related accidents.

In addition to the development of mechanization, which allows us to fight against arduousness and to limit its effects, U Log develops the versatility of its employees. The "logistics employees" program allows each employee to diversify his or her activity and thus reduce the strain on the workstation.

In the context of the creation of the Social and Economic Committee, U Log has chosen, by agreement, to maintain a dedicated body with the establishment of a Health, Safety and Working Conditions Commission on each site managed by the company, with the intention of continuing the efforts deployed in the area of prevention, as close to the field as possible, with the involvement of employee representatives.

For their part, in collaboration with their nursing services, U Enseigne establishments carry out actions throughout the year information and prevention campaigns for employees.



Finally, after the attack on the Super U in Trèbes in March 2018, the Group has mobilized to deal with the consequences of serious incidents, particularly at the point of sale. U Enseigne has thus created an innovative support system for both Associates and employees who may be confronted with a traumatic work-related event (malicious act or terrorism, serious accident or death).

Deployed in conjunction with the local or national private and public resources concerned, and covering the administrative, legal, medical, psychological and social dimensions, this support system and post-incident assistance aims to collectively support all employees in the The first objective is to provide care and the second is to help people return to work in the long term. It has been deployed in all U stores in 2019, and then in the U chain stores in 2020.

## ACTIONS TAKEN IN 2020

### > U Log



- Occupational risk prevention and safety remain a key point in U Log's skills development plan. Encouraging results have been obtained in the area of work-related accidents with a decrease in the absenteeism rate from 1.51% in 2019 to 1.39% in 2020, decrease in frequency and severity rates. Nevertheless, U Log is continuing its efforts, in particular by organizing the Safety Challenge at its various sites. Following the deterioration in the rate of absenteeism, particularly due to illness (11.3% in 2020 vs. 9.8% in 2019), increased and shared vigilance will be pursued on all sites to ensure the health and safety of employees. the safety of all, particularly in this period of pandemic. An action plan to prevent and manage absenteeism is planned for 2021, in consultation with the Health, Safety and Central Working Conditions Commission.
- U Log has continued its actions to reduce physical strain:
  - development of mechanization for the heaviest products in the Grocery-Liquids-Drugs-Perfumery-Hygiene and Fruit and Vegetable sectors (robots in fresh warehouses) deployment of "AGV" automatic guided vehicles (to limit arduous tasks)
  - 13 sites are equipped, with equipment deployed for the purpose of 2020.
  - deployment of automatic filming machines
  - use of bar seeding to reduce the height of the prepared pallets
  - development of versatility



- U Log also takes care of the working environment and the constant improvement of the working conditions of all the company's employees. This is illustrated for example by :
  - measurement of the emission rate of electromagnetic waves
  - measures related to psychosocial risks (PSR), to fight against all forms of suffering at work and situations of violence and harassment of any kind:
    - > an analysis of "well-being at work" in the context of annual interviews
    - > training for Human Resources managers at the sites, who are the main contacts and intermediaries for employees who encounter difficulties in their jobs or in the workplace.





### 3. Issues societal

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Be an actor in the dynamics  
of the territories

Encouraging CSR approaches  
of suppliers and conduct a vigilant  
approach to our supply chains

Accompanying our customers  
towards sustainable  
consumption

Ensuring consumer safety and acting  
for their health



# TO BE AN ACTOR IN THE DYNAMICS OF THE TERRITORIES

Founded on a cooperative model based on proximity, quality and human values, the U chain is closely integrated into and attached to the economic fabric of each region. Concerned with contributing to the economic dynamic as close as possible to the stores, U Enseigne favors local cooperation in a network that benefits everyone - stores, employees, suppliers, partners and customers.

In its field of action, in order to respond to the risk of losing momentum in the territories, U Enseigne focuses on three objectives:

- Favouring the French origin
- Supporting SMEs
- Supporting the agricultural and livestock sectors

## Favouring the French origin

### OUR POLICY

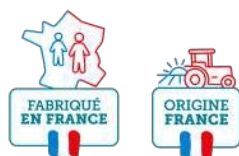
Because the U brand claims its founding local roots, support for the French economy and French products is naturally an essential requirement for our U brand products.

#### > The French origin

By sourcing U-Products from companies that produce, manufacture or process significantly in France, U Enseigne helps to support employment, in addition to the 73,000 direct jobs generated by the U Group. Thus, nearly 80% of our U\* brand food products are produced in partnership with French companies.

To support the French agricultural sector, we select, whenever possible, raw materials produced in France, both for raw products and for ingredients used in the composition of our U Products. The partnership agreements that we are initiating with the sectors give priority to direct relations with producers and short circuits (see page 56 "Supporting the agricultural and livestock sectors"). 100% of U fresh fruit and vegetable products (except citrus fruits and peppers), butchery-poultry and pork cuts are of French origin. This is one of the requirements of our specifications for U organic products (except citrus fruits).

For the consumer, these commitments are visible through the information on the packaging of our U-brand products. For example:



### ACTIONS TAKEN IN 2020

- To support the printing sector in France, which has been hit hard by the crisis, U Enseigne has decided to print its commercial leaflets in France in the spring of 2020. Thanks to the partnerships established with the company, the French printers involved will experience an almost doubling of the initial activity.



- In November 2020, U Enseigne made a commitment to the French Ministry of Agriculture and Food, along with other food retailers, to highlight fresh and local French products in its offer and to increase their visibility among consumers.
- For the second year in a row, U Enseigne has given priority in its Toys 2020 offer to partners who design or manufacture in France; a selection of French toys, often exclusive to supermarkets, was featured in a Hyper U commercial brochure at the end of the year.
- The "Best of Local" signature was launched in June 2020 and will be rolled out more widely from 2021; the communication tools have been made available to U stores, enabling them to inform consumers of partner suppliers and products. The stores' CoursesU.com ecommerce sites will also 2021 facilitate consumer access to this selection of products.
- U Enseigne brought visibility to regional and local products and suppliers throughout the year:
  - Nearly a dozen specific regional sales flyers 50 were distributed to consumers during the year to promote local offerings in the South, East, West and Northwest regions.
  - a communication campaign was carried out with France Télévisions on the occasion of the Tour de France 2020 and relayed on social networks: films 21 of seconds 60 allowed a local supplier to highlight its know-how and one of its products.
- In the autumn, the U cooperative chain and the Villes de France association signed an agreement aimed at encouraging and accelerating the development, attractiveness and revitalization of city centers. In this way, U has once again confirmed its role as a regional brand.

\* Groceries, Liquids, Frozen foods and self-service and traditional fresh products

## Le meilleur du local

Produits locaux sélectionnés par vos magasins U

### > Local and regional roots

As part of the dynamics of the territories, Groupement U intends to promote the know-how of the local businesses and participate in their economic development.

This policy is embodied on a daily basis in individual commitments of each of our stores in the specific territory where it is present. Each U Associate, an independent retailer, makes his or her point of sale part of a local dynamic, whether it involves enriching its product and service offering or calling on local service providers.

U Enseigne is supporting this policy of the Associates, in particular with the "Best of Local" approach. In the summer, this approach took over from 2020 the historic "U of our Regions" initiated in 2009; it will be deployed progressively from 2021.

34 referent associates, each from their own regional consumption area, are piloting this approach alongside the U Enseigne teams.

They select local and regional products that meet a set of

criteria: the products must be manufactured and/or processed within a radius of less than 250 kilometers from the U store by a locally based company (VSE, SME or ETI) and to justify a main raw material of French origin.

The U stores concerned are committed to integrating and locating this offer in the customer's in-store experience. These criteria are specified in a charter of mutual commitments between the company and its supplier.

Through its media and point-of-sale communications, product signage and in-store commercial events, the Brand facilitates the exposure of local companies in their territory and strengthens their ties with consumers. By privileging the proximity between producer and consumer, the approach also acts in favor of the environment.

Finally, in terms of logistics, all of the transport service providers used by U Log are French.

### RESULTS & INDICATORS



78%

production sites of the products U-branded\* food products are located in France

stable vs2019

35%

U-branded food products\* include a French agricultural raw material

+7 pts vs2019

79%

U-branded food products\* carry societal value "Company of France".

34%

of U Bazaar products created in the year carry societal value "Company of France".

\*Groceries, Liquids, Frozen foods and self-service and traditional fresh products

\*\* Revised KPI - Comparison made excluding traditional fresh products

## Supporting SMEs

### OUR POLICY

The associates of the U stores, committed to their local ecosystem and themselves independent entrepreneurs, are committed to promoting and supporting the businesses in their area, as they have demonstrated during the Covid-19 crisis by sourcing more of their supplies directly or by hosting local SMEs temporarily deprived of outlets. The approach "Le Meilleur du local" is also a way of supporting the dynamics of small and medium-sized businesses in the regions and as close as possible to the stores throughout the year.

More specifically, U Enseigne has the will to build balanced business relationships with its suppliers. Aware that the size of its organization can make its relations with the world of SMEs complex, U Enseigne strives to facilitate relations with them.

An Associate of the Group, working in tandem with a permanent member of the U-brand trade, is more specifically dedicated to facilitating these relationships. Steps are thus taken at various levels of the Group to ensure that it is in line with a long-term partner of French SMEs.

At the U Enseigne level, the partnership with the FEEF is one of the ways we can promote our policy in favor of SMEs.

Because they share a common entrepreneurial spirit and are committed to building lasting business relationships, Groupement U and FEEF - Fédération des Entreprises et Entrepreneurs de France - have entered into a particularly close cooperation.





## Contribute to the dynamics of the territories and contribute to the sustainable transformation of the agricultural world

The reciprocal commitments of both parties are contractualized in a charter of commitment; since 2015, they aim to build together a framework for commercial collaboration. Renewed in for 2019 a new 3-year period, this charter has been enriched with new commitments (special support for high-growth sectors, etc.). volatility of raw materials, prioritized conclusion of annual commercial negotiations with SMEs...).



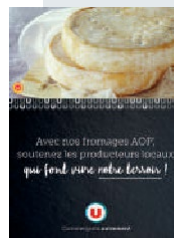
It has objectives of consultation upstream and downstream of the commercial negotiation, establishes a collaborative relationship that

is long-term and provides the means to support the development of SMEs in the sign and fluidity of their relationship with the brand, especially those with the "SME+". Controlled by an independent organization, this award distinguishes SMEs recognized for their good environmental, societal and managerial practices.



### ACTIONS TAKEN IN 2020

- During the Covid-19 crisis, U Enseigne provided support to SMEs during periods of containment.



- The company has set up a cash payment system for small and medium-sized businesses that deliver to its warehouses in order to support their cash flow during the two lock-up periods (4 months in total): this device has benefited more than suppliers 2500 for an amount of 220€ million.
- Since March 2020, U Enseigne has been committed to supporting French producers, particularly of fresh produce, for which it has set up a consumer awareness campaign in stores.
- In order to overcome the emergency supply shortages at the height of the 1st crisis, the U stores, regional establishments and national organizations have pooled their sourcing opportunities and facilitated access to the purchasing circuit for SMEs.
- U Enseigne also invited producers who saw their outlets diminish because of the health crisis to contact the U stores locally to study the possibilities of selling their goods.

- The decision to print our commercial flyers in France from the first 2nd half of the year onwards has been made in support of the French printing industry.



- Throughout the year, U Enseigne includes products from SMEs in its sales promotions and brochures, and informs consumers of those with the "SME+" label.

Since these 2020, are permanently located on the Courses U.com sites of the stores, where the consumers can also find an explanatory insert of this label.

- Through its regional leaflets, U Enseigne has also continued to promote regional products from SMEs (cf. "U de nos Régions/Le Meilleur du local").

### RESULTS & INDICATORS



77%

of our French suppliers of products are small and medium-sized enterprises (SMEs), not directly supplied by the stores

## Supporting the agricultural and livestock sectors

### OUR POLICY

By anchoring its business model in the local economy, its major role in the marketing of food products to French consumers and its societal choice to promote access to a The Groupement U is particularly concerned with the sustainable transformation of the agricultural world.

By favouring French origin, by encouraging more responsible agricultural and breeding practices, U Enseigne is actively committed to supporting French producers and breeders.

By getting involved in the Etats Généraux de l'Alimentation (General Assembly on Food), the 2017 company, through its CEO, has reaffirmed its desire to collectively build responsible and affordable prices. is committed to a fair redistribution of value to all links in the value chain. the chain through greater transparency and multi-year agreements with its suppliers.

For raw products under the U brand, which meet specific specifications, U Enseigne pursues a contractualization policy that takes into account production costs and provides for volume commitments over a minimum period of years 3 with producers who are committed to a quality approach.

U Enseigne is also involved in building tripartite partnerships (distributor-industry/processor -farmers' cooperatives) or specific contracts with the agricultural and livestock sectors.

In 2020, in collaboration with the agricultural sectors, U Enseigne has accentuated the regional dimension of its Sector policy with the aim of producing, transforming and market as close as possible to the regions. This regionalized approach was implemented in 2020 in the wheat sector, with the creation of the first regional wheat network, Blé de Bretagne U, with three Breton partners, and in the beef sector with the company's commitment to develop the marketing of Label Rouge beef.

Collaborating with our suppliers also allows us to develop a material balance approach that allows us to create synergies by redirecting less noble raw products to other outlets (purees, frozen foods, processed products, etc.) in order to make them profitable and avoid waste.

For years 10, U Enseigne has been accompanying the transformation from the agricultural community, including

## 2011

### COMMITTED TO THE GROUP OF BIOLAIT PRODUCERS

With this agreement, the Biolait group of producers becomes the exclusive partner of UHT U Organic milk. In return,

U Enseigne is committed to volume and purchase price, and encourages the conversion of new members to organic dairy production. This partnership has been renewed for 2017 two years 5.



## 2012

### COMMITTED TO THE FRUIT AND VEGETABLE SECTOR

For fruit and vegetables 1<sup>ère</sup> under the U brand, one of the objectives is to give visibility to producers through a minimum 3-year contract so that they can invest in research and testing of new production methods and new varieties.



## 2013

### COMMITTED TO THE ASSOCIATION OF PRODUCERS " LES PORCS BIO DE FRANCE

The partnership with "Les Porcs Bio de France", renewed in October 2019, based on a 5-year contract, maximizes the income of the producers involved by expanding the outlets for the meat produced on a wide range of products under the U Bio brand in the Butchery and Self-Service Charcuterie department.



## 2013

### COMMITTED TO THE COOPERATIVE OF PRODUCERS TERRENA

Signing of a partnership with the Terrena cooperative, the originator of our range of U pork bearing the La Nouvelle Agriculture® label. In addition to the benefit of precise specifications in terms of origin and responsible production, this agreement, renewed and enriched, guarantees 2019, a three-year sales contract and provides for a price structure that integrates real production costs. Since then, U 2013, Enseigne and Terrena have co-developed a chain 5 of U products based on the New Agriculture® approach: pork, rabbit, chicken, beef and turkey.



## 2016

### COMMITTED TO CATTLE BREEDERS

Signing of a charter with the Fédération Nationale Bovine (FNB) on the development of a "core range" of beef breeds (Charolais, Limousin, Blonde d'Aquitaine, etc.) whose prices paid to producers include production costs. The promotion of the Label Rouge beef offer has taken over this approach in 2020 in order to accompany the move upmarket defined in the EGA beef sector plan.



## 2016

### COMMITTED TO MILK PRODUCERS

Signature of an agreement with SODIAAL, a French dairy cooperative 1<sup>ère</sup>, to support the milk industry in France, notably through volume commitments and 3-year contracts. Identical commitments were then made with the LSDH cooperatives and the APLBC producer group. With these agreements, 100% of UHT bottled milk volumes under the U brand come from an approach supporting the



production.

2016

### COMMITTED TO SUPPLIERS OF SHELL EGGS

For its U brand eggs, U Enseigne provides financial support for the installation of free-range egg farms.



2018

### COMMITTED TO THE TRISKALIA COOPERATIVE

Signing of a letter of commitment and then of a multi-year, four-party agreement - breeders, slaughterhouse, processors, distributor - for the range of LS charcuterie under the U brand. In return for a set of specifications that ensure benefits This agreement ensures that producers are paid a remuneration that takes into account the costs of production.



2019

### COMMITTED TO DAIRY COOPERATIVES OF THE BIG EAST

Signature of an agreement with four cooperatives in the Grand Est region and the Laiterie de Cléry (Schreiber France), exclusive processor of dairy products ultra-fresh U. In return for specifications that ensure environmental and nutritional benefits, this agreement ensures that breeders have outlets in terms of volume and remuneration above market prices.



2020

### COMMITTED TO CATTLE BREEDERS RED LABEL

As part of its commitment to the EGA and the continuity of the Eleveur & engagé (Breeder & Committed) approach signed in which 2016 it is taking over, U Enseigne is committed to promoting the Label Rouge offer in its butchery departments. It plans to support its interested partner breeders in accessing this labelling, while preserving historical local supplies. A strong communication system is proposed to the U stores that promote this offer.



2020

### COMMITTED TO THE WHEAT INDUSTRY IN BRITAIN

With three Breton partners, the Eureden cooperative, Paulic Meunerie and the Leroux bakery, U Enseigne launches its regional wheat chain. 1ère It guarantees producers a fair remuneration, with contracts of years 3 and a minimum income per hectare.



2020

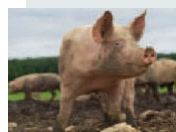
### COMMITTED TO CATTLE BREEDERS

Through a tripartite agreement signed in December for the supply of beef used to make U-brand frozen minced steaks, U Enseigne is supplementing the remuneration of farmers and helping to support the French beef industry.



## ACTIONS TAKEN IN 2020

- In the context of the Covid-19 crisis, U Enseigne's efforts in 2020 focused on supporting producers and breeders by facilitating the sale of their seasonal production (showcasing, sales at cost price), by inviting them to get closer to the U stores in their region, by committing to renewing its purchasing volumes in 2021.
- For example, to support the seafood industry, U Enseigne marketed oysters from France at cost price in May and for certain species it has sourced exclusively from French fish markets.
- Similarly, since April 2020, U Enseigne has been marketing six fruits and vegetables of French origin at cost price every week.



- In the **pork industry**, as part of the agreement signed in 2018 and the progress plans undertaken by farmers to meet our U specifications, the first 11 products in the range U pork sausages were marketed.



- In the **beef industry**, U Enseigne invites the Group's stores to promote Label Rouge meat on their shelves and assists them in implementing it with their regional breeders.

- In the **wheat sector**, creation of the U Wheat of Brittany sector, the first regional Wheat and flour sector intended to supply the bakery departments of stores for the manufacture of a traditional regional baguette.



- In the **dairy sector**, for the 2nd consecutive year, agreements aimed at increasing the price of milk to producers have been signed with the major dairy product manufacturers. These agreements concern more producers. 28000

## RESULTS & INDICATORS



14 contracts

of tripartite channels on a national scale, accompanied by progress plans

+5 vs. 2019

4056 producers

committed through national tripartite partnerships

+42% vs. 2019





# ENCOURAGE SUPPLIERS' CSR INITIATIVES

U Enseigne markets almost all of 15000 its U Products, the spearhead of its CSR commitments. The design and production of these products allow U Enseigne to implement its Sustainable Development policies and to set up dynamic partnerships with its suppliers around these issues. In order to prevent damage to social and environmental rights via our supply chain, our objective is to encourage our suppliers' CSR approaches and to conduct a vigilance approach on our supply chains.

## OUR POLICY

Considering that the commitments made on our products are the markers of the responsibility of our company and aware of our responsibility as a distributor, we have set ourselves the position of integrating environmental, social and societal issues in all phases of the life cycle of our U-branded products.

In order to integrate our added social value into the heart of our product offering, we have identified ten key CSR themes. They can be summarized in two main typologies responsibilities for our brand: our responsibility for the U products that we distribute to consumers and our responsibility towards our suppliers. These themes are at the heart of the strategy of continuous improvement of our Brand U product offer.

### About our PRODUCTS

Preservation of resources and biodiversity

Reduction of controversial substances

Reducing Waste and Wastage

Nutritional quality

Responsible consumption

### Towards our SUPPLIERS

Preferred origin France

Economic development

Environment

Animal welfare

Raising awareness of CSR issues

The operational translation of these commitments is supported by two types of policies:

- > **cross-functional sustainable development policies**, which form a common base and whose ambitions apply to all our U-brand products
- > **policies adapted to each product universe**, which complete this common base:
  - Ingredients Policies for each of our main food chains
  - Policies Activities on our non-food sectors

Common commitments made for all product families in a transversal manner

| Our TRANSVERSAL policies  |                                  |
|---|----------------------------------|
|  | Controversial substances         |
|  | Zero waste                       |
|  | Packaging                        |
|  | Preservation of forest resources |
|  | Nutrition                        |



Differentiated commitments made for each product family in a specific way

| Our policies AREAS   | Our policies ACTIVITIES  |
|--|--|
|  Fruit & vegetables |  Bazaar   |
|  Seafood Animal     |  Textiles |
|  wheat              |  |
|                     |  |

The main guidelines of these policies, illustrated by concrete achievements, are available on our website [magasins-u.com](https://magasins-u.com). By making ambitious commitments to our U. brands, we want our policies to create a positive ripple effect on third-party brand offerings.

Co-construction with suppliers is an essential link in the implementation of policies and approaches, with the aim of making suppliers accountable on the implementation of the changes necessary for our quality requirements and ambitions. Two means coexist to achieve the level of ambition set in our policies:

### 1 - Requirements, formalized through Quality and Packaging specifications.

The level of ambition related to the U requirements may result in :

- recognition of labels or certifications as long as they are in line with our ambition (e.g.: recognition of CRC certification in the wheat/flour industry),
- and/or to requirements specific to U Ensigne (e.g.: controversial substances to be excluded from the composition of the product and its packaging)

**2 - Support over time on progress plans** that allow the identification and implementation of implementation of plans to improve the practices of suppliers and producers.

Control plans allow for the monitoring of these policies and the continuous improvement of practices.

This approach is particularly illustrated in the construction of tripartite partnerships with the agricultural and livestock sectors (described in § "Being a player in the dynamics of the territories - Supporting the agricultural and livestock sectors" on page 56).

More specifically, U Ensigne ensures that the **social conditions of production** of its products **are respected**.

Since 2001, U Ensigne has been a member of the Social Clause Initiative (ICS), which brings together 45 companies that work together to improve the condition of people in the workplace in a sustainable manner and to support suppliers in a responsible way in their efforts to make progress in this area. The guidelines are based on the recommendations of the International Labor Organization (ILO), the fundamental principles of human rights and the

local regulations. The approach is multisectoral and concerns all product categories (Textile, Food, Bazaar,...).

- The approach consists of observing the social conditions of production in the field, through the implementation of social audits carried out by independent service providers accredited by ICS on the basis of an audit framework common to all the brands, developed by ICS.
- The audit framework addresses issues such as working conditions (abusive working hours, safety of premises, protective equipment for workers, etc.), the use of child labor, forced labor, abusive disciplinary practices, harassment, discrimination freedom of association and remuneration conditions (non-compliance with minimum wages,...).
- Following the audit, the non-conformities are identified and the production site commits itself to carry out the necessary actions to remove these non-conformities.
- The data is shared between brands working with a common production site.

By joining ICS, we aim to support our suppliers in respecting human rights and international and local labor regulations.

Our suppliers are contractually committed to the ICS code of conduct and agree to have their production sites audited. U Ensigne has decided to finance the audit program for its suppliers.

The suppliers audited are selected by U Ensigne on the basis of an internal risk analysis methodology integrating the country of production, the results of previous audits (whether or not they were mandated by U Ensigne) and the type of product manufactured.

U Ensigne is committed to using the **Valorise platform** alongside other 7 major players in the retail sector with its suppliers. Created in June 2017 by four professional organizations ( ANIA, Coop de France, FCD and FEEF ) the platform

web Valorise simplifies the transmission of CSR information from suppliers to their distributor customers, thanks to a single entry, through a common questionnaire based on the ISO 26000 standard. By activating campaigns to collect information from its suppliers, U Ensigne contributes to raising their awareness of CSR issues and enables them to promote their commitments in this area to all the member distributors.

Lastly, U Ensigne has initiated a **duty of care** approach (in compliance with Law No. 2017-399 of March 27, 2017 on duty of care) which is based on the numerous policies already implemented with regard to our suppliers (supply chain policies, activity policies, ICS, quality and Valorise assessments).

In this regard, U Ensigne has developed a vigilance plan to identify risks and prevent serious violations of human rights and fundamental freedoms, health and safety of individuals, as well as the environment, resulting from the Company's activities and the activities of suppliers with whom it has an established business relationship.

To this end, U Ensigne carried out a risk mapping of food product families<sup>15</sup> in 2020 and non-food products representing the different types of products sold in stores. Based on this analysis, U Ensigne will modify its supplier evaluation procedures and implement an action plan to better prevent, mitigate and remedy the risks identified in the risk map. U Ensigne will also extend, during 2021, its compliance alert mechanism to alerts relating to the duty of care.

With a view to continuous improvement, U Ensigne plans to expand its risk mapping and action plan in the coming years, in particular to extend the scope of its analysis and to attach monitoring indicators to the actions taken.

## RESULTS & INDICATORS



### ACTIONS TAKEN IN 2020

U Enseigne has re-invited its main suppliers to commit to the Valorise approach and to share their CSR data. As of 12/31/2020, 241 suppliers have made their CSR data available to us via the Valorise database.



# SUPPORT OUR CLIENTS TOWARDS SUSTAINABLE CONSUMPTION

With a market share of more than 11%, Groupement U, which is present in the daily consumption of the French, is aware of its role as a player in the transformation of society and knows that consumers expect it to be sincere in its discourse, exemplary in its actions and attentive to the expectations of society. In its mission as a central retailer, U Enseigne intends to actively contribute to promoting and facilitating responsible consumption for all. This is one of the key aspects of the "U Commerçants autrement" signature.

Faced with the risk of the development of resource-intensive consumption, our commitment is based on two objectives: to propose a range of products and services with societal benefits and to inform consumers in their choices.

## OUR POLICY

By developing safe, healthy and quality products accessible to all, and by giving primacy to the human factor, By acting to reduce waste and wastage, by acting to reduce its carbon footprint, by contributing to the sustainable transformation of the agricultural world and to the dynamics of the territories, U Enseigne enables its customers to choose a consumption that is attentive to its CSR impacts.

On these subjects, U Enseigne wishes to enable each consumer to make informed choices and favors a discourse of proof and an educational approach in its communication.

Since then, the societal 2016, benefits specific to each Product U have been indicated in a box on their packaging. This information covers four main themes:

- the use of French agricultural raw materials
- the quality of the ingredients used (no aspartame, no coloring, no palm oil...)
- manufacturing or transformation by French companies, generating employment
- sustainable resource management

In 2020, for more accurate consumer information, more detailed labels will gradually replace the old pictograms on Product U packaging.



By signing the 2019 Manifesto on the origin of food products, U Enseigne is committed to providing better information to the consumer on the origin geographical location of the raw materials used in U-branded food products, and this in a consistent and transparent way by product category. As we revise our packaging, the information on the origin of the main raw materials or characteristics of the The name of the product will be indicated in a legible way on the front of the packaging; the back of the packaging will bear the indication of origin of all the ingredients.

Involved since 2018 in the association "La Note Globale", U Enseigne is actively participating in the work on the rating of societal performance of food products. This group brings together players in the French food industry, from production to distribution, with the particular aim of improving consumer information on the social performance of products derived from living organisms. U Enseigne has thus contributed to the construction of a label summarizing six key issues: animal welfare, environment, nutrition & human health, equity and contribution to the French economy, traceability, CSR. The product ratings 1<sup>ères</sup> will be published in 2021.

In the same spirit, U Enseigne joined the 2020 Association Etiquetage Bien Être Animal (AEBEA) created in 2019 propose a single reference and consumer label for the level of animal welfare of products (see our Animal Welfare policy on page 35).

To accompany consumers in their choices, we have created the 2018 smartphone application "Y'A Quoi Dedans".

It allows you to consult the composition of U food products, as well as that of all the products of the markets listed in the Open Food Facts collaborative database, the first database "of consumer products. With a will of transparency and non partisan, This application sheds light on the markers of "better eating" with pedagogy, gives access to information and leaves the consumer free to choose. At the end of 2020, application "Y'A Quoi Dedans" has been downloaded more than 490,000 times.

In order to participate in a more responsible consumption, U Enseigne is also developing its offer of services to the consumer: kiosks to collect everyday waste for recycling, equipment rental for parties and events, purchase/resale of second-hand goods, bulk sales in many product families...



Through its commercial animations and its communication with the media and social networks, U Enseigne is also committed to explaining its CSR choices in an educational way to as many people as possible. Examples include the campaign to support local producers in March 2020 at the start of the Covid-19 crisis, TV commercials promoting a partner "The Best of Local" at each stage of the 2020 Tour de France, the 1<sup>ère</sup> campaign conducted on the TikTok network to engage the younger generation in the recycling of anti Covid masks, the renewal of the annual collection of used textiles and school bags, the "Let's cultivate our nature" approach for environmentally friendly gardening.

## RESULTS & INDICATORS

**81%**   
of consumer products\*  
to Brand U  
have at least one societal benefit  
**+1 pt vs 2019**

\* Grocery, Liquids, Frozen foods, Fresh products in self-service, Drugstore, Perfumery, Hygiene

**Service U Used**  
in test in 4U stores

## ACTIONS TAKEN IN 2020



- Guaranteeing the quality and transparency of product information is one of our major commitments to consumers. U Enseigne is in 2020 the 1<sup>st</sup> company to join the CodeOnline Food database. Created at the initiative of the food industry, CodeOnline Food allows companies in the sector to capture and share information on quality information on their products sold in France, regardless of the distribution channel. U Enseigne thus gives access to about thirty data on its U Products to all potential users, including consumer information applications.

- On social networks, the ULesCommerçants Instagram account has taken over from the magazine "Bien Mieux Le Mag" since the beginning of 2020 to inspire our customers to consume responsibly: posts and stories published several times a month about U Products allow us to explain their environmental and societal benefits and to inform about our approaches.



- In August, U2020, Enseigne became the first company to allow its customers to recycle their health protection masks (cloth and disposable); a campaign carried out on the TikTok network in November 2020 helped raise awareness of this ecological gesture among the younger generations (30 million views).

- With two nationally referenced partners in and 2019 collaborative 2020, delivery of groceries between individuals is available to stores that wish to offer this service to their customers.



- U Enseigne is conducting various experiments on the second-hand market. Since August U2020, Enseigne and 4 U stores are testing "U Occasion", a new service for buying and selling second-hand products (household appliances, image and sound, telephony, computers, culture, etc.). The resale of second-hand clothing items is also being tested since October in 2020 5 U. stores.

- U Enseigne is developing its hybrid and electric vehicle rental service via the U Location in-store service.



# TO ENSURE THE SAFETY OF CONSUMERS AND ACT FOR THEIR HEALTH

The purchases of consumer goods that our customers make in our stores represent nearly 30% of their total spending. In this respect, and considering the great diversity of products and services sold in U stores, U Enseigne is particularly aware of its responsibility in terms of consumer health and safety.

In order to respond to the risk of endangering the health and safety of consumers, U Enseigne first ensures that its actions comply with the regulations in force. Our commitments are based on two objectives:

- ensure the safety of consumers, whether it be the monitoring of hygiene-quality in the store, safety in the store or the safety of the products sold
- to ensure the nutritional balance and health of consumers, by offering healthy, quality U-branded products that our customers can consume with confidence

## Ensuring consumer safety

### > THE HYGIENE-QUALITY MONITORING PLAN FOR POINTS OF SALE U

#### OUR POLICY

Guided by a constant concern for compliance with regulatory obligations and customer satisfaction, U Enseigne has implemented a policy of quality control and quality hygiene audits in its sales outlets.

This policy is described in the "Charter of commitment of the U stores in terms of hygiene and sanitary safety", known as the "Quality Charter", to which each U Associate is required to adhere by virtue of the article of the Group's internal regulations (France and DOM-TOM). It lists :

- commitments to results
- generic obligations of means

The content, proposed by the Quality Safety Environment committee, is validated by the Group's Board of Directors, which is the guarantor. It is reviewed according to changes in regulations and/or the Group's requirements.

The U Enseigne Quality Hygiene Follow-up Plan makes it possible to measure and improve in-store control of the quality policy developed by the company. It consists of audits or inspections and "advisory visits" for the discount network and audit and consulting services for the local network and the French overseas departments. The number of these services varies according to the level of the store and the departments that make it up.

The audits result in a rating that defines the store's quality level in relation to the company's expectations. According to the At the level reached, individualized support is provided through "advisory visits".

The results allow the store and the brand to implement appropriate action and improvement plans in order to achieve the level of health safety defined by the brand.



#### ACTIONS TAKEN IN 2020



- Since 2018, U Enseigne has integrated the FSQS-Food Store Quality Standard health safety inspection standard into its Health and Quality Monitoring Plan.

This standard, which is a tool for assessing the level of control over health safety, is shared by the retail chains and implemented by accredited inspection bodies (Cofrac certification).

In 2020, U Enseigne renewed its annual audit campaign and set up specialized support, carried out by the QSSE teams, for sales outlets encountering difficulties.

- In the context of the Covid-19 crisis, U Enseigne offers a specific audit service to associates who wish to test the good practices related to Covid implemented in their store.



#### RESULTS & INDICATORS

from 01/04/2020 to 31/03/2021,  
France and DOM, based on auditable stores

100%

of audited stores (France and DOM)  
(goal achieved)



1,518 audited  
stores and  
2606 audits  
made



## > SAFETY AT THE POINT OF SALE U

### OUR POLICY

U Enseigne assists U associates in the prevention and control of safety-related risks in their stores. It provides them with a guide to good evaluation practices, prevention and management of risks in this field.

From now on, it2021, will also make available to the stores training modules for their employees on these topics. Groupement U collaborates with public authorities to set up coordinated intervention mechanisms.

## > THE PRODUCT SUPPLIER MONITORING PLAN U

### OUR POLICY

The U Cooperative is the leading marketer of U-brand products.

To meet this regulatory responsibility, U Enseigne has set up a specific quality monitoring system for each of these products. In addition to the requirements

In accordance with regulatory requirements, each of our U-brand products meets the brand's specific quality requirements, which are set out in a contract with the supplier.

Compliance with these requirements is assessed as part of the product's listing and is then monitored throughout its life.

This monitoring plan is carried out via product control plans, randomly taken from our These controls and audits are carried out by independent and accredited external laboratories, trained in our standards. These controls and audits are carried out by independent and accredited external laboratories, trained in our standards.

They complement the control plans carried out by our suppliers, particularly when their production site is IFS certified, a quality audit standard set up by the retail sector.



### ACTIONS TAKEN IN 2020



Specific analysis campaigns were carried out in 2020; they complement the routine analyses carried out on our U products during our usual annual control plans. For example, specific analysis campaigns were carried out on baby diapers (various contaminants such as pesticides, phthalates, dioxins, furans, PCBs, etc.), rice and coffee

### RESULTS & INDICATORS



86%

of the U Food Products manufacturing sites were audited in Quality Hygiene less than a year ago  
-2 pts vs 2019

77%

of U Bazaar suppliers have been audited in Quality and Product Safety less than two years ago  
-4 pts vs 2019

60%

manufacturing sites of U Consumer Products\* re-bid by U Brand between March and 2018 March 2020 have seen their rating improve

\* Groceries, Liquids, Frozen foods, Self-service fresh products, Pet food, Drugstore, Perfumery, Hygiene

## > THE SAFETY OF THE PRODUCTS SOLD

### OUR POLICY

To ensure the safety of the products sold, U Enseigne has long defined procedures for managing product alerts in relation to its suppliers, U Log, U stores and consumers. An "alert" is a piece of information about a product or a batch of products which, if left untreated, could lead to a situation that could jeopardize consumer safety or harm the environment. Depending on its criticality, an alert may lead to the withdrawal of the product from sale, or even to its recall from consumers.

A procedures manual describes the actions to be taken by the various parties involved when an anomaly is detected. result in the opening of an alert file, whether for U-branded or branded products.

These procedures are regularly updated and circulated to the parties concerned by the U.S. Quality, Safety and Environment Department, which oversees the system and reports on the actions taken.

Since then, the 2019, quality of alert management by the stores has been reinforced in the audit grids of the Quality Hygiene Monitoring Plan.

### ACTIONS TAKEN IN 2020



Following the work carried out with 2018 the Council National Consumer Federation, then in 2019 within the Federation of Commerce and Distribution, U Enseigne has implemented a change in our alert handling processes is expected in 2021, which will make it possible to secure the implementation of product recalls in stores by blocking the products concerned at the checkout.

### RESULTS & INDICATORS



## ► Ensure nutritional balance and health of consumers

Thanks to its Product and Quality teams dedicated to the design of some 15,000 U Products, U Enseigne masters and controls the specifications and manufacturing frameworks that allow us to bring our requirements to the heart of each of our products.

### > NUTRITION OUR

#### POLICY

Scientific knowledge about nutrition has been growing steadily over the past few years and has made New correlations between eating habits and public health problems (obesity, diabetes, allergies, intolerances) are emerging, etc...). Faced with this observation, the nutritional quality of the food supply is one of the main concerns of consumers in their purchasing choices.

If the public authorities are committed to the issue through

prevention campaigns and the dissemination of nutritional recommendations, we have, as a 4<sup>ème</sup> French player in the field of We have a responsibility and a major role to play with regard to our customers. This responsibility is reflected both in our food offer and in the messages conveyed by our brand.

Our responsibility as a brand to guarantee the nutritional quality of our products is translated into four major ambitions:

- Give preference to raw materials with the best

nutritional characteristics (fiber, vegetable fat, Bleu-Blanc-Cœur certified animal raw materials, etc.)

- Guarantee the nutritional profile of our products
- Guarantee the existence of an offer adapted to specific needs (gluten-free, vegetarian, low salt, and/or low fat, and/or low sugar...)
- Provide clear and transparent information to our consumers

On the priority categories, during each range revision, we carry out an inventory of the profiles of our products (salt, sugar and fat content) in order to define nutritional requirements for each of our categories products and integrate them into the optimization of our recipes.

Since then, U Enseigne has a 2016 range of U "Good and vegetarian"; this vegetarian range is subject to specific requirements and in particular that of being a source of protein and fiber when it comes to meal solutions.

For gluten intolerant people, U Enseigne offers a specific U-brand range launched in 2016. Since then, aware of the problem of allergies and intolerances In view of the importance of food safety and the need for clarity of information for those affected, we provide information on the composition of our U-Products to the free information platform Allergobox.

## RESULTS & INDICATORS

-1%

U products dedicated to plans special dietary requirements (gluten-free, vegetarian)  
vs. 2019

+28%

of labelled U products Bleu-Blanc-Cœur  
vs. 2019

68%

U-branded products present on the e-commerce site CoursesU.com display their Nutri-Score

## ACTIONS TAKEN IN 2020



- In 2019, U Enseigne made a commitment to Santé Publique France to relay the Nutri-Score for U-brand products to consumers. By helping consumers compare the nutritional qualities of different products within the same family, they can guide their choice and contribute to a balanced diet.

68 % of U-branded products display their Nutri-Score on the stores' CoursesU.com online sales sites.

U Enseigne has also invited its national brand suppliers involved in this approach to communicate the Nutri-Score of their products in order to be able to publish this information on these sites: nearly brand products 10500 are thus indicated.

An information page "What is the Nutri-Score?" is also available to our customers on this site.

Whenever possible, the Nutri-Score logo will also be displayed on the packaging of our U-brand products.

- During the range revisions carried out in U 2020, Enseigne continued to improve the nutritional profile of U Products. Thus, the U organic fruit nectar range now contains a minimum of 81% fruit and has no added sugar\*.

\*contains the sugars naturally present in the fruit

- The content of industrially produced trans fatty acids in foodstuffs will be regulated as of January 1, 2020. Trans fatty acids are synthesized during the hydrogenation of vegetable oils and excessive consumption of these trans fatty acids is associated with an increased cardiovascular risk. With the exception of U-branded vegetable fat for frying, no U-branded product now contains any hydrogenated or partially hydrogenated fat.



- Since then, U 2007, Enseigne has been involved with the Bleu-Blanc-Cœur association. Recognized by the Ministries of Health and Agriculture as an initiative of nutritional and environmental interest, it aims, among other things, to improve the profile of fatty acids in products of animal origin through animal feed based on flaxseed, grass, lupine, etc., naturally rich in Omega 3.

U Enseigne has chosen to treat the entire range of U products under the Bleu-Blanc-Cœur approach:

By the end of 2020, more than 250 U products will have the Bleu-Blanc-Cœur label for eggs, beef, pork, pork delicatessen, poultry, bottled milk and ultra-fresh produce.

- U Enseigne has redesigned its snacking product offer in front of the checkout. References 13 (seed mixes, seed bars and dehydrated fruit bites) offer healthier moments of pleasure, as an alternative to pocket confectionery.

## > WITHDRAWAL OF CONTROVERSIAL SUBSTANCES

### OUR POLICY

Consumers are increasingly concerned about the potential health risks of substances and additives in food products. consumption. Aware of these questions, U Enseigne took the decision in 2012 not to hide behind the strict regulations and

considered that going

beyond this by gradually removing these controversial substances from U-branded products is part of our mission.

The policy of withdrawing controversial substances has since been a of our sustainable development policies and a major focus of the company's work. It aims to implement a

continuous improvement plan to remove or substitute these controversial substances from the composition of Products U (e.g. preservatives) and their packaging (e.g. phthalates), when technically possible.



Instead<sup>1er</sup>, with the help of a third party expert, U Enseigne has developed a robust mechanism to identify, map and classify the different substances involved in a dynamic way. The methodology is based on the establishment of the level of controversy, classified from no controversy to major controversy, and based on criteria<sup>3</sup> :

- a health alert indicator: rating of the substance according to the nature of the danger (carcinogenic, mutagenic, neurotoxic, ...) as well as its bio-accumulative and persistent character
- a regulatory benchmark indicator: rating according to the level of regulation at national or international level
- an indicator of societal concern: rating of the appreciation of our customers, public opinion and NGOs on the use of this substance

More than 280 substances were analyzed through this methodology.

Secondly<sup>nd</sup>, in view of the ratings obtained by the application of the above mechanism, U Enseigne has undertaken to progressively remove the most controversial substances from U-branded products; we are constantly updating this list of priority substances.

As part of the continuous improvement of our U :

- we undertake, where conditions permit, to remove from our U Products those substances for which a serious controversy has been evaluated;
- if necessary, in case of difficulty to substitute, we commit ourselves to explain the reasons and to define an action plan in order to define a feasibility planning according to the technological evolutions;
- if there is no prospect of a solution in the long term, a study is being carried out to deregister products containing this substance.



The packaging of our U-branded products indicates on the consumer the substances from which the composition of the product is exempt (without aspartame, without coloring, formulated without bisphenol A, without palm oil...).

In this area, the support we provide to agro-ecological approaches (see page 29) also contributes to this policy.

## ACTIONS TAKEN IN 2020

Working with its suppliers to find alternative solutions, U Enseigne has developed its new U-brand products in line with this approach and has continued to review the recipes and specifications of existing products.



- The U range of spreads has been enriched with 3 new references, always with natural flavours and free of palm oil.
- The U Bio range of plant-based drinks has been reworked: all products are now flavour-free.
- U Enseigne has decided to remove MIT (methylisothiazolinone) from its U liquid detergents (excluding the Escales range planned for 2021), a substance that is potentially a source of skin irritation. Unlike other market players, MIT has been replaced by a non-controversial component.
- Banned in food products since 01/01/2020, titanium dioxide is also withdrawn from the composition of U toothpastes since as well 2019, as from our U razors and refills and our toilet blocks since 2020.

## RESULTS & INDICATORS

**285 substances**

evaluated in the field of consumer products\*.  
since the launch of the approach

including substances **211** considered controversial after our evaluation mechanics,  
**+4.5% vs. 2019**

and on which U Enseigne has taken the following positions:

**70**  
substances that U Enseigne commits to not using in its products\* with the U brand

**46**  
substances removed from U-branded products\* (including 17 phthalates removed from packaging design),  
**stable vs. 2019**

**5045**  
substances on study diagnostic for their deletion in the products\* to Brand U

current or where a plan is underway

\* Groceries, Liquids, Frozen foods, Self-service fresh products, Traditional fresh products, Drugstore, Perfumery, Hygiene



# Methodological note

This non-financial performance statement has been drawn up in accordance with the guidelines set out in Ordinance no. 2017-1180 of July 19 relating to the publication of non-financial information and its implementing decree no. 2017-1265 of August 9 2017.

The Quality Safety Social Environment (QSSE) Department of the U Cooperative led this approach with the various contributing departments and gathered, structured and formalized the information reported.

## > Scope of reporting

The scope of the reporting concerns the U Cooperative and the operating subsidiaries for which the company prepares consolidated accounts, namely: U Logistique, U Etablissement de paiement, U Centrale Export and Info U.

## > Corporate Social Responsibility (CSR) Governance

U Enseigne's Corporate Social Responsibility policy is instigated by the Strategic Committee and validated by the national Board of Directors, which is led by the Chairman of the U Enseigne Cooperative. The members of the Strategic Committee thus set the CSR roadmaps for the QSSE Committee, which is responsible for implementing the CSR policy within the organization. Operationally, the QSSE Department, within the Sales Department, as close as possible to the business lines, to which it gives impetus to the sustainable development policies for products, then coordinates the company's CSR projects and reports on progress to the QSSE Committee and the Strategic Committee.

## > Reporting period

The data collected are for the period from January 1<sup>er</sup> to December 31 2020.

## > Reporting repository

A reporting framework is defined and communicated to all internal contributors. For each data item or indicator, it describes: the reference theme, the collection unit, the calculation method, and the source of the data. This reference framework also includes processes for controlling and ensuring the reliability of the data collected.

## > Details of the calculation methods used:

- **Greenhouse gas emissions (GHG)**  
The scope of the calculation concerns 2020 U Enseigne's GHG emissions related to its distribution activity. In 2018, it took into account data relating to the scopes and 12. The emissions coefficient 2019, has been updated to 2020, include 2019. refrigerant gas leaks from the Transport and Warehousing fleet and employee business travel (excluding commuting). inbound transport (return flows from U stores to U Log warehouses) have been integrated.
- **Truck fill rate for store deliveries**  
The filling capacity of the different types of vehicles used (ambient, refrigerated) takes into account loading optimization equipment such as the use of bar seeding.
- **KwH consumed per package shipped**  
This indicator refers to the energy consumption of logistics warehouses (excluding transport) in relation to the number of annual parcels shipped to U stores.
- **Kg CO<sub>2</sub> equivalent per m<sup>3</sup> transported**  
Transport logistics greenhouse gas emissions are derived from an outsourced monitoring tool that uses emission factors specific to each type of energy consumed. For a better reading of the results, the volumes reported per volume transported (in m<sup>3</sup>) are expressed in kilograms of CO<sub>2</sub>.
- **Percentage of recycled or recyclable plastics integrated into the packaging of Produits U, share of plastics**  
problematic and unnecessary products removed from the packaging of U. Products.  
The indicators are calculated in accordance with the methodology adopted by the signatories of the National Pact on Plastic Packaging and have been measured on 57% of the references of Produits U put on the market in 2020.
- **Employment rate of disabled persons**  
This indicator uses data from the mandatory declarations of employment of disabled workers by the various entities in the consolidated scope, and takes into account any minorities declared. The calculation methodology takes into account the reform of the obligation to employ disabled workers applicable as of 2020. Consequently, the 2020 indicators are not comparable with data from previous years.
- **Hours of training provided during the year**  
This indicator takes into account training courses included in the Skills Development Plan and safety training.
- **Absenteeism rate**  
The number of days of absence excluding statutory vacations in 2020 is related to the theoretical number of days worked in (working 2020 days), excluding weekly rest days, RTT vacations, public holidays, statutory vacations and vacations under the terms of the agreement.
- **Hygiene-Quality monitoring plan**  
The base of auditable stores is France and French overseas departments, excluding new stores opened during the audit period and except in the case of major exceptional circumstances making the audit impracticable (works, postponement of planning, crisis, etc.). The monitoring plan is carried out by annual campaign, from 01/04/N-1 to 31/03/N.

# Independent third party report

**Report of one of the statutory auditors, designated as an independent third party, on the consolidated statement of non-financial performance included in the group's management report.**

**Year ended December 31 2020**

## **At the general meeting of the company U Enseigne**

In our capacity as statutory auditor of U Enseigne (hereinafter "the entity") appointed independent third-party organization accredited by Cofrac (Cofrac Inspection accreditation no. 3-1060, the scope of which is available on the website [www.cofrac.fr](http://www.cofrac.fr)), we hereby present our report on the consolidated declaration of extra-financial performance concerning for the year ended December (31 2020 hereinafter the (the "Declaration")), presented in the Group's management report in accordance with the legal provisions and regulations of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

policy outcomes, including key performance indicators, and actions, related to key risks, hereafter referred to as "Information.

## **Responsibility of the entity**

It is the responsibility of the Board of Directors to prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

The Statement has been prepared by applying the entity's procedures (hereinafter the "Reporting Criteria"), the significant elements of which are presented in the methodological note to the Statement.

## **Independence and quality control**

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the profession's code of ethics. In addition, we have set up a control system quality that includes documented policies and procedures to ensure compliance with ethical rules, professional doctrine and applicable laws and regulations.

## **Responsibility of the auditor appointed OTI**

It is our responsibility, based on our work, to express a reasoned opinion with a moderate level of assurance on :

- the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to 3° of I and II of Article R. 225-105 of the French Code



However, it is not our role to give an opinion on :

- the entity's compliance with other applicable legal and regulatory provisions;
- compliance of products and services with applicable regulations.

## Nature and scope of work

Our work described below was performed in accordance with the provisions of articles A. 225- et 1seq. of the French Commercial Code, which sets out the terms and conditions under which the independent third-party body conducts its mission, and in accordance with the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this intervention as well as the international standard ISAE - 3000 Assurance engagements other than audits or reviews of historical financial information.

We have carried out work enabling us to assess the compliance of the Declaration with regulatory requirements and the fairness of the information:

- we have examined the activities of all the companies included in the scope of consolidation, the main social and environmental risks associated with these activities, as well as the policies that result from them and their results;
- we have assessed the appropriateness of the Framework in terms of its relevance, its completeness, reliability, neutrality and understandability, taking into account, where appropriate, good industry practice;
- we have verified that the Declaration covers each category of information provided for in III of Article L. 225-102-1 in social and environmental matters ;
- we have verified that the Statement presents the business model and the principal risks of the business of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, and the policies, actions and results, including key performance indicators;
- We have verified, where relevant with respect to the principal risks or policies presented, that the Statement presents the information required by Article R. 225-105 II;
- we appreciated the process of selecting and validating key risks;

- We asked about the existence of internal control and risk management procedures implemented by the entity;
- we assessed the consistency of the results and key performance indicators with the main risks and policies presented;
- we have verified that the Declaration covers the consolidated perimeter, i.e. all companies included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Declaration ;
- We have assessed the collection process put in place by the entity to ensure the completeness and fairness of the information;
- we implemented for the key performance indicators and other quantitative results that we considered most important and which are listed in the appendix:
  - Analytical procedures consisting in verifying the correct consolidation of the collected data as well as the coherence of their evolution;
  - detailed testing on a test basis, consisting of verifying the correct application of definitions and procedures and reconciling data with supporting documents. This work was carried out on a selection of contributing entities, namely U Enseigne and U Log, and covered between 99 and 100% of the consolidated data for the key performance indicators and results selected for these tests.
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered most important and which is listed in the appendix;
- we assessed the overall consistency of the Statement with our knowledge of all companies included in the scope of consolidation.

In our opinion, the work we have performed in the exercise of our professional judgment enables us to provide a moderate level of assurance conclusion; A higher level of assurance would have required more extensive audit work.

## Means and resources

Our work mobilized the skills of people<sup>4</sup> and took place between mid-April and the 2021 end of May over 2021 a total intervention period of weeks.<sup>3</sup>

To assist us in our work, we called on our specialists in sustainable development and social responsibility. We conducted about ten interviews with the people responsible for preparing the Declaration, representing in particular the quality, health, safety and environment, transport and packaging, and human resources departments.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated statement of non-financial performance is not in accordance with the provisions of article L. 225-129 of the French Commercial Code. and that the information, taken as a whole, is presented fairly in accordance with the Standards.

Neuilly-sur-Seine, June 7 2021

**One of the Statutory Auditors**  
PricewaterhouseCoopers Audit

**Xavier Belet**  
Associate

**Pascal Baranger**  
Director in the Sustainable  
Development Department



# Independent third party report

## Appendix: list of information we considered most important

### Key performance indicators and other quantitative results :

- PET plastic collected from customers via in-store collection points;
- Recyclable and recycled plastics in packaging;
- Euro tech6 standard tractors and rigids;
- Stores with charging stations for electric vehicles;
- Products U under coffee approach ;
- U products coming from animal chains from the BBC or Organic sector;
- Products bearing the MSC label ;
- Volumes of U eggs sold from free-range farms ;
- Female and male employees who have been promoted internally ;
- Employees on work-study contracts as of 12/31/2020;
- Permanent recruitment and permanent turnover;
- Managers who participated in the psychosocial risk prevention webinars;
- Parental Leave Requests Completed;
- U-branded food products bearing the value "Entreprise de France";
- French SME suppliers of products ;
- Stores testing the U Occasion Service ;
- U-branded consumer products have at least one societal benefit;
- Re-audited production sites with improved ratings;
- Finished products and traditional fresh products withdrawn from the market following a product withdrawal or recall action;
- U products dedicated to special diets (gluten-free, vegetarian).

### Qualitative information (actions and results):

- Signing of the Pact on Consumption Dates
- Signing of the partnership agreement between Système U and the Grand Est Region;
- Involvement in the EVE (Engagements Volontaires pour l'Environnement) program;
- Development of the organic offer;
- Initiative rewarded by the CIWF "Golden Egg" trophy;
- Partnership with the Ecole de la chance 3<sup>ème</sup> du Val de Marne ;
- Negotiations with the trade unions with a view to concluding an 2021 agreement in favour of of employment of workers with disabilities ;
- Setting up the "What do you say?" survey;
- Opening of the Apprentice Training Center (CFA) in September 2020;
- Funding for a tutoring program;
- Creation of a procedure for dealing with psychosocial risk situations;
- Weekly marketing of fruit6 and vegetables from France at cost price;
- Commercial flyer printing in France;
- U Enseigne joins the CodeOnlineFood database of food products;
- Incentive for suppliers to get involved in the Valorise approach;
- Implementation of specific analysis campaigns in 2020 ;
- Removal of the controversial substance MIT from U. liquid detergents



# Notes

[illegible]



Commerçants  
**autrement**

**Cooperative U Sign**

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