

“Auchan Retail’s response”, 2 March 2023

Thank you for your email and this alert, we do share your concerns for the working conditions in the factories which are producing our garments.

As you might know we do audit each of our production units every year on social and security aspects (last audit for this factory was completed in November) and we have people on the ground in Myanmar who are monitoring productions on our behalf and do report any issues they notice through their discussions with the staff / the workers.

As far as your allegations are concerned:

- In January 2023, it was reported that former union members at the factory were facing discrimination.

A meeting was held on this topic in the factory on 6th of April between factory union representatives, members of the Workers Representative Council and the HR manager. The conclusion of this meeting is that there was no discrimination. You can find the meeting minutes herewith.

- In December 2022, workers at the factory were reportedly forced to raise funds for a worker who was injured in the workplace, as the factory refused to support the worker.

Through a number of interviews with workers in the factory, by our representative in Yangon and some of our competitors investigating the same case, it is our belief that no such case happened. It is to be noted that the factory has an effective procedure for prevention and follow up of incidents / accidents and provides all necessary Personal Protection Equipment when needed.

- We also found these previous allegations linked to Myanmar Guotai Huasheng Glory Fashion, which at the time were not linked to Auchan Retail. We understand these cases may be outdated, but we wanted to provide Auchan with the opportunity to respond:

Labor contracts are all compliant with the law, and available in the factory for all workers.

Proper Covid prevention plan has been set during pandemic and details are available in the factory

Through a number of interviews with workers in the factory, by SGS during the audit, our representative in Yangon and some of our

competitors investigating the same case we do not believe workers are facing violation of their rights including forced overtime, verbal abuse if workers failed to meet targets and denial of leave.

The union member sentenced by the Military council gave her resignation to the factory on 13th of March 2021. months before the arrest.