Groupe Auchan decided in October 2015 to simplify its organisation and governance in order to improve its performance levers, afford more leeway to each of its three core businesses and enhance its flexibility and ability to take swift action.

Groupe Auchan is now organised into three large stand-alone businesses:
- Auchan Retail, which encompasses all the food retailing formats (hypermarkets, supermarkets, convenience stores, drive-through outlets and e-commerce sites);
- Immochan, the retail property arm; and
- Oney Banque Accord.

All the businesses that come under the Auchan Holding umbrella want to be recognised for their ethics. They are taking a proactive approach that aims to address the evolving concerns of their stakeholders. As part of this approach, an international Corporate Social Responsibility (CSR) committee has been in charge of drafting, implementing and monitoring sustainable development policies since late 2008. It promotes the sharing of objectives through common policies and combined best practices and helps its members to assimilate CSR issues.

To begin with, policies were organised into major project areas at the end of 2008 (energy, waste, socially responsible product ranges) and indicators were put in place to measure the change in results from year to year. Over time, these project areas have been consolidated and expanded.

In 2011, Groupe Auchan decided to report on these issues via an annual corporate and social responsibility report, which was incorporated into the annual business and financial report starting in 2014. Under Article 225 of the Grenelle 2 Act, which entered into force in April 2012, Auchan Holding is required to communicate certified qualitative and/or quantitative data in respect of its entire business with regard to 42 CSR issues.

To further enhance the consistency and comparability of the reported data, a protocol was developed and was made available to all contributors. This protocol sets out clear, uniform procedures across all sites and is updated every year in response to consolidation problems reported in certain countries or with certain store formats and to reflect changing regulations.

The external auditors use the protocol as a basis for their checks.

In their conclusion for financial year 2014, the external auditors “did not identify any significant anomaly liable to call into question the fair presentation of the CSR information, taken as a whole”. Two observations were made, the first on the exclusion of the supermarket and drive-through businesses from the calculation of the waste recovery rate, and the second relating to modifications to the HR reporting protocol, resulting in changes of methodology that had a bearing on the comparability of 2014 and prior-year labour data.

A call for tenders was launched in Spring 2015 for a software application that would increase the reliability of escalated data and safeguard its quality. Until then, each Auchan Holding business unit reported all CSR data (labour, environmental and social data) in Excel spreadsheets. The chosen software was up and running in the course of the year and automatic alerts were configured to flag data falling outside a pre-defined confidence interval or in which there has been an excessive change by comparison with the prior-year period. All data entered into the application, and all corrections, can be traced indefinitely.

The 2015 results contained in this document are set against the prior-year results where a reasonable comparison can be made. Headway is measured and areas that need to be monitored are detected and then analysed. This “snapshot” also provides visibility on the work that still needs to be done. This mandatory exercise should be treated as an opportunity to improve and create value, shared by all employees involved in the process today or in the future.

The new organisation is in its early stages but Auchan Holding’s businesses will not lose sight of the founding values that have guided them over the past 55 years. Quite the contrary - they intend to capitalise, and draw, on their achievements in order to inject fresh impetus into their activity.
REPORTING STRUCTURE

In every country/core business, a sustainable development manager, preferably a member of General Management, is in charge of distributing environmental and social reporting instructions to all sites and departments falling within their scope. Each CSR manager is responsible for tracking the indicators and coordinating data submissions from the employees who are tasked with this job at entity level. They use simple computer tools for data consolidation.

The Human Resources (HR) managers share responsibility for labour data with their executive committees and all operational contributors.

To render the data communicated homogeneous and certifiable, the international CSR committee developed a reporting protocol in 2013 that was made available to all individuals who might contribute to the process directly or indirectly. The aim was to gradually address the issues that had been encountered so as to better define and track clear and uniform procedures across all sites.

A CSR-specific software application was deployed in September 2015 to handle the data escalation and verification process. All persons involved in contributing and validating the data were trained to use the software. The response has been overwhelmingly positive among users, who see it as an intuitive, simple tool that will make it easier to track data.

These two complementary organisations work together closely to organise the reporting process and check the information that they are given before the corporate team produces this document.
LABOUR DATA

SCOPE

The quantitative and qualitative data in this document summarises the data communicated to Auchan Holding by all the businesses within its scope within the meaning of Article L.233-1 and of the companies it controls within the meaning of Article L.233-3 of the French Commercial Code.

Unless otherwise specified for each indicator, the data is calculated at 30 September 2015.

The disability and training indicators are calculated on the basis of data for calendar year 2014.

In accordance with the commitment made in 2014, current year labour data for RT-Mart China has been incorporated into the annual consolidated data. Data for the former Real stores opened under the Auchan banner prior to 1 October 2014 has also been incorporated.

Grosbill has been sold and has therefore been excluded from the scope of the report.

COLLECTION METHODS

To ensure the homogeneity of indicators across the entire scope, a reporting methodology guide was drafted in French, then translated into English and distributed after feedback to all employees involved in collecting the data presented in this document. It details the methodologies to be used in collecting and checking the indicators: definitions, methodology principles, roles and responsibilities of internal stakeholders, measurement units, calculation formulas, FAQ, etc.

Qualitative and quantitative information, and any relevant comments, regarding policies and actions implemented in the countries and core businesses is entered into the new software application based on the information provided in exhaustive questionnaires.

The software tool ensures increased data reliability, facilitating the consolidation process and providing a rich database for today’s HR uses and those of tomorrow.

DATA VERIFICATION

・ Each validator is responsible for checking the data entered by the various contributors within their scope prior to the calculation of the indicators. To assist them in this task, automatic alerts are set up in the software tool to flag large discrepancies (greater than 10%) between one year and the next. Whenever an alert is issued, the contributors and validators must enter comments to explain and substantiate the discrepancy.

・ A second level of control is then applied at holding company level. Inconsistencies and errors are reviewed with each business and corrected before consolidation.

DATA COMPARABILITY AND REPRESENTATIVENESS

Auchan Holding has been improving the reliability of its labour data reporting since 2014 by:

・ implementing new actions to raise awareness of CSR issues;
・ designing dedicated reporting software;
・ creating a precise methodology shared by the different entities.

Notable changes in methodology between 2014 and 2015 include:

・ the incorporation of labour data for RT-Mart China, which was not consolidated in the prior year and is thus not comparable,
・ a lowering of the alert threshold for large discrepancies from 15% to 10%. The alert is triggered when large discrepancies are detected from one year to the next. Comments must be entered for certain pre-determined indicators,
・ changes in the definition of the term “manager” for Immochan and Banque Accord. The new definitions for these two entities facilitate tracking of the indicator, taking into consideration the specific nature of their activities.
・ the inclusion of new indicators:
  - the number of disabled employees as at 31 December of the prior year is compared with the total workforce as at 31 December of the prior year to determine the ratio of disabled employees to the total workforce.

The number of training hours as at 31 December of the prior year is now compared with the total number of hours worked over the same period (under both permanent and fixed-term contracts), giving us the ratio of training hours to the total number of hours worked.

1 The reporting protocol specifies the list of positions with manager status for all Auchan businesses. In the case of Banque Accord, persons with managerial authority over at least one employee are considered managers. At Immochan, managers are: financial and commercial directors, sales managers and managers of shopping malls.
ENVIRONMENTAL DATA

SCOPE

The quantitative and qualitative data in this document summarises the data communicated to Auchan Holding by all the entities within its scope within the meaning of Article L.233-1 and of the companies it controls within the meaning of Article L.233-3 of the French Commercial Code, with the exception of Oney Banque Accord and Auchan E-Commerce International (AECI).

Environmental data for Banque Accord is not published in this document due to the specificity of this business compared with the holding company’s other core businesses. It may, however, be found in the CSR section of Banque Accord’s management report.

E-commerce is currently negligible in terms of environmental impact, since AECI does not have its own logistics sites.

In accordance with a commitment made in the previous year, RT-Mart China’s environmental data has been incorporated and consolidated for 2015. However, with no prior-year comparison basis, this data is not comparable.

Lastly, the economic difficulties encountered by the Chronodrive business and the ensuing governance changes meant that environmental data was not escalated for Chronodrive this year. Every effort will be made to satisfy this reporting requirement in 2016.

Unless otherwise specified for each indicator, the data is calculated from 1 October 2014 to 30 September 2015.

COLLECTION METHODS

For qualitative data, the policies and actions implemented in the countries are escalated via the software tool using a questionnaire put together by the international CSR committee, based on legal obligations and indicators traditionally tracked by the company.

To ensure the homogeneity of indicators across all entities, a reporting methodology guide was drafted in French, then translated into English and distributed to all employees involved in collecting the data presented in this management report. It details the methodologies to be used in collecting indicator data: definitions, scope, units, calculation formulas, etc. KPIs are reported via the software, which incorporates alert systems as described in the next section.

DATA VERIFICATION

Each assigned manager is responsible for escalating the data for their entity for the purposes of calculating the indicators. They use a software tool that includes two levels of alert:

- when there are sizeable variations in consumption from one year to the next (different delta depending on the indicator, the core business or the geographical region);
- when consumption ratios are particularly low or high.

The CSR managers in each of the Auchan Retail and Immochan countries are responsible for validating this data. They must verify that sites for which an alert has been issued in respect of one or more indicators have entered a comment in the software tool to explain the discrepancy or significant change that has been flagged.

The international CSR committee then carries out a second level of control. Inconsistencies and errors are reviewed with the CSR managers of the entities concerned and, wherever possible, corrected or removed before consolidation.
CLARIFICATIONS CONCERNING THE INDICATORS

- Only the commercial sites are included in the calculation of the indicators. Logistics sites, head office functions, affiliated stores, etc., are not included.
- Only the shopping malls owned by Immochan are included in indicator calculations. Malls where Immochan is the lessee or has an operating contract, and retail parks, are not incorporated into the data calculations or the coverage ratio calculations.
- Store surface area in square metres does not include storage, food preparation or shopping mall surface areas.

Two coverage ratios are calculated for each indicator:
- a coverage ratio based on the number of sites covered
- a coverage ratio based on the number of square metres covered.

To best reflect the reality of the different core businesses, it is this second ratio that is used in this document.

DATA COMPARABILITY AND REPRESENTATIVENESS

For a number of years, Auchan Holding has been improving the reliability of its CSR reporting by:
- designing dedicated reporting software;
- gradually improving its coverage ratio;
- implementing a methodology shared by the different countries/core businesses.

These significant changes to methodology limit data comparability from one year to another.

The principal changes in methodology between 2014 and 2015 were as follows:
- the rate of waste recovery is now calculated only for hypermarkets, shopping malls and Alinéa. Unrecycled waste is difficult to track as it is generally processed by the municipalities directly. Tonnage of recycled waste is calculated for all entities. As they are unable to report their rates of waste recovery, supermarkets have agreed to communicate their rates of damage to fresh produce;
- the Drive outlets now report their electricity data separately;
- refrigerants are now calculated over the same period as other environmental indicators, i.e. from 1 October of the prior year to 30 September of the current year.

SCOPE OF THE REPORT

CHANGES IN THE SCOPE OF THE REPORT OVER 3 YEARS

in m² of surface area

<table>
<thead>
<tr>
<th></th>
<th>at 30/09/2013</th>
<th>at 30/09/2014</th>
<th>at 30/09/2015 (excl. RT-Mart China)</th>
<th>at 30/09/2015 (incl. RT-Mart China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface area</td>
<td>6,656,711</td>
<td>7,232,131</td>
<td>7,611,904</td>
<td>10,326,342</td>
</tr>
</tbody>
</table>

CHANGES IN THE SCOPE OF THE REPORT OVER 3 YEARS

in number of sites

<table>
<thead>
<tr>
<th></th>
<th>at 30/09/2013</th>
<th>at 30/09/2014</th>
<th>at 30/09/2015 (excl. RT-Mart China)</th>
<th>at 30/09/2015 (incl. RT-Mart China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of sites</td>
<td>1,452</td>
<td>1,567</td>
<td>1,710</td>
<td>1,989</td>
</tr>
</tbody>
</table>
The environmental indicators are monitored site by site. The exclusion of data deemed unreliable implies the calculation of a coverage rate for each indicator. This is illustrated in the graph below. The calculations of these indicators and any changes thereto are categorised by activity and by geographical region. This is explained further in the Environment chapter (cf 31 to 45).
EMPLOYEES

WORKFORCE BREAKDOWN AND ANALYSIS

The “Other” category comprises the following businesses: Alinéa, Auchan E-commerce, Chronodrive, Les Halles d’Auchan and Little Extra.

Stripping out RT-Mart China, as at 30 September 2015, the businesses within Auchan’s scope employed 230,770 people. The workforce, stripping out RT-Mart China, increased by 3% in comparison with 2014.

As in 2014, this increase reflects more or less pronounced variations in the workforce depending on the geographical region. The Central & Eastern Europe workforce rose by 10.5% during the period due to the continued integration of the Real stores in Poland (18) and the opening of new sites (11).

All in all, a significant increase in the number of sites during the period, notably in Asia (55), saw the workforce rise consequently.

Lastly, the 1.55% fall in the workforce in Western Europe was essentially the result of restructuring programmes introduced in some countries.
At 30 September 2015, and factoring in RT-Mart China, the businesses within Auchan’s scope employed 346,800 people in the 13 countries in which they operate.

RT-Mart China employs 116,030 people. The incorporation of this figure into the 2015 data alters the breakdown of the workforce by geographical region, increasing the share attributable to Asia from 12% to 41%.

Local practice in China dictates that a position can only be made permanent after an employee has spent several years working on a fixed-term contract. The integration of the RT-Mart China data has an impact on the permanent / fixed-term workforce breakdown for Asia and for Auchan as a whole.
The percentage of full-time employees is stable in Western Europe but has increased in the other regions. Overall, the number of full-time employees within the company has risen by 4.3% and they account for 74% of the workforce (excluding RT-Mart China).

The “Voluntary full-time” scheme launched at the end of 2007 allows part-time staff to benefit from the weekly hourly package of their choice. The opportunity of converting to full-time work meets employees’ growing needs in terms of purchasing power, and develops the skills and employability of the 3,300 or so people who have taken advantage of this scheme since its launch. This often involves combining jobs (via an amendment to the employment contract) to enable the employee to achieve a 35-hour working week.
The increase in the turnover rate (from 18.4% in 2014 to 19%) is solely attributable to Western Europe. Despite remaining higher in the other regions, the turnover rates are nonetheless decreasing. The labour policies followed in these regions are enhancing job stability.

The significant reorganisations undertaken in France and Italy have caused the overall number of terminations to increase by 28% in comparison with 2014 (6,667 versus 5,182 in 2014). This mainly concerned those hypermarkets and supermarkets that introduced termination schemes essentially on a voluntary basis.
The total number of hires under permanent contracts rose by 13% during the period. Such hires make up respectively 90% and 92% of the permanent positions in Western Europe and Central & Eastern Europe and 53% in Asia (stripping out RT-Mart). This has much to do with local practices in China, which involve hiring employees on fixed-term contracts that can last a number of years before being converted into permanent contracts. The large number of new store openings during the period also explains why the proportion of fixed-term contracts is so large.

Notes to the tables above:
- Data calculated at 30/09/2015, except the number of hires and dismissals and the turnover rate, which are calculated from 1 October 2014 to 30 September 2015. The following are excluded from the calculation of this data: temporary workers, interns, and employees whose contracts have been suspended.
- The notions of full-time and part-time are applied in accordance with legal definitions in each country.
- The number of permanent contract hires corresponds to the total number of permanent contract hires and the number of fixed-term contracts converted to permanent contracts during the reporting period.
- The number of dismissals corresponds to every contract terminated on the employer’s initiative.
- The turnover rate corresponds to the ratio of employees on permanent contracts who left the company, relative to the average workforce.
**WELCOMING NEW TALENTS**

Auchan Retail, Immochan and Oney are developing relationships with schools and universities in the countries where they are present. Employees visit partner establishments to present their brand’s core businesses and key features. These events offer many students and young graduates the chance to carry out work experience in store, or work-study contracts or their first jobs after completing their studies.

In 2015, 8,590 trainees and 4,350 work-study applicants were given the opportunity to acquire professional experience, which was highly beneficial to their training. The Auchan Retail Spain hypermarkets notably offered trainee positions in all stores via an extensive publicity campaign. In Poland, films targeting students promoted Auchan Retail across web forums and social networks. With the multidisciplinary G2G² programme, the Portuguese hypermarkets are giving high-potential new graduates and talented young people already working in the company the opportunity to take their training to the next level.

In addition to management positions, there are many core businesses in which Auchan Retail has a strong need for qualified workers. For instance, RT-Mart China has teamed up with two key partners: the Lianyungang technical college, which provides training in all aspects of the production of freshly baked breads and pastries, and the Wuhan Textile University, which trains fashion designers.

In every part of Russia in which Auchan Retail has a foothold, schools under the Auchan Retail banner provide training in fishmongery, catering, butchery and fruit and vegetables.

2015 also saw Auchan Retail Hungary set up a training course in food-related and sales professions.

Lastly, support from tutors, apprenticeship instructors and experienced trainee tutors, following a very precise calendar and approach, promotes better integration and better training for new employees.

---

²Growing together
Labour dialogue and the number of meetings with employee representatives (in the different forms of representation that exist in each country) has continued to rise (by 9.25%), particularly in Central & Eastern Europe, a region where labour and union-related issues are taking on more importance.

Employees are chosen locally by trade unions, whose representatives are elected by employees to promote strong messages and formulate specific demands to site management. At the national level, members are elected and sit on the representative bodies of their entities. This is the forum in which topics of major interest to employees concerning the social and economic environment are discussed and collective bargaining agreements are reached. The 12,985 meetings held in 2015 as part of a labour dialogue addressed the following main issues: wages, health and safety conditions, working hours and quality of life at work.

Proactive political actions were taken in countries where there is no strict employment legislation and where labour dialogue is not as prevalent as in Western Europe.

In China, Ukraine and Russia, special committees addressing life in the workplace meet once a month in every hypermarket. These committees bring together representatives of senior management, managers and employees at the site. Corrective measures are identified and objectives set. These meetings are also an opportunity to share information relating to the company in an open manner and to respond to any questions that may be raised.

At the Auchan Retail France hypermarkets, discussions with labour partners led to the signature of 11 collective bargaining agreements and amendments in 2015. These concerned: night work, the payment of cleaning costs for work clothing, deeper labour dialogue, mandatory annual salary negotiations, provisional planning for jobs and skills, the company savings plan and the profit-sharing scheme.

In order to extend and strengthen labour dialogue and the information available in each business through its own forums, and after consulting with employee representatives, Auchan decided to establish two cross-departmental works councils for its national and international operations:

- the Group works council was formed in 2005 and comprises companies that are representative of Auchan’s French activities,
- the European works council was formed in 1996 and represents the eight eurozone countries in which the company operates.

The effectiveness of a dialogue on such a level is borne out by the interest and enthusiasm expressed by the representatives who sit on the works councils (22 people on the Group works council and 35 on the European works council). These people are kept informed of all strategic directions, beyond the scope of their own assignments. This gives them greater insight into their own duties.

With this in mind, and with a view to facilitating an exchange of views and opening up a dialogue, during preparation meetings the works council representatives are free to put questions to the business managers and discuss with them any current business developments, as well as the economic situation and outlook and prospects for jobs.

This dialogue forges cohesion around strong values such as solidarity, respect for human rights, diversity within teams and the health and safety of each employee.

In 2015, Auchan answered a hundred or so questions on diverse topics put forward by the two works councils. Most of the questions focused on: economic results, the development of the business, the manner in which work is organised, the activities of the foundations in which Auchan is involved (covered in pages 76 to 82), the integration of the Real stores and the employment situation in Italy.
TREND IN THE RATE OF ABSENTEEISM DUE TO ILLNESS BY GEOGRAPHICAL REGION*  
excl. RT-Mart China

The rate of absenteeism due to illness edged up from 3.1% in 2014 to 3.2% in 2015. This increase was attributable to reorganisations in certain Western European countries and a change in the rules to be applied when accounting for sick leave in China (prior to the change, Chinese employees’ sick days were deducted from their paid holidays).

RATES OF ABSENTEEISM DUE TO ILLNESS BY GEOGRAPHICAL REGION  
incl. RT-Mart China

Since the rate of absenteeism in Asia is very low, and given the considerable size of the Asian workforce, the inclusion of RT-Mart China’s data caused the absenteeism rate for Auchan as a whole to decrease.

TREND IN THE RATE OF SEVERITY OF WORKPLACE ACCIDENTS BY GEOGRAPHICAL REGION**  
excl. RT-Mart China

The rate of absenteeism due to illness edged up from 3.1% in 2014 to 3.2% in 2015. This increase was attributable to reorganisations in certain Western European countries and a change in the rules to be applied when accounting for sick leave in China (prior to the change, Chinese employees’ sick days were deducted from their paid holidays).

RATES OF ABSENTEEISM DUE TO ILLNESS BY GEOGRAPHICAL REGION  
incl. RT-Mart China

Since the rate of absenteeism in Asia is very low, and given the considerable size of the Asian workforce, the inclusion of RT-Mart China’s data caused the absenteeism rate for Auchan as a whole to decrease.

TREND IN THE RATE OF SEVERITY OF WORKPLACE ACCIDENTS BY GEOGRAPHICAL REGION**  
excl. RT-Mart China

The rate of absenteeism due to illness edged up from 3.1% in 2014 to 3.2% in 2015. This increase was attributable to reorganisations in certain Western European countries and a change in the rules to be applied when accounting for sick leave in China (prior to the change, Chinese employees’ sick days were deducted from their paid holidays).
As was the case in 2014, the number of workplace accidents varied greatly in 2015 depending on the country and the entity. It has nonetheless fallen considerably in the space of a year (from 10,220 in 2014 to 9,691 in 2015), corresponding to an overall decrease of 5.46%. Asia and Western Europe were the main contributors to this figure.

The rate of severity and the frequency of accidents fell by 17% and 9.3%, respectively. In other words, there were fewer serious accidents at the businesses within Auchan Holding’s scope. Accidents were also less frequent. The numerous preventative and training initiatives during the period paid off to a considerable extent.
For 14 years, the Auchan Retail businesses in each country have been asked, every two years or so, to assess employee perception of human resource and management policies, via internal opinion surveys administered anonymously across their entire business. Once the results have been recorded and collated, they are transmitted locally by managers, as well as nationally, so that any necessary corrective action can be taken to ensure employee work satisfaction.

The Auchan Retail businesses implement risk prevention systems designed to combat workplace accidents and occupational diseases.

Some of the main causes include:

- Lifting accidents (all activities requiring the lifting of heavy objects, either manually or with the help of equipment).
- Manual handling (any transportation or heavy lifting action necessitating a physical effort on the part of one or more workers).
- Impact-related accidents (crushes, cuts).
- Loss of balance or falls.

Musculoskeletal disorders (MSD) are by far the most prevalent occupational injuries and illnesses due to repetitive movements performed incorrectly at some work stations, such as goods handling or badly positioned cash register work.

To limit these risks, training is provided to raise awareness among all the employees exposed to such risks and to teach them the correct movements and postures when carrying out their tasks. Specific technical training is also provided. For instance, in Ukraine, lead instructors provide training on how to handle gas supply mechanisms or how to safely use the electrical fittings. Each accident is analysed to prevent it from happening again. Additional protective floor coverings are laid in areas in which a risk of a fall has been identified and ergonomic equipment is purchased when a need is identified. Ahead of the opening of every new site, all such parameters are examined to minimise the aforementioned risks.

In 2015, more than €15.5 million was invested in safety and prevention in France.

### Increase in the Number of Occupational Injuries and Illnesses by Geographical Region

<table>
<thead>
<tr>
<th>Region</th>
<th>N-1</th>
<th>N</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>435</td>
<td>439</td>
<td>+1%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>5</td>
<td>10</td>
<td>+100%</td>
</tr>
<tr>
<td>Asia (excl. RT-Mart China)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>440</td>
<td>449</td>
<td>+2%</td>
</tr>
</tbody>
</table>

*Workforce calculated at 30/9/2015
- Only included as accidents for the severity and frequency rates: accidents leading to medical leave of one or more calendar days, not counting the day of the accident.
- The rate of absenteeism for illness corresponds to all hours not worked by employees due (solely) to illness.
- ** The severity rate relates to the number of days of medical leave due to a workplace accident.
- *** The frequency rate corresponds to the number of workplace accidents with medical leave recorded for the period.
- **** Number of injuries and illnesses recognised by an official organisation. The data is calculated for the entire year 2014.

The number of occupational injuries and illnesses rose by 2% from 440 to 449. Initiatives, notably in the form of awareness actions and employee training at work stations and in safety matters, have helped contain the number of occupational injuries and illnesses diseases, with only a slight increase.
COMBATING INSECURITY

The businesses within Auchan’s scope can only ensure their own health by proactively supporting the well-being and quality of life of their employees.

This is why healthcare and supplemental social security coverage have been introduced in nearly every country where such benefits are not already in place.

Faced with some governments repeatedly withdrawing coverage for certain healthcare costs, a number of entities have taken steps to offer high-quality services (healthcare/provident) at competitive rates, so as to protect employee purchasing power.

At certain Auchan Retail hypermarkets with sufficient space, cafeterias serve affordable, balanced meals to staff.

Additional subsidies are granted by the management of some sites and by works committees. These are primarily offered to employees who are unable to return home at meal times (due to transportation constraints).

CONTRIBUTING TO THE PERSONAL DEVELOPMENT OF EACH EMPLOYEE

BREAKDOWN OF THE TOTAL NUMBER OF TRAINING HOURS BY GEOGRAPHICAL REGION

at 31/12/2014 - excl. RT-Mart China

28%  39%  33%

Western Europe  Central & Eastern Europe  Asia

FOCUS

IMPROVING QUALITY OF LIFE AT WORK

As part of a continual effort to improve workplace conditions, the Human Resources Department for the Auchan Retail France hypermarkets introduced a four-year plan (2014-2018) that hinges on a co-constructive approach involving people at all levels of the business, occupational health physicians and representatives of the national healthcare insurance agency.

Multi-disciplinary work groups are being set up locally. These groups combine employee skills in order to reconcile prevention imperatives with each site’s needs in terms of high-performance equipment.

The approach to improving quality of life in the workplace is three-pronged. These focuses are listed below, together with an indication of the headway made in each area during 2015:

• **Human**: three-day training programme for the members of the multi-disciplinary work groups; overhaul of the training module for new hires; appointment of regional lead prevention instructors.

• **Technical**: implementation of an equipment-testing procedure in association with the different business functions; instructions are now directly affixed to equipment to ensure employees are aware how to use machines/devices.

• **Organisational**: creation of a tutorial for cashiers focusing on good posture at their work stations; introduction of multipurpose checkout solutions to reduce the number of items to be handled on the checkout belt.
EMPLOYEES

Data calculated for calendar year 2014 compared with calendar year 2013 (see methodology). Total number of training hours recorded.

Close to 5.2 million hours were spent on training in 2014 at businesses within Auchan’s scope (stripping out RT-Mart China).

All in all, the number of training hours increased by 9% in comparison to 2013, particularly in the countries of Central & Eastern Europe and Asia, where business is expanding significantly and where investment in training is fully warranted.

The steep increase is also attributable to the number of stores opened during the period and to the number of rebranded sites (Real stores switching to the Auchan banner) in Poland. As illustrated by the ratios in the above charts (2.99 for Asia and 1.67 for Central & Eastern Europe), the entire workforce of newly-opened or rebranded stores has benefited from a greater number of training hours.

At 10,919,604, the number of training hours at RT-Mart China covers RT-Mart China employees as well as merchandisers, whose work involves promoting and selling products. These people essentially receive safety-related training.

The training courses met the needs of the different core businesses, and were developed and dispensed primarily in the areas of: the company’s values, personal development, product knowledge, work posture or, for new hires, becoming acquainted with their new position. Some modules have also been developed to train employees in different aspects of CSR, in both social and environmental areas.

ENCOURAGING INNOVATION

The company’s success is inconceivable without the talents, individual initiative and innovative capacity of every employee. Auchan Retail, Immochan and Oney have traditionally given every individual, whether they are a manager or an employee, the chance to suggest ideas, try them out and develop them if successful. In 2011, this approach led to the launch of a global participatory innovation programme, “Creative Attitude”.

This programme was first rolled out in Western Europe. It was successfully launched in Taiwan in 2015 and, thanks to the creation of an international innovation department, 2016 will see it rolled out in all the countries in which Auchan operates.

To date, of the 4,000 ideas put forward, more than 200 have been selected for trial runs, testing or deployment. In each case, the objective is to create new added value, whether for sales, operational efficiency, development or CSR policies.
“Creative Expeditions” are arranged to further promote the new ideas culture. These expeditions bring together executive managers and entrepreneurs with new project ideas to give them an opportunity to explore new concepts, new startups and new business models and, above all, to help them take their ideas from the drawing board to reality. Such expeditions have already been organised in Portugal, Spain and France and will be gradually introduced in all other countries to help the businesses forge ties with their local “ecosystem” and increase the number of participants in such expeditions.

**FOCUS**

**NEXT GENERATION OF MANAGERS**

In 2016, Auchan Retail International’s new accredited training course, known as the Auchan Graduate Program, will give 35 talented young employees or graduates, from nine countries, the opportunity to follow a programme of international excellence.

The four-year course will see the students alternating blended learning, reverse mentoring, co-development, six-month foreign experience placements and on-site management positions in their country of origin. The lessons will be given jointly by top business schools: CentraleSupélec and ESSEC.

The ambition of the Auchan Graduate Program is to recruit and train new, younger employees better able to respond to innovative contexts with a view to meeting demand for “high potential” managers in all countries. It will also be an opportunity to further diversify executive committees and ensure proper balance: equal opportunities for men and women, cultural diversity in career paths and the development of intergenerational relations.

Some successful examples:

**Makerland, makers 2.0**

This novel concept is Auchan Retail and Immochan Italy’s answer to the “Makers” trend. Customers can make, put together and create things with their own hands, using services set up in vacant areas of shopping malls.

At Makerland, customers can use the latest technological devices (3D printers, laser cutters, etc.) to create and personalise their own products. Specially-trained employees are on hand to help them use these machines.

**Client Box, a 360° customer panorama**

Knowing the customer and providing them with a personalised offering: this is Oney Portugal’s goal. With Client Box, each customer’s data is segmented on the basis of marketing, store and risk scores in a single Internet application. Contract, service, product and even complaint management is more efficient, making it easier to design personalised offers for each customer.

**Bouton noir**

The new Bouton Noir tailored clothing webstore was launched in Villeneuve d’Ascq in April 2015. Clothes can be tailored in a wide variety of fabrics with a broad range of finishes, and customer measurements are taken in less than 10 seconds using a 3D cabin.

**Il Casoro**

Eager to promote the taste of Italian produce and showcase Italian traditions, one Auchan Retail Italy employee came up with the idea of making mozzarella by hand in store. Customers can see directly into the mozzarella production workshop. This innovative concept has been developed in three stores and is gradually being deployed across all the Italian hypermarkets.
SHARING IN THE COMPANY’S SUCCESS

Since their launch in 1977, Groupe Auchan’s profit-sharing policies have made it a pioneer in the field.

The company is well aware of the key role played by its teams in winning the sales battle and the trust of its customers. For its constantly evolving businesses, it is therefore essential that employees be closely associated with this shared ambition. This enables every individual to expand the scope of their professional expertise and gives them the opportunity to be promoted to new responsibilities.

Infuse new energy

Sharing is thus both effective, since it contributes to the performance of the company, and equitable, because it allows employees to benefit from the fruits of their efforts.

However, in an increasingly difficult economic environment, it had become important to precisely reframe these profit-sharing policies to guide all countries in their implementation and evolution, in order to infuse new energy into the system. This is why Groupe Auchan developed a common benchmark in 2014 to ensure consistency and equity between the entities offering employee shareholding. The countries have been able to build on this foundation to adapt their employee ownership policies in 2015. Such processes are local, close to employee concerns, to take account as much as possible of the specificities of each country and core business, while best highlighting and rewarding individual and collective performance.

REVIEW FOR THE PERIOD

Almost €132m distributed via employee ownership policies 166,699 employee shareholders; 89.7% of those eligible are shareholders in the company. 9 funds, 9 countries (France, Italy, Luxembourg, Spain, Portugal, Hungary, Poland, Russia and China) and all the company’s core businesses (except e-commerce).

TREND IN THE NUMBER OF SHAREHOLDERS BY GEOGRAPHICAL REGION

excl. RT-Mart China

Western Europe 109,739 109,030
Central & Eastern Europe 40,032 42,117
Asia 13,295 15,552
Total 163,066 166,699

N-1 N
NUMBER OF SHAREHOLDERS IN 2015
incl. RT-Mart China

<table>
<thead>
<tr>
<th>Region</th>
<th>Shareholders incl. RT-Mart</th>
<th>Shareholders excl. RT-Mart</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>109,030</td>
<td>101,029</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>42,117</td>
<td>42,117</td>
</tr>
<tr>
<td>Asia incl. RT-Mart China</td>
<td>101,029</td>
<td>101,029</td>
</tr>
<tr>
<td>Total</td>
<td>252,176</td>
<td>254,146</td>
</tr>
</tbody>
</table>

CHANGE IN THE PERCENTAGE OF SHAREHOLDERS / EMPLOYEES ELIGIBLE FOR SHAREHOLDING, BY GEOGRAPHICAL REGION
excl. RT-Mart China

<table>
<thead>
<tr>
<th>Region</th>
<th>N-1</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>91%</td>
<td>91%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>86%</td>
<td>90%</td>
</tr>
<tr>
<td>Asia excl. RT-Mart China</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>91%</td>
<td>91%</td>
</tr>
</tbody>
</table>

PERCENTAGE OF SHAREHOLDERS / EMPLOYEES ELIGIBLE FOR SHAREHOLDING IN 2015 BY GEOGRAPHICAL REGION
incl. RT-Mart China

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>91%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>90%</td>
</tr>
<tr>
<td>Asia incl. RT-Mart China</td>
<td>99%</td>
</tr>
<tr>
<td>Total</td>
<td>94%</td>
</tr>
</tbody>
</table>

Number and proportion of employee shareholders, by geographical region in which employee shareholding has been implemented, as a percentage of the total number of employees fulfilling the eligibility conditions for employee shareholding (at the closing date of the entity’s 2015 annual subscription period).

There were 252,176 employee shareholders in 2015 (factoring in RT-Mart) and 166,699 stripping out RT-Mart.

In other words, on a like-for-like basis, the percentage of eligible employees who have become shareholders has increased by 3 percentage points from 91% to 94%.

The number of employee shareholders increased in 2015, particularly in Asia as a result of the inclusion of RT-Mart China in the analysis, as well as the opening of a number of new stores across Asia and Central & Eastern Europe and the inclusion of employees from the Real stores.
The personnel costs ratio for Auchan businesses stood at 12% in 2015. It rose in all regions, including Western Europe where economic conditions are more challenging. This increase stems to a large extent from the significant number of new and rebranded stores, since, prior to their incorporation into the Auchan Retail workforce, the employees of the Real stores did not benefit from the same wage conditions.

Each entity is responsible for applying its remuneration policy within its own economic, legislative and regulatory context, but in the framework of a shared commitment and shared values. Overall remuneration aims to be attractive, with a fixed portion in line with market practices and an individual variable portion dependent on the employee’s performance, as well as a collective element.

The remuneration systems also include various benefits adapted to the local context, which in particular address healthcare and death/disability benefits for employees and their families.

DIVERSITY AND EQUAL OPPORTUNITY, A CORPORATE AFFAIR

The company boasts a diverse range of professions and seeks to open up a large number of its career pathways to men and women from every background and with all types of qualification. Hiring policies prohibit any form of discrimination, whether in respect of gender, age, disability, religion, sexual orientation or other reasons.

The company views diversity as a key performance lever. It is the diverse nature of its workforce and their different perspectives that enable it to adapt and respond quickly.

The diversity of the teams reflects that of the core businesses, customers, countries and societies in which the entities within Auchan’s scope are located.

Some entities develop and devote large policy sections to the fight against all forms of discrimination. All these principles and rules are defined in the framework of rules of procedure, codes of business conduct, training courses and company agreements.
The breakdown among men and women has remained flat in comparison to 2014 (with women making up 63% of the workforce and men 37%). The percentage of male employees has dipped 0.58 of a point.

Central & Eastern Europe stands out in particular as women account for 72% of the total workforce.

Over the period, the proportion of women holding a management position increased by one percentage point (48% in 2015, up from 47% in 2014). This stemmed mainly from the proportion of women managers in Central & Eastern Europe (62%) and the ever-increasing proportion in Asia (51% up from 50% in 2014).
In France, Spain and Portugal, equality agreements or plans have been signed with the various employee representatives. These agreements underpin the company's commitment to developing a series of measures with regard to hiring equality, work/life balance, promotion, training and communication, and avoid any direct or indirect gender discrimination.

There is no wage discrimination between men and women in the majority of the countries in which Auchan Retail operates. In Hungary, wages are reviewed annually on the basis of local surveys with a view to correcting any differences that may be identified.

The Auchan France hypermarkets followed a proactive policy from 2009 to 2014 to guarantee the promotion of women to management positions. Between 2009 and 2011, more than 70 “Mixité” (“diversity”) participants received promotions.

Furthering this initiative, 108 female department managers participated in the “Talents de femmes” (“talented women”) scheme between 2013 and 2014.

The Human Resources Department decided to extend these career pathways to everyone and to replicate the scheme via all internal training courses. Each course incorporates one full day dedicated to diversity. This initiative received an award in the November 2015 “Trophées de la diversité” awards organised by Diversity Conseil.

In Portugal, Auchan Retail provides all managers with gender equality training. A mechanism is in place to enable each and every employee to lodge a complaint or submit suggestions, all anonymously. During the course of the year, a “Family week” is organised to share internal and external initiatives in relation to the development of women’s careers, the balance between personal life and work and childbearing. All year long, there is a strong focus on training women to ensure more equity in leadership positions and to make positions that had traditionally been held by men available to women. Lastly, employees at the Alfragride and Amadora hypermarkets can entrust their children all year round to crèches and playgrounds located within the hypermarkets. These facilities are also open to local residents.

The Portuguese public body, Commission, has awarded Auchan its equality and quality seal in recognition of its equal opportunities policy.

Fostering and Supporting the Integration of People with Disabilities

Trend in the Percentage of Employees with a Disability
incl. RT-Mart China
8,097 employees had a recognised disability in 2014. They made up 3.45% of the total workforce, down slightly by 1.15% in comparison to 2013.

This was mainly attributable to the significant increase in the workforce in 2014 and the decrease in the number of employees with a disability in Central & Eastern Europe.

To facilitate the integration of new disabled employees, commitments have been made to adapt work stations (access ramps, information notices in Braille, specially-adapted chairs, etc.) or work hours, to train managers to accommodate these employees, to heighten awareness among all employees with a view to encouraging them to accept differences in others and with respect to posture-related issues in certain specific situations.

Some businesses, like Auchan Retail Portugal and Auchan Retail France, work with union representatives to put institutional agreements in place to establish a structure for their integration policies. However, an increasing majority of them are calling on the services of specialised outsourcing companies in the adapted and protected sector for services such as: the maintenance and cleaning of green spaces, trolley repair or the sale of items designed by people with a disability or involved in a professional integration scheme.

In some sales locations, to improve customer awareness of employees with disabilities, the presence of cash register attendants who are deaf or hard of hearing is indicated by specific signage at the registers.

The Auchan Retail supermarkets and Oney Banque Spain have introduced a chart system to monitor the integration of each disabled employee and keep track of any HR meetings they may have had, with a view to assessing whether adjustments are needed. In the same vein, the Spanish hypermarkets have teamed up with the ONCE foundation to examine what types of profiles in the disabled workforce would suit management positions, e.g. as retail department managers or account managers.

Auchan Retail's French hypermarkets employ 3,047 disabled people, i.e. 5.3% of their workforce. In 2015, Auchan Retail signed a national “work-study and disability” agreement with the French association, Agefiph, which promotes the employment of people with disabilities. The agreement is centred on 2 initiatives: the first has been developed for people attending ESAT centres, and the second for young people or people who are looking to change career and want to be trained in a food-relation profession. Lastly, a job fair targeted at people with disabilities was held during the year: “Les rencontres talents et handicap”.

* Etablissement d’aide et de service par le travail, i.e. sheltered workshops for the disabled
ENVIRONMENT

GOVERNANCE OF ENVIRONMENTAL AND SOCIAL POLICIES

Since end-2008, sustainable development policies have been written, implemented and tracked by an international committee. Monthly telephone meetings give rise to a very detailed report, and an in-person seminar is held every year for some 30 managers representing countries, core businesses and some of the major functions.

Each participating entity is in charge of rolling out the work priorities defined by the committee. CSR managers from every country are in charge of coordinating with operational contacts and reporting regularly on their actions to their respective General Management. Depending on their resources, maturity level and business type, Auchan Retail and Immochan entities adopt different types of organisation to promote CSR on a daily basis and to develop new local initiatives, contributing to enriching this overall approach.

Such policies will be anchored over the long run if and only if each and every person has taken ownership of them. This is why a strong emphasis is placed on accountability at all levels: from managers to employees, who receive training specifically focused on sustainable development or on the underlying environmental levers (energy savings, waste sorting, eco-design, circular economy, organic product range, combating food waste, environmental management, etc.).

In addition, various internal media for each entity [posters, leaflets, newsletters, intranet] share and spread initiatives and best practices as widely as possible.

COMBATING FOOD WASTE

The fight against food waste was a much-publicised social and environmental issue in France in 2015. Besides food donations, considered the best solution in countries where such a thing is possible (see page 75), there are other ways to avoid wasting food that is unsuitable for sale: price reductions on food that is close to its sell-by date, internal and external awareness campaigns, the measurement of known shrinkage rates, the creation of bulk product aisles and the creation of divisible or smaller portions so that customers need only use the quantity they need at any given time.

A broad policy has been developed in Portugal to meet the challenges of food waste. Indicators have been devised to monitor known shrinkage and gauge its repercussions from different angles (energy, water, waste and refrigerants). A protocol has been developed to ensure that local and institutional partner service providers correctly carry out instructions in relation to food donations.

In 2015, Auchan Retail Italy and WWF led a joint campaign to raise awareness about food waste. This involved an extensive communication drive using a variety of media [intranet, web and in-store posters]. Shopping bags printed with humorous messages were also designed for the campaign. A total of 62,500 bags were sold, raising €75,000 for WWF.
In 2013 and 2014, the recovery rate was published for waste produced across all core Auchan businesses. It is difficult to track overall waste production for smaller stores, notably supermarkets and drive-through outlets. Unsorted waste is generally collected by local municipalities, which do not communicate the weight or the volume of such waste.

After a thorough examination by a working group composed of experts from 5 of the countries in which Auchan operates, it soon became obvious that no estimation method could calculate the tonnage of waste produced. The methodologies explored were either far too costly or inexact.

Instead of publishing the waste recovery rate, the decision was therefore made to communicate the damage rate for fresh produce. This rate reflects the quality of inventory management and the commitment to the fight against food waste.

### Damage Rate\* For Fresh Produce at Supermarkets

<table>
<thead>
<tr>
<th></th>
<th>Western Europe</th>
<th>Central &amp; Eastern Europe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Damage rate</td>
<td>3.1%</td>
<td>3.3%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

The increase in the fresh produce damage rate between 2013 and 2014 partly stems from a decrease in fresh produce revenues, which makes it more difficult to adjust order levels, and from an increase in the number of stores in Central & Eastern Europe.

### Focus

**Nothing Thrown Away**

Auchan Retail, Immochan and Oney’s Spanish employees challenged each other in a cookery competition entitled “Acqui no se tira nada”. Employees were invited to suggest recipes created entirely from leftovers. More than 150 recipes were submitted and around 20 were selected to be published in a book promoted in stores and endorsed by the famous Spanish chef Sergio Fernandez. In addition to this collective initiative, more than a thousand employees took part in awareness-raising events.

### Sorting and Recovering Waste Produced

Site operation (hypermarkets, supermarkets, shopping malls and logistics sites) generates various types of waste. The main waste produced by the stores is secondary packaging (shipping boxes and plastic wrapping), organic waste from expired food products and, to a lesser extent, scrap metal and wood (crates).

For other materials, in particular plastic and organic waste, sorting is organised based on local collection systems. Waste recovery is expanding each year, as the stores and logistics sites find the appropriate systems. The main form of waste recovery by far is recycling, which accounts for between 60% and 100% of recovered tonnage. This is followed by recovery for energy production and methanisation, a method that most Auchan Retail France hypermarkets use as a last resort.

Depending on the country, sorting and recovery rates and the reliability of escalated information can vary significantly. This is due to local regulations, the existence or lack of official recovery circuits and the nature of the business.

Some other difficulties include:

- the fact that there are no methanisation procedures in place in many countries;
- a lack of space for sorting and for installing composters at convenience stores;
- the profitability of sorting certain types of waste such as organic waste, for which it is proving difficult to establish a system. Auchan Retail China, for instance, is finding it hard to recover anything other than cardboard, since this is the only material with a market value;
- wood and polystyrene recovery is difficult in Romania as there is just one service provider to recover these waste categories.

\* The data is calculated for the calendar year.
Even so, all new hires at Auchan Retail follow waste recovery training modules to ensure that they play a role in the sorting process.

It is important to stress that sorting waste requires logistics resources that are not well suited to the format of certain businesses or sites, in particular for the smaller locations. Finally, municipal waste management, primarily for the supermarket business, does not always provide access to data on how waste is further processed.

Immochan is keen to extend waste sorting facilities for retailers to all its shopping malls. Where sorting is carried out, the waste can either be processed directly by a service provider or by the hypermarket, depending on the country and the size of the mall. In 2015, 76 shopping malls processed their waste through service providers. At the end of December 2014, Génération Responsable (an association of retail banners) awarded Immochan its environmental R-award in recognition of its work in setting up sorting facilities within its malls. Servipac provides such services in around 20 malls. This company organises and optimises waste collection by ensuring that bins are filled in an optimal manner. Routine weekly bin collections have been replaced by on-demand collections. This has reduced the number of truck rotations. Where there is not enough space to set up a sorting facility, partnerships are established with the hypermarkets for cardboard collections.

RESULTS

A variety of factors had a bearing on the waste indicators during the reporting period:

- The increase in the number of stores in countries where waste management is less developed, primarily in Russia and China, and the inclusion of RT-Mart China.
- The coverage ratio has continued to rise for hypermarkets (up by 7.3 points to 99.1%) but is still lagging behind for shopping malls.

Reported tonnage of recovered waste rose sharply between 2014 and 2015 from 347,500 to 444,000 tonnes. This was essentially down to better sorting at supermarkets, where the volume of declared recovered waste doubled during the period (increase of 28,000 tonnes), as well as the inclusion of RT-Mart China (increase of 40,000 tonnes) and an improved coverage ratio.

<table>
<thead>
<tr>
<th>TONNES OF RECOVERED WASTE FROM OPERATIONS</th>
<th>2014</th>
<th>2015 (incl. RT-Mart China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypermarkets</td>
<td>301,647</td>
<td>381,845</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>26,137</td>
<td>54,253</td>
</tr>
<tr>
<td>Immochan</td>
<td>7,152</td>
<td>5,519</td>
</tr>
<tr>
<td>Other</td>
<td>3,590</td>
<td>3,628</td>
</tr>
</tbody>
</table>

The hypermarkets, shopping malls and other entities, on the basis of which the recovery rate is calculated, accounted for 87.8% of the recovered waste tonnage (excl. RT-Mart China) in 2015.
WASTE RECOVERY RATE FROM OPERATIONS
by core business

<table>
<thead>
<tr>
<th></th>
<th>2014 (excl RT-Mart China)</th>
<th>2015 (incl. RT-Mart China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypermarkets</td>
<td>66.9%</td>
<td>62.0%</td>
</tr>
<tr>
<td>Immochan</td>
<td>30.9%</td>
<td>31.7%</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>50.5%</td>
</tr>
</tbody>
</table>

In hypermarkets, the recovery rate for Western Europe has edged up (by 1.7 points), but this is not enough to offset the decrease attributable to the greater number of stores in China (leading to a 9.9 point decrease in Asia) and in Central & Eastern Europe (where there was a 9.5 point fall).

WASTE RECOVERY RATE FROM OPERATIONS AT HYPERMARKETS, BY GEOGRAPHICAL REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015 (incl. RT-Mart China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>80.3%</td>
<td>82.0%</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>49.5%</td>
<td>40.0%</td>
</tr>
<tr>
<td>Asia</td>
<td>52.5%</td>
<td>42.6%</td>
</tr>
<tr>
<td>Total</td>
<td>66.9%</td>
<td>58.0%</td>
</tr>
</tbody>
</table>

REDUCING THE ENVIRONMENTAL IMPACT OF PLASTIC BAGS

Auchan Retail banners no longer supply free bags at the registers, except in Russia, Poland and Ukraine. In Russia, every new hypermarket that has opened has undertaken not to supply plastic bags in order to avoid customers taking them for granted. In Poland, bagging is still a considerable competitive advantage that will be hard to forgo overnight. However, training will be provided in 2016 to demonstrate how plastic bag use can be optimised.

The other Auchan Retail businesses have come up with solutions that are more respectful of the environment, such as biodegradable or reusable bags, or bags made of recycled materials.

For example: the plastic bags sold at the register by Auchan China are made of a material derived from calcium carbonate and take 6 months to decompose in sunlight.

In Portugal and Hungary, Auchan hypermarkets supply reusable bags made of materials sourced from PET plastic bottles. The Spanish hypermarkets sell bags certified by AENOR (the Spanish association for standardisation and certification). These bags are made from recycled plastics and fall within a circular economy approach as they can be recycled up to 15 times without the material deteriorating.

In a similar move, Auchan Retail France is working with TT Plast, a small firm that produces a 100% recycled bag made from the flexible plastic films from product packaging supplied to Auchan Retail stores in the North region. On top of the bag’s intrinsic qualities, this operation has helped secure some 30 sustainable jobs at a factory located in a region where unemployment is particularly high.

OPTIMISING AND REDUCING OUR ENERGY CONSUMPTION

Energy consumption (electricity, fuel oil and gas) represents a major environmental and financial issue for Auchan Retail as it incurs costs of several hundreds of millions of euros. Reducing energy consumption was the first joint priority of the international CSR committee.

The 3 primary energy consumption categories for stores are food refrigeration, lighting and heat/air conditioning. Classification of these items varies from one site and country to another, but overall they account for some 80% of stores’ final consumption.
The majority of hypermarkets and supermarkets are equipped with closed sub-zero freezers and many sites use “screens” to better insulate standard freezers when the stores are closed. Energy savings are achieved via training, employee awareness and the introduction of monthly charts to ensure better consumption tracking. This allows variations observed over the same calendar period to be analysed.

Daily maintenance of Immochan malls is directly managed by the hypermarkets’ technical teams. For new operations, a bioclimate design approach favours natural lighting and passive energy consumption reduction systems, by enhancing building insulation and recovering the calories generated wherever possible via the installation of dual-flow heat recovery ventilation systems.

The following factors have had a bearing on the average electricity consumption ratios:

- An error in the methodology had repercussions on the data published in 2014. The electricity consumption rates for Auchan France drive-through outlets had not been taken into account, which meant that overall electricity consumption had been underestimated by around 1.3%. For year-to-year continuity purposes, we have not recalculated the 2014 ratios.
- The inclusion of RT-Mart China in the environmental data had a significant impact on the published ratios. RT-Mart China, which accounts for 26.3% of the total commercial surface area, recorded a ratio of 395 kWh per square metre of surface area in comparison to an average of 479 kWh for the hypermarkets excluding RT-Mart China.

### ELECTRICITY CONSUMPTION RATIOS PER M² OF SURFACE AREA BY CORE BUSINESS excl. RT-Mart China

<table>
<thead>
<tr>
<th></th>
<th>Hypermarkets</th>
<th>Supermarkets</th>
<th>Immochan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014</strong></td>
<td>435</td>
<td>258</td>
<td>239</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>457</td>
<td>240</td>
<td>218</td>
</tr>
</tbody>
</table>

### TRENDS IN ELECTRICITY CONSUMPTION PER M² OF SURFACE AREA FOR EACH CORE BUSINESS AND GEOGRAPHICAL incl. RT-Mart China

<table>
<thead>
<tr>
<th></th>
<th>Hypermarkets</th>
<th>Supermarkets</th>
<th>Immochan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014</strong></td>
<td>425</td>
<td>538</td>
<td>425</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>400</td>
<td>546</td>
<td>400</td>
</tr>
</tbody>
</table>

Stand-out country-specific trends:

- Electricity consumption at the French hypermarkets (13% of total electricity consumption) dipped slightly between 2014 and 2015, stripping out the error in methodology referred to above.
- The inclusion of the more energy-intensive former Real stores in the reporting data for the Romanian hypermarkets resulted in a sharp increase in the average electricity consumption figure (up by 20%).
- There was a strong increase (up by 25%) in average consumption by the Russian supermarkets, which saw their surface area expand by 31%. This is due to better monitoring of electricity consumption, which helped detect some incomplete consumption data for 2014, as well as to an increase in refrigeration-related consumption.
CUTTING ENERGY CONSUMPTION BY 20%

It started off with a premise: in spite of the efforts made by the various technical departments and a reduction in energy consumption levels at each of the Auchan Retail and Immochan businesses, these efforts had run their course and were not enough to offset a mounting energy bill (which registered a 67% jump between 2008 and 2013).

In response to a request from the Head of Indirect Procurement and the General Manager of the international hypermarkets business, the Executive Committee of Groupe Auchan at the time decided to embark on an experimental trial, starting in 2013, at a number of Spanish sites across different store formats (hypermarkets, supermarkets, shopping malls and logistics warehouses). It called on a specialised consulting firm Schneider Electric. The objective of this full-scale test was to verify the merits of an ambitious disruptive approach and our capacity to set goals and achieve them.

Energy efficiency therefore went from being an essentially technical project to a cross-departmental one with ramifications for a large number of internal stakeholders (CSR, finance, indirect procurement, management control, etc.). The incorporation of the stakeholders’ specific and converging issues necessitated a concerted effort at every level involved.

Over a 9-month period, the results of the trial showed that the 18% in projected energy savings was indeed tied to changes in methods and behaviours as well as to the investments made, with a payback on average 2 and a half years later.

On the basis of these findings, Groupe Auchan’s Executive Committee decided to address these issues by launching an energy efficiency plan in early 2015 with 3 objectives:

• To establish ad hoc governance with the nomination of a Mr or a Mrs Energy.
• To draw up a detailed 3-year roadmap with the objective of lowering energy consumption by 20% in that time.
• To deploy, as quickly as possible, levers with an ROI of less than 3 years.

This led to the implementation of a governance model heavily involving the managers and all related internal areas of expertise. Schneider Electric drew on its full range of expertise and its experience in the retail industry to carry out a robust, detailed diagnosis of the situation in each country. Levers were introduced in countries where businesses wished to do so and energy saving commitments were made. Some of the key levers were:

• Making it mandatory for all sites to optimise settings and the management of existing equipment.
• Modifying technical installations that require equipment and performance improvements.
• Applying best practices at all levels.

The trade-off in terms of the investments required ultimately hinged on a combination of short-term gains and key longer-term levers, with an average ROI of 3.7 years.

As key areas for targeted savings, LED light bulbs and new cooling systems represent a significant proportion of these investments. An equipment aggregation programme was also implemented on an international scale and this optimised the ROI.

Auchan Retail was one of the 39 large French companies to sign the climate manifesto at the COP21 conference held in Paris in December 2015, and announced that it would be investing more than €230 million to achieve its 20% energy reduction target by the end of 2018.

A quarterly reporting schedule will be introduced from the first half of 2016 to monitor the progress being made and to take any necessary corrective actions.

Certain sites owned by Auchan or Immochan are equipped with photovoltaic panels to cover some of the electricity or heating needs of the buildings. However, these installations are only efficient below a certain geographic latitude. The significant drop in purchase price of green electricity, together with decreasing fiscal incentives, have slowed down these investments since 2010. However, 2 new initiatives were developed at Immochan France in 2015. Solar panels were fitted to the roof of the medium-sized Aubagne shopping mall and to the roof of the extension to the Epagny mall (Annecy). Immochan worked with Helexia on this second project. The solar panel project was incorporated into the design phase for the extension and entered into service in January. Renewable energy production increased by 30% at Immochan between 2014 and 2015.

The following factors had a bearing on the average energy consumption ratios:

• Inadequate monitoring of gas consumption meant that all energy data for the French hypermarkets was excluded.
• The inclusion of RT-Mart China in the environmental data had a significant impact on the published ratios. RT-Mart China, which accounts for 26.3% of the total commercial surface area, recorded a ratio of 403 kWh per square metre of surface area in comparison to an average of 537 kWh for the hypermarkets excluding RT-Mart China.

ENERGY CONSUMPTION RATIOS IN KWH/M² OF SURFACE

<table>
<thead>
<tr>
<th>AREA BY CORE BUSINESS</th>
<th>excl. RT-Mart China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypermarkets</td>
<td>536</td>
</tr>
<tr>
<td>Immochan</td>
<td>295</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>727</td>
</tr>
<tr>
<td>Drive-throughs</td>
<td>303</td>
</tr>
<tr>
<td>Other</td>
<td>217</td>
</tr>
</tbody>
</table>

FACTORYING IN RT-MART CHINA, the hypermarket ratio fell to 480 kWh per square metre of surface area. To make it simpler to read, the data for Alinéa and Les Halles d’Auchan has been merged under “Other” in the above chart. The table below provides a breakdown by geographical region for the hypermarket business, the supermarket business and Immochan, which together account for 98.1% of total energy consumption.
TREND IN ENERGY CONSUMPTION PER M² OF SURFACE AREA FOR EACH CORE BUSINESS AND GEOGRAPHICAL ZONE
incl. RT-Mart China

<table>
<thead>
<tr>
<th></th>
<th>Hypermarkets</th>
<th>Supermarkets</th>
<th>Immochan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>498</td>
<td>492</td>
<td></td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>641</td>
<td>622</td>
<td>696</td>
</tr>
<tr>
<td>Asia</td>
<td>448</td>
<td>411</td>
<td>691</td>
</tr>
<tr>
<td>Total</td>
<td>536</td>
<td>480</td>
<td>691</td>
</tr>
</tbody>
</table>

In addition to the factors already mentioned with respect to electricity consumption, a number of specific elements had a bearing on energy consumption at stores between 2014 and 2015:

- The average coverage ratio fell sharply due to the exclusion of the data for the French hypermarkets. Had this data not been excluded, the coverage ratio would have been higher, notably in Central & Eastern Europe. As a result, less efficient sites are now included in the reporting scope.
- The weather in Western Europe was not as mild in 2015 as it had been in 2014.
- The exclusion of the French hypermarkets, which are not as energy-efficient as their counterparts in other Western European countries, has artificially lowered the results. Had this data not been excluded, the energy consumption ratio for Western Europe would have risen.

APPLYING SUSTAINABLE WATER MANAGEMENT
As with energy, the main water consumption drivers vary depending on site surface area and type of business. The workshops (meat, fish and bakery), floor cleaning, equipment cleaning, lavatories and watering of green spaces are the activities that consume the most water.

While the vast majority of water used by the stores, logistics sites and shopping malls comes from municipal waterworks, some sites have rainwater catchment tanks and basins. The water thus recovered can be used for cleaning floors, lavatories and watering plants.

Water-efficient equipment is systematically installed in new projects. Auchan Retail’s hypermarkets and Immochan are gradually installing “smart” meters to provide consumption data automatically and in real time. These serve to alert technical crews to any possible anomalies. They also help improve invoicing reliability by eliminating human error in meter readings.

Concerning wastewater, the car parks managed by Immochan and Auchan are equipped with hydrocarbon separators to treat water runoff before it reaches the public networks.

Limited consumption and weak economic impact create little incentive to implement specific policies in this area and continue to limit the reliability of data collected.

Adjustments to data reported by sites in the process of being consolidated have had a bearing on the water consumption data. Given the difficulty of identifying sites that have potentially reported unreliable data, and as agreed with the auditor, the decision has been made to exclude the data values corresponding to the first and last deciles. There can be wide variations in sites’ water consumption levels, depending on whether they contain workshops, the frequency of fire safety equipment testing and the size of the fish department (particularly in Asia). With this in mind, the inclusion of RT-Mart China’s water consumption data has resulted in a significant increase in the average ratios for the hypermarkets.
EVOLUTION DES CONSOMMATIONS D’EAU EN M³/M² DE SURFACE PAR ACTIVITÉ ET ZONES GÉOGRAPHIQUES
incl. RT-Mart China

<table>
<thead>
<tr>
<th></th>
<th>Hypermarkets</th>
<th>Supermarkets</th>
<th>Immochan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>0.91</td>
<td>0.76</td>
<td>0.85</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
<td>1.45</td>
<td>1.37</td>
<td>0.73</td>
</tr>
<tr>
<td>Asia</td>
<td>3.40</td>
<td>3.59</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1.45</td>
<td>2.12</td>
<td>0.83</td>
</tr>
</tbody>
</table>

DEVELOPING ENVIRONMENTAL SITE MANAGEMENT

Auchan Retail’s entities have plenty of room to employ the management systems and certification methods they feel are most appropriate. 18 hypermarkets were awarded ISO 14001 certification in 2015. This certification is awarded in recognition of continual efforts to improve environmental performance through the management of the repercussions of business operations.

Since 2011, Immochan has been committed to systematically launching an environmental certification approach for its major development projects. The internationally recognised BREEAM certification process ensures a very ambitious environmental performance for the projects to which it is applied via:

- A “green site” approach to prevent and control the slightest pollution risk during the construction phase.
- Maximum recovery of waste attributable to construction and to operations: effective on-site sorting (inert waste, metals, wood, packaging, non-hazardous industrial waste, hazardous waste, household waste electrical and electronic equipment (WEEE)) and an optimisation strategy for the recovery and reduction of waste at its source.
- Installation of BMS and separate meters to strictly monitor energy and water consumption levels.
- Protection of biodiversity with the help of an ecology expert whose mission it is to maintain the site’s ecological quality.

Building envelopes are designed to be as energy-efficient as possible. Eco-friendly modes of transport are prioritised to ensure a large number of mobility options, water consumption is restricted (water-efficient equipment, rainwater capture) using, among other things, plot-based management of rainwater runoff (treated on site), thereby reducing drainage to the public networks and hence the risk of floods. This runoff can also be used to clean floors and to water green spaces.

Immochan also applies its own environmental quality charter in all European countries for expansions or renovations to existing sites and for new projects. It defines the architectural and landscape requirements and recommendations and integrates the BREEAM requirements referred to above.

MEASURING THE CARBON FOOTPRINT OF THE RETAIL SITES

While Auchan Retail has already published one or more national carbon footprints for its hypermarkets activity (in France, Spain, Portugal and Italy), an international footprint has not yet been compiled. Furthermore, measurements are carried out in most categories and, while they could be improved, they are nonetheless regular. An indicator has yet to be developed for CO2 emissions linked to logistics supply. The fact that logistics supply is often outsourced makes it difficult to track the data.

Despite the delay in reporting on this topic, all the Auchan Retail and Immochan businesses intend to take necessary steps to reduce their emissions in key areas.

Since it is the most obvious and the most closely monitored category by virtue of the costs involved, energy consumption is very closely scrutinised as part of the international energy efficiency plan (see page 41). On average, CO2 emissions from refrigerators account for over half of a store’s carbon footprint (excluding customer travel to/from stores). That said, these emissions can vary significantly from one site to the next, depending on the type of refrigerant used. As a result, refrigerants that are most harmful to the environment are being gradually replaced by ones that pose less of a threat.

\[ ^{18} \text{Building Management Systems.} \]
For new food refrigeration systems in EU countries, the installation of technologies based on R744 (CO2) is preferred whenever possible.

A material error during the escalation of data for the previous year’s management report had a bearing on the published data that had been calculated for calendar year 2013. The error, which stemmed from the partial escalation of data for the French hypermarkets, resulted in the CO2-equivalent emissions being underestimated by around 7.9% in the consolidated figures.

There has been a change in the reporting period for refrigerant-related CO2 emissions. In the interests of data continuity between the 2014 and 2015 reports, and to facilitate data comparisons, all countries/core businesses that were in a position to do so were asked to recalculate their refrigerant data for calendar year 2014. The escalated data has been incorporated in the table below, based on a narrower but nonetheless significant scope. The same scope was applied in 2014-2015 to determine how total CO2-equivalent emissions relating to refrigerants have evolved.

### COMPARISON OF CO2 EMISSIONS RELATING TO REFRIGERANTS ON A LIKE-FOR-LIKE BASIS BY GEOGRAPHICAL REGION

<table>
<thead>
<tr>
<th></th>
<th>CO2-EQUIVALENT EMISSIONS RELATING TO REFRIGERANTS PER M² OF SURFACE AREA BY GEOGRAPHICAL REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In kg of CO2 eq per m² of surface area</td>
</tr>
<tr>
<td>Hypermarkets, Western Europe</td>
<td>128.3</td>
</tr>
<tr>
<td>Hypermarkets, Central &amp; Eastern Europe</td>
<td>84.9</td>
</tr>
<tr>
<td>Hypermarkets, Asia</td>
<td>80.8</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>129.7</td>
</tr>
</tbody>
</table>

* Excluding Auchan Luxembourg  
** Excluding Hypermarkets, Russia

With the exception of the Eastern European hypermarkets ratio, more thorough reporting data for this year makes it difficult to compare and analyse the 2013 and 2015 ratios. However, the following observations can be made:

- The ratio for the Western European hypermarkets has fallen, even with the underestimation last year of CO2-equivalent emissions for the French hypermarkets.
- The ratio for the Asian hypermarkets has also fallen due to the increase in the number of stores in China, where there is a limited proportion of frozen goods on offer.
- The supermarkets ratio has almost doubled although the data published in the previous report only covered the Western European supermarkets. This increase is partly attributable to the greater number of supermarkets in Poland and, even more so, Russia, as the average ratio for supermarkets in Central & Eastern Europe stands at 385 kg/m² of surface area.

The data coverage ratio for calendar year 2014 stands at around 56.6%. This estimate was calculated on the basis of the square metres of surface area of the entities that escalated refrigerant data as well as on the basis of the total square metres of surface area. With respect to the 2015 data, applying the same scope, the coverage ratio comes to 41.0% due to RT-Mart China’s inclusion in the 2015 CSR reporting data.

The main countries/core businesses (in terms of commercial surface area) not taken into account in the calculation of this data were: the Russian, Italian and Taiwanese hypermarkets and the Russian and French supermarkets.

The steep reduction in CO2-equivalent emissions between 2014 and 2015 is attributable to a significant decrease in refills (down by 18%) and the decision to gradually stop using R404. Refills of this particular refrigerant decreased by 23 tonnes. This last element alone led to a reduction of more than 75,000 tonnes in CO2-equivalent emissions. R404 is being replaced by other refrigerants with lower GWP (Global Warming Potential), although it is still widely used, notably in Asia.
LIMITING AIR, WATER AND SOIL POLLUTION AND ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

Except for greenhouse gas emissions, the company’s commercial activities do not produce much air, water or soil pollution with a strong environmental impact.

- The proprietary service stations are subject to ongoing, rigorous controls. To illustrate this, the French supermarkets have invested over €2 million to renovate their service stations.

Auchan and Immochan aim to limit any harm caused to natural environments. A particular effort is made to keep their buildings environmentally friendly. Environmental impact studies are carried out on the projects for which BREEAM certification is sought, particularly in relation to the ecological value of the land and soil pollution.

In 2015, the principal investments in environmental risk prevention were centred on:

- Renovating cooling and air conditioning systems (in China, Spain, France, Italy, Luxembourg, Portugal and Taiwan).
- Refrigerants (replacing cooling systems with solutions with less of an impact on global warming, e.g. 449A in Spain).
- Renovating waste treatment facilities (in Italy, Luxembourg and Portugal).
- Overhauling the treatment of wastewater (in Hungary, Spain, Portugal and Taiwan).

Internal audits are carried out regularly to check site compliance, either by in-house teams or by accredited third-party agencies. In Portugal, the Jumbo hypermarkets carry out annual audits at all stores, checking their findings against a list of legal requirements and best practices. At Alinéa, a third-party agency visits each store site and head office function every year to carry out a thermographic survey and to verify the electrical system with a view to identifying potential excessive consumption caused by a problem in the system.

In Ukraine, where there is no legislation on environmental impact measures, a pollution audit has been implemented and is carried out at sites that are under development.

Flood risk is the primary threat to the company from climate change. Immochan and Auchan are working in particular on managing rainwater runoff, with the aim of reducing drainage to the public networks, or even achieving zero drainage where the soil allows. In 2015, work was carried out in this area in 9 of Auchan Retail’s countries.

Lastly, during the year, entities within the Auchan scope did not set aside any additional financial provisions for environmental risks.

Noise pollution caused by deliveries is a major issue for supermarkets located in city centres and, to a lesser degree, for the hypermarkets located around metropolitan areas, although these stores do take steps to minimise noise pollution when necessary. In China, for instance, the walls of store generators are coated with soundproofing material. In Portugal, two stores have built noise-reduction barriers around their unloading bays (Cascais) and the truck delivery zone in Figueira da Foz has been moved.

Minimising noise pollution means adapting supermarkets’ delivery schedules. Infrastructure modifications are carried out at exposed sites: floor coverings; sound insulation of ceilings for stores on the ground floor of a building; and noise-reduction walls to protect neighbouring residences. In Russia, the supermarkets have asked local residents living near the stores to voice any grievances they may have and to work with them to find solutions.

SHAPING TOMORROW TODAY

To coincide with the global climate summit, the Auchan Retail hypermarkets and Immochan shopping malls in Western and Eastern Europe teamed up to prepare a travelling exhibition that explained the key global warming issues to children and their families. It also presented the extensive action taken by Auchan and suggested ideas for everyone to play a part. The exhibition took the form of 6 fun panels, each placing the exhibition’s mascot in a particular setting, to address issues such as energy, alternatives to car-based transport, how the way we eat can leave a carbon footprint and the manner in which nature is adapting to climate change. The exhibition sought to put a positive spin on the message and to raise awareness of the responsibility of each and every person on the planet. A number of schools were invited to attend and events were organised by Auchan’s Rik & Rak children’s clubs and store staff.

In the same vein, the Auchan Retail supermarkets and hypermarkets in Spain took part in a campaign launched by the Spanish environment ministry entitled “1 millón de compromisos por el clima”, aimed at sharing ideas among employees and customers to promote responsible attitudes towards climate issues.

MINIMISING NOISE POLLUTION FROM ACTIVITIES

Noise pollution caused by deliveries is a major issue for supermarkets located in city centres and, to a lesser degree, for the hypermarkets located around metropolitan areas, although these stores do take steps to minimise noise pollution when necessary. In China, for instance, the walls of store generators are coated with soundproofing material. In Portugal, two stores have built noise-reduction barriers around their unloading bays (Cascais) and the truck delivery zone in Figueira da Foz has been moved.

Minimising noise pollution means adapting supermarkets’ delivery schedules. Infrastructure modifications are carried out at exposed sites: floor coverings; sound insulation of ceilings for stores on the ground floor of a building; and noise-reduction walls to protect neighbouring residences. In Russia, the supermarkets have asked local residents living near the stores to voice any grievances they may have and to work with them to find solutions.

*One million measures for the climate.
For every new Immochan mall project subject to a BREEAM certification process, when sensitive zones are detected less than 800 metres away, an evaluation is systematically carried out to decide whether or not the project should go ahead. An acoustics engineer determines the provisions necessary to keep noise pollution below 5 dB from 7 a.m. to 10 p.m. and 3 dB at night.

CONTRIBUTING TO BIODIVERSITY PROTECTION

The different country banners are launching a number of initiatives to protect biodiversity both within and outside commercial sites.

Carpark lay-outs are a key area that is subject to a careful and detailed thought process when a new site or renovation is being designed. The lay-outs invariably incorporate stretches of grass and local plants.

In Luxembourg, Auchan has stopped using pesticides in the green spaces around its hypermarket. Weeding is now done by hand or with weed torches and the spaces are watered using captured rainwater.

2015 saw the Spanish Auchan Retail hypermarkets renew their partnership with WWF and the Universidad Politécnica de Madrid as part of a forest restoration project in the surroundings of Tembleque, where ancient woodland has been hit by rampant deforestation to such an extent that just 9% of the original woodland remains.

Auchan Retail also signed a cooperation agreement with IMDRA10 to protect 3 traditional varieties of melon and sell them in Auchan Retail’s stores.

In Ukraine, the hypermarkets organised a series of clean-up operations in conjunction with environmental protection associations.

For their part, Auchan Retail’s French supermarkets and hypermarkets continued to install beehives on and around some 70 stores. An eco-pasture area was developed around the Brétigny logistics site in association with Ecomouton.

At Immochan, an environmental impact survey is carried out prior to the launch of every new construction project to assess the ecological value of the site. A set of recommendations is drawn up, not only to secure the site’s ecological potential, but also to see how it can be further enhanced in the future lay-out. The architects and landscapers take these findings into consideration in order to safeguard the site’s biodiversity.

FOCUS

THE FOREST HEART

Groupe Auchan defined its forest policy in 2011 as part of an initiative to protect ancient woodland and damaged forests with high carbon concentrations, with the help of international non-profit organisation The Forest Trust (TFT).

The primary objective is to focus on supply chains that have the most significant repercussions on woodland, on the environment and on people.

Given the large number of products that are derived from wood, the decision was made to first focus on certain materials: charcoal, home and outdoor furniture and palm oil.

Implementation of the policy is divided into 3 stages in each of the countries in which Auchan operates:

- To begin with, it is important to understand the supply chains as well as possible by mapping the own-brand products to ascertain who supplies them and where they are produced, and to assess these channels with TFT’s help.
- Once this information has been consolidated, the procurement teams need to be trained to recognise the various sources of responsible production and processing and to verify that they can be traced.
- Lastly, in every call for tenders, information must be requested from the suppliers before they can be listed, in order to measure the compliance of their product with certain criteria.

This lengthy process began in 2014 and calls for the utmost prudence as it can be very difficult to collect the information needed to carry out an in-depth analysis of the supply chain, bearing in mind that this information can also change over time. A snapshot of a product’s profile at any given time is not enough to underpin a policy since a product is subject to review on average every 3 years. In other words, it is only by taking the necessary time, familiarising those involved with our procurement policies and ensuring that they take them on board that we can fulfill our stated ambition in a lasting manner.

Alinéa teamed up with TFT as early as May 2008 to tackle the controversial outdoor furniture issue. The objective, which has since been achieved, was to provide assurances that exotic woods, such as teak and balau, were responsibly sourced since, at the time, there were very few certified woods of this type.

Alinéa’s partnership with TFT has evolved over time to target the sourcing of all the wood products that are sold with a view to tracing their origin. Information is requested from suppliers as part of this process, echoing the system in place at Auchan Retail. Since 2014, the nature and origin of more than 1,200 items, accounting for upwards of 50% of revenues, has been ascertained. TFT also submitted a risk analysis report listing suppliers for whom additional verifications or on-site visits8 were recommended.

As part of a move to extend the risk analysis procedure to all furniture suppliers from 2016, Alinéa and TFT have incorporated information relating to the origin, the species, the volume, the type and the certification status of the wood into every new call for tenders.

10 The Madrid research, rural development, agriculture and environmental institute.
11 There have been 4 visits to India to verify the legality of the wood used and to reinforce the traceability of future orders from Alinéa.
PARTNERS

By fostering balanced, lasting commercial relationships with their partners, Auchan Retail, Immochan and Oney Banque Accord make a point of involving their partners in achieving progress. Their active participation in initiatives carried out by community and professional associations, with representatives of civil society, gives them many opportunities to reflect on how existing relationships can be improved upon and to identify new partners.

MONITORING LABOUR CONDITIONS IN MANUFACTURING

GENERAL PRINCIPLES AND COMPLIANCE WITH ILO STANDARDS

The company’s policy and the action it has taken comply with the principles of the 1948 Universal Declaration of Human Rights, the International Labour Organization’s 1988 Declaration on Fundamental Principles and Rights, and the OECD’s guiding principles. These texts form a corpus of civil, political, economic, social and cultural rights that Auchan applies to itself and its partners.

In 2014, Auchan chose to reiterate its attachment to core, universally recognised principles by revising its code of business conduct, first published in 1997. The code of business conduct is included in sales contracts and signed by both parties. It requires suppliers to respect its principles, as well as the local laws in effect in the countries in which they manufacture.

PREVENTION THROUGH TRAINING

For 20 years, Auchan has been working to continually improve its global supply chains. Every member of Auchan Retail’s procurement team (Corporate Product Department) is aware of the company’s responsible sourcing policies, led by a special CSR Department.

A new training course has been developed for buyers and product managers in order to increase the involvement of everyone in the supply and procurement domains. The course takes into consideration all quality, labour and environmental aspects of their activity. The topics covered include: ethics and corruption, the obligations of economic agents and international standards. Coupled with testimonials from qualified experts and role-play, this ensures that risks are handled more efficiently and that labour and quality-related demands are taken into account when specifications are drawn up. The risks are mapped by country and sector of activity to prevent all potential risks and prioritise necessary action plans.
Improving production site traceability is one of the key objectives of Auchan Retail’s responsible sourcing policies. The company endeavours to obtain the fullest picture possible of its suppliers’ production sites so that it can implement ad hoc evaluation processes.

With the help of a special web portal, each supplier is required to report dates, production sites and whether they are using a subcontractor, for every order fulfilled. Random checks are carried out to verify the truthfulness of these reports. A supplier is immediately delisted if they are found to have used a subcontractor and not reported it.

As a result of this procedure, 6 textile suppliers and 1 general merchandise supplier were delisted in 2015.

The responsible sourcing policy requires suppliers to meet quality and labour-related demands from the time they are listed. Suppliers are therefore subject to audit before they can be listed.

Auchan carries out further audits during production.

The people working in the sourcing office draw on the findings of each audit to shape improvement strategies with the supplier and their production site(s). Corrective action plans are checked in a follow-up audit.

However, there is a zero tolerance threshold regarding certain issues: child labour, forced labour, disciplinary practices and discrimination. Factories cannot be listed if one or more of these elements is identified and those that are already listed are delisted. In 2015, 16 sites were delisted due to serious cases of non-compliance.

| SUPPORTING INITIATIVES FOR PROGRESS |

| GLOBAL SOCIAL COMPLIANCE PROGRAMME (GSCP) |

Through its participation in the GSCP since 2009, and its involvement in the work carried out by this programme, Auchan has been able to implement a comprehensive framework of best practices for suppliers on labour and environmental issues.

In 2015, matters relating to the competence of the auditors and to the environmental audit processes were tackled.
AUCHAN, FOUNDING MEMBER OF THE SOCIAL CLAUSE INITIATIVE (ICS)

As part of a drive to support global improvements in working and safety conditions by forging closer links between suppliers, Auchan has also taken part since 1999 in the work of the Social Clause Initiative (ICS – Initiative Clause Sociale).

This discussion platform enables member retailers to work from a shared audit methodology and shared employment audit benchmarks, accessible to all members. Retailers share best practices and audit findings to avoid redundant audits at the same sites.

GROUPE AUCHAN’S ADHERENCE TO THE ACCORD

The tragedy of Rana Plaza revealed that working conditions in manufacturing were not the only issue to be considered. In May 2013, Groupe Auchan therefore decided to join the Accord on Fire & Building Safety and thus contribute to the financing of building safety audits, shared by all the 180 signatory retailers.

SPECIAL SECTION

PLAN TO COMBAT OPAQUE OUTSOURCING: UPDATED REVIEW

In July 2013, to strengthen the control process implemented by Auchan for close to 20 years, the International Product Sourcing and Purchasing Department (DOAPI) voluntarily committed to a plan to combat opaque outsourcing, with 8 action areas. The last of these commitments involves regular communication on the plan’s progress. Auchan Retail International’s internal audit department is commissioned every year to ensure proper monitoring. Two audits were completed in February and December 2014. In accordance with the commitment made, a new audit assignment was carried out from 4 to 15 January 2016 in China, Bangladesh, Pakistan and Cambodia, southern manufacturing countries in which Auchan sources products.

The main conclusions of this last audit report are presented in the summary below:

1. STRENGTHEN THE FORMAL DOCUMENTATION OF COMMITMENTS

Observation: this commitment has been met: the code of labour and business conduct incorporates the fundamentals of responsible sourcing in the form of a 2-part booklet:

- The supplier code of business conduct, which is incorporated in contracts entered into with suppliers.
- The employee code of conduct, distributed to all employees, who sign a form to acknowledge receipt.

Recommendation and commitment for 2016: Make managers more aware of their responsibility by promoting and ensuring proper application by their teams of the code of business conduct.
2. **IMPROVE AUDIT EFFECTIVENESS**

**Observation:** Audit checks are in operation, as shown in the following table.

<table>
<thead>
<tr>
<th>2015</th>
<th>Suppliers</th>
<th>Production sites</th>
<th>RTC : site checks</th>
<th>Cases of opaque outsourcing between 2013 and 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>159</td>
<td>308</td>
<td>274</td>
<td>89%</td>
</tr>
<tr>
<td>Cambodia</td>
<td>6</td>
<td>10</td>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>43</td>
<td>77</td>
<td>67</td>
<td>87%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>11</td>
<td>15</td>
<td>6</td>
<td>40%</td>
</tr>
<tr>
<td>India</td>
<td>40</td>
<td>62</td>
<td>55</td>
<td>89%</td>
</tr>
</tbody>
</table>

**Recommendations and commitments for 2016:**
- Enhance the efficiency of data input tools and their digitisation.
- Ensure that suppliers are aware that the same site may be audited several times a year.

3. **STRENGTHEN SANCTIONS**

**Observation:** The suppliers in China, India, Bangladesh, Pakistan and Cambodia have been notified of the sanctions in place should they use undeclared outsourcing (cancellation of the current order and immediate termination of business with Auchan, which includes orders begun whether manufactured or not, and not inspected at the date of the report. Definitive severance of business with the supplier).

**Recommendation and commitment for 2016:**
- Document the sanctions in more detail and explain the crisis management process.

4. **INTENSIFY AND GENERALISE TRAINING**

**Observation:** Training in responsible sourcing (human rights, ethics, quality and environment) has been developed. It began in 2015 and will continue in 2016. There are plans to train the buyers/product managers/negotiators and quality engineers next year (i.e. 143 people).

**Recommendations and commitments for 2016:**
- Adapt responsible sourcing training to the different tasks carried out by the Offices and train their teams.
- Ensure that the relevant persons receive this training in 2016.

5. **OPEN UP THE SYSTEM BY DEVELOPING AN INTERNET PORTAL**

**Observation:** The “Traceability” web portal was created in December 2013 and is now up and running. All listed suppliers declare their various production sites on this portal. Suppliers are then required, no later than 72 hours before the start of production, to assign each order to a factory.

Those suppliers who do not go through the sourcing offices and who are in the process of being integrated (direct suppliers and importers) have declared their production sites.

All sites with which Auchan has agreed to work passed their audits in 2015.

Lastly, further to a 2014 recommendation made by the auditors, it is now possible (as of June 2015) for suppliers to declare their production start and end dates via the portal.
Recommendation and commitment for 2016:
- The procedure should and will be put in place for importers that are subject to the same communication and audit obligations.

6. DEVELOP A PARTNERSHIP STRATEGY WITH STRATEGIC SUPPLIERS

Observation: The goal for 2020 is to have 30% of suppliers making up 75% of revenues. The supplier strategy was drafted with this objective in mind. The sourcing offices explain this policy to the strategic suppliers in plenary meetings. All new suppliers are provided with an information pack documenting the policy and the demands with respect to outsourcing.

Recommendation and commitment for 2016:
- Prepare a brief document that can be used for review purposes with the supplier and to remind them of Auchan’s commitments. The buyer will distribute this document to the suppliers at the first negotiation meeting.
- Ensure that follow-up indicators are incorporated into this partnership policy.
- Reduce the number of suppliers who are in a situation of economic dependency.

7. AUDIT FOLLOW-UP

Observation: The internal audit department was asked to follow up on the plan, unveiled by Groupe Auchan on 12 July 2013, to tackle undeclared outsourcing among textile suppliers. The third review contained in the summarised report confirms that the 8 action areas are being tackled and that a good deal of headway has been made (score = 87%). There will be a further follow-up in 2017 to verify that the progress made in the initial audits has continued and that it is paying off.

Recommendation and commitment for 2016:
- Ensure follow-up of the commitments made when the Accord on Fire & Building Safety was signed.

8. REGULARLY COMMUNICATE ON THE PROGRESS OF THIS POLICY

Observation: Auchan Retail’s communications department is responsible for communicating progress on the action plan via the corporate website, as well as in the CSR section of the management report. This commitment was met in 2015.
As a signatory of the UN’s Global Compact, Auchan pushed ahead with its efforts to fight corruption in 2015. The code of business conduct was updated in February 2014 and a multi-business/multi-country working group finalised the business conduct charter that same year. The Chairs and General Managers of the Auchan Retail hypermarkets business in each country attended a two-and-a-half-hour business conduct training session during a seminar held in June 2015. Each of them was entrusted with the task of passing this training onto the members of their Executives Committees, who, in turn, were to hand down the information to the managers reporting directly to them. During the training session, which began with a video message from Vianney Mulliez, the participants were advised to set up, in each Auchan country, business conduct committees drawing its members from all core businesses, composed of executive managers, family shareholders and outside representatives with recognised expertise. The participants were given a roadmap that explained the role of each member of the committee.

The committees in all the countries held their first meetings in the second quarter of 2015.

Prior to the formation of the country committees, the business conduct committee for France had been responsible for all the countries in which Auchan was established and it remains the benchmark for the other committees. Furthermore, depending on local needs and specific country characteristics, the country managers are encouraged to draw up their own codes of business conduct.

This headway was underpinned further with the creation by the legal department of a whistle-blower system. The aim of this system is to prevent or resolve any action that may be considered as an act of corruption or an intent to commit an act of corruption. The 12-part protocol, which was sent to the secretary of each business conduct committee, aims to ensure: that the identity of the whistle-blower is kept confidential, that the whistle-blower is protected should there be reprisals and that anyone who may be falsely accused is also protected.

Various methodologies to organise this dialogue have been made available to members of the CSR community. It is up to each business to meet the expectations of the stakeholders in their country to the best of their ability, by putting together a strategy that best suits their specific characteristics.

In Portugal, Auchan Retail mapped its stakeholders in 2013 on the basis of AA 1000 criteria. In 2014, the company arranged meetings with all its stakeholders (employees, customers, suppliers, unions, government bodies, the technical community, the local community, media, etc.) to gain insight into their perception of the main CSR initiatives that the company had undertaken and gauge the level of importance, in their eyes, of the different themes (economic, environmental and social) laid out in the GRI G4 guidelines.

When developing its shopping malls, Immochan must endeavour to take the local ecosystem into consideration as fully as possible and to strengthen dialogue with local residents and organisations. Every year, panels made up of customers and residents are consulted, not only in relation to planned developments, but also for existing sites in order to optimise their day-to-day management and meet the expectations of both customers and residents.

SMEs are partners that enable us to offer a very broad selection of products. The Auchan Retail banners strive to forge sustainable business relationships with their SME partners. An increasing number of national and/or regional forums are organised as a way of listing new producers and further enriching the range of local products on offer.

---

14 Global Reporting Initiative.
15 International Council of Shopping Centers.
Auchan Retail China and RT-Mart China held their fourth supplier convention in September 2015, attended by more than 600 listed or soon-to-be-listed SMEs. When a store is opened in a new Chinese province, the 2 entities routinely set up a mini central purchasing department to list local products and/or those sourced from SMEs.

Auchan Retail Spain has continued to develop its “Producción Controlada” (controlled quality) brand in conjunction with partner SMEs. Upwards of 400 quality products are now included in this range, all meeting very stringent traceability criteria. Some are even closed-loop products. The “Yo crio, yo produzco, yo fabrico” label signifies that the person who produced the raw material is the same person who made the finished product. No less than 10 goats’ cheeses are listed in this range.

In Italy, new products have been listed following surveys among customers, department managers and account managers. To facilitate this process, a buyer has been appointed to focus specifically on direct relationships with local suppliers in the south of Italy. In addition, around 1,000 products sourced from 130 SMEs have been listed through the export office that looks after the hypermarkets and supermarkets in Auchan Retail’s other countries. Auchan Retail Hungary is applying a similar approach, albeit on a smaller scale, by providing some locally listed SMEs with an opportunity to participate in international tenders.

**Focus**

**OPENING UP NEW SOURCING CHANNELS: A TOKEN OF QUALITY**

The listing of new sourcing channels further adds to the quality of the product offering and develops the sales outlets for such sectors. In March 2015, Auchan Retail France’s supermarkets rolled out Charolais meat products that fulfilled Charolais Commitment criteria. This took the form of a partnership between the supermarkets, 4 cooperatives representing hundreds of farmers and 4 abattoirs. The partnership will run for a minimum of 4 years. It guarantees revenue for the farmers and gives customers an assurance of quality. Auchan Russia has also opened its first meat sourcing channel: an unprecedented move in this country. It has entered into an investment agreement that will see it opening a butchery workshop, signing contracts with farmers in central parts of the country and, by 2020, launching beef, lamb, mutton and pork production to cover the widest possible spectrum of customer needs.

**REDUCING THE IMPACT OF GOODS TRANSPORTATION**

Since goods transportation is primarily outsourced, Auchan’s scope for action and measurement is slightly more complex than if the company maintained its own fleets.

Logistics supply nonetheless represents a significant share of the carbon footprint in the mass retail sector, for which action levers do exist. This share varies in size depending on the country and core business and, in particular, on the national energy mix.

Auchan Retail’s various entities apply policies to streamline goods transportation and warehouse management.

The transporters used in most of Auchan Retail’s countries are encouraged to modernise their fleet of lorries or to introduce more environmentally-friendly driving methods, notably by increasing the number of Euro 5 or even Euro 6 certified vehicles. The introduction of increasingly strict regulations is very often reflected in updated calls for tender. In Portugal, 22% of the fleet has been renewed, corresponding to an investment of €2.3 million.

More and more triple-temperature lorries are being used, so much so that they now make up the majority of the fleet. Double-deck lorries (an ingenious system enabling optimal loading of pallets on 2 levels) are used as much as possible. For instance, at Auchan Italy, optimal loading in double-deck lorries reduced the overall distance covered in the space of a year by 118,000km.

The entire supermarket business and the hypermarkets in France, Poland and Romania use a “multipick” approach. With this technique, a single lorry is used to collect and transport products from small suppliers within the same geographical region, optimising the routes between these suppliers and ensuring full-load trips.

---

16 I breed, I produce, I make.
17 European emissions standards, known as Euro standards, are European Union regulations that set maximum thresholds on the emission of pollutants by road vehicles. This is an increasingly stringent set of standards that is applicable to new vehicles. Its objective is to reduce the pollution in the atmosphere that is attributable to road-based methods of transportation.
In China, considering the size of the areas covered, the distribution of goods is facilitated through the coordination of central regions with those in the large western part of the country. This involves the use of platforms specific to consumer goods, general merchandise products, textile, clothing and, more recently, hardware/cosmetics.

The transport mix developed in Spain, Portugal, France and Hungary involves road pre-transport to a rail or river terminal. Under this system, the largest section of the route is via these latter transport methods, before the trailers are transferred by road to the delivery terminal. In Romania, 450 containers originating in China are transported by rail every year from the port of Constanza to Bucharest railway station, to where the logistics platform for Auchan Retail Romania has been relocated. This has led to a yearly reduction of more than 12 tonnes of CO2-equivalent emissions.

The “Sustainable Urban Distribution” project that is in the course of development at the Spanish supermarkets is aimed at improving goods delivery to city centre stores. These stores are supplied by gas-fuelled lorries, halving the noise pollution attributable to delivery vehicles and lowering CO2 emissions by around 20%. This project is being rolled out in the cities of Zaragoza and Madrid.

It has received the Muevente Verde award from Madrid city council. This award is given to innovative solutions that have clear environmental benefits.

Most of the Auchan Retail businesses have their own indicators to track, for instance, the distance covered or load ratios in order to set in motion and better monitor these more eco-friendly policies. However, an international indicator has yet to be defined. The logistics functions of the different banners must first be coordinated and a solution found to the fact that some of them use outsourcers who are not in a position to provide all the necessary statistics.

The Spanish hypermarkets do, however, carry out a comprehensive review of their carbon footprint in accordance with the international Green House Gas Protocol (GHG), the findings of which are certified by the Spanish environmental NGO ECODES. According to the findings of this review, which this year incorporated the logistics function for the first time, average CO2-equivalent emissions stand at 0.54kg per kilometre.

The hypermarkets and supermarkets in all the Auchan Retail countries build an offer of local products, grown and/or manufactured near the stores, via direct partnerships with small producers. These policies respond to strong demand from local residents who want to be able to purchase products from their own region. This is a win-win relationship in that it ensures a satisfactory level of visibility, commitment and profitability for the producers, and lets both parties reduce intermediary costs and margins.

Auchan Retail Russia holds “local supplier” conventions in the cities in which it operates with a view to expanding its range of locally-sourced products. Currently, more than 900 suppliers and local producers are represented on its shelves.

A fruit and vegetable programme was rolled out in Ukraine in April 2015, which saw the creation of a logistics platform for fresh produce.

In Portugal, the Auchan Retail stores share ideas with each other. A special procedure has been developed to simplify the process for listing new local producers; this involves identifying key areas in which producers are encountering problems and improving communication with the stores.

The Portuguese stores also continued to promote and enrich the products in their “Sabores de Portugal” range. Participating suppliers have peace of mind as the contracts they enter into with the hypermarkets can sometimes enable them to sell their entire harvest.

To showcase local product ranges, some banners have developed specific dedicated signage. This contributes to the economic reputation of their regions. This approach is often supplemented by the organisation of sales operations and events aimed at showcasing local products.

The Italian hypermarkets held the third edition of “La Festa del tuo territorio”, which gives customers an opportunity to meet local producers during in-store tastings and events. In Spain, Auchan Retail’s hypermarkets ran 4 campaigns throughout the year to promote quality produce from Asturias, Madrid, Extremadura and Andalusia.

However, in terms of local identity, the product dimension must not be the sole factor taken into consideration. It is also important to tap into the qualities of the men and women involved in the running of the stores day in, day out.
Immochan is endeavouring to reduce CO2 emissions linked to transport methods used by its customers and employees by diversifying the ways people can travel to its shopping centres. It firmly believes that accessible public transport options must go hand in hand with its activity. In the short term, Immochan wants to ensure that its customers and employees can use efficient transport services, with timetables suited to peak hours, comfortable stations and safe, well-signposted walkways with disabled access, running between the stations and the store doors. It is working with local public transport bodies to achieve this objective.

Public transport currently runs to and from more than 90% of Immochan’s shopping centres.

In the long term, in addition to improving public transport, Immochan is working on a multimodal access policy. Immochan France put its new plan into action for the first time at the newly-opened Les Saisons de Meaux centre in October 2015 under the “Pôle de Mobilité Alternative” label (alternative mobility solutions). Customers can travel to the shopping centre on foot, by bicycle, electric car, taxi, car-pooling, public transport or by signing up to a car-sharing scheme. All arrival points are located less than 200 metres from the entrance to the centre.

In Central & Eastern Europe and Asia, some Auchan Retail hypermarkets and Immochan shopping malls also charter buses to transport their customers from the city centre to the store free of charge.
CUSTOMERS

The businesses within Auchan’s scope seek to rise above the traditional consumer model by committing to their corporate responsibility without losing sight of their original business model. To do so, they offer a range of products and services that is accessible, respectful of the environment and society, and contributes to good nutrition.

SAFE AND CONTROLLED FOOD

Risk mapping, the primary mission of the quality department, is a scientific monitoring device, an essential tool in decision-making and crisis planning. It integrates customer feedback, crises at Auchan or its competitors and scientific meetings organised regularly around current topics. This mapping has been divided since 2012 into 3 geographic zones so that it is more closely aligned to the specific realities in the field.

As part of this approach, the company has put together an international list of the issues covered and/or that need to be covered. There are currently 109 issues on this list, such as: fish resources and fishing conditions, progress with scientific research into hormone disruptors and environmental issues such as indoor air pollution, etc. The quality department works closely with renowned scientists to examine these issues.

Alongside this shared tool, the company is looking into developing a training programme in 2016 so that every relevant member of personnel has up-to-date knowledge of the issues to which the company is committed and the research that is underway.

Auchan Retail carries out a large number of tests and product safety is always one of its top priorities. More than 100,000 food samples are tested every year as part of the company’s surveillance plan.

In-store food safety inspection procedures have been drawn up or tested in every country to ensure compliance with food hygiene best practices. Auchan was one of the founders of the international IFS Food Store standard, which requires checks on: compliance with food hygiene procedures, non-interruption of the cold chain and the verification of expiry dates.

In 2016, all stores in Auchan Retail’s countries will have implemented such procedures.

Pesticides are a major concern for all governments and are denounced by NGOs and consumer organisations. They are the focus of a specific working group that was created by the international quality committee. This committee shares methods and requirements among all the Auchan Retail businesses to improve operational control plans.

In this specific area, organic product ranges have been enriched to provide customers with fruit and vegetables that have been cultivated without the use of synthetic substances. In the course of its work, Lenalco, the international central purchasing department for fruit and vegetables, has been able to unearth and prioritise producers using little or no plant protection agents. Special campaigns focusing on such products have been launched. For instance, in France, the spotlight in 2015 was on organic carrots and potatoes that went untreated after harvesting.

Pesticides are a key issue in every country. In China, quick pesticide tests are carried out when products are delivered. In Taiwan, customers in 7 stores can use devices to rapidly detect whether the fruit and vegetables on display contain traces of pesticides.

It is also important to keep in mind that bans on substances such as bisphenols and phthalates sometimes give rise to substitutes that must be monitored.

Lastly, the issue of GMOs is addressed transparently with the food chain as a whole. A non-GMO policy applies to all own-brand everyday consumer products, from discount to premium ranges. In France, the approach is extended into the meat sector e.g. veal, poultry and pork, as well as the fish sector, with the guarantee that products have been fed with non-GMO products.
OFFERING PRODUCTS THAT DO NOT THREATEN BIODIVERSITY

To sustainably preserve fishery resources, Auchan Retail’s French hypermarkets and supermarkets have committed since 2006 to not sell wild bass during its reproductive period (December to March) and to favour farming with a reduced environmental impact.

These banners also committed in 2009 to selling only non-threatened species of shark and tuna. All these decisions, though costly, were taken because they responded to a consensus in the scientific community.

Although these commitments have not yet been formally rolled out across the international operations, they are widely shared and applied in all countries where Auchan Retail is present.

The discontinuation of sales of Mediterranean bluefin tuna (Thunnus thynnus) by Auchan Retail and other retailers contributed to the upward revision of fishing quotas for this species. Given this new situation, and as stated in the CSR section of the 2014 management report, Auchan Retail has resumed sales of this species in stores located near the Mediterranean and is taking the necessary precautions to ensure a gradual and responsible increase in bluefin tuna fishing.

Bluefin tuna is not the only species that Auchan Retail is monitoring. Resources of tuna in general and the methods used to fish tuna are important issues for buyers. Auchan is now committed to prioritising free school tuna fishing. All tuna suppliers must answer a questionnaire and be able to trace their fish back to the zones in which they were caught. Bodies such as the ISSF supply statistics and comprehensive details on fishing methods. During the March 2015 international quality committee seminar, Auchan Retail presented its top priorities to the quality managers in each country and instructed them to work only with registered boats that fish in zones where fishing volumes are high.

A DIVERSE, SUITABLE, ACCESSIBLE AND VISIBLE OFFER IN STORES

Auchan Retail is gradually developing an extensive offer of more responsible products. To better inform its customers, the banner has developed signage to identify organic products in the majority of its hypermarkets.

Throughout the year, Auchan Retail organises information and sales events to promote an accessible and responsible offer: organic products, natural cleaning products, fair trade products, products with low energy consumption, products fostering a circular economy, etc.

By way of example, Auchan Retail’s Spanish hypermarkets reworked their lighting department and increased the proportion of LED light bulbs from 30% in 2014 to 65% in 2015. Leaflet campaigns gave sole prominence to LED light bulbs, as part of the Intelligent Energy programme. Alcampo scored 95% in a MarketWatch survey of the most active retailers in this area.

FOCUS

AUCHAN’S STANCE ON PALM OIL

Auchan Retail has laid down its key objectives with respect to palm oil as part of its forest policy (see page 52). The palm oil problem now goes far beyond the destruction of primal forests to make room for oil palm groves. The protection of High Carbon Stock secondary forests and peatland is now also at stake. There are still major question marks over the nutritional impact of palm oil, which is used in very large quantities in the agrifood industry. The living conditions of populations in regions in which oil palms are cultivated are also at stake, with issues ranging from expropriation to working conditions for plantation workers.

Palm oil is an effective binding ingredient in many processed foods and cosmetics. Auchan Retail does not work directly with producers or refineries. Palm oil is an important issue for the company but its direct use in Auchan’s own-brands is minimal considering that 58 million tonnes of the oil are produced annually.

Auchan Retail’s stores decided in 2012 to substitute palm oil in own-brands products whenever possible. More than 400 products (i.e. half of those containing palm oil) have been reformulated. In cases where substitution proved impossible, Auchan Retail felt that a certification-based approach did not go far enough to protect forests as certified producers continued to extend their plantations.

Since 2014, whenever palm oil cannot be replaced, suppliers have been asked to use traceable oil that is produced:

- In accordance with laws and regulations,
- In such a way as to protect High Conservation Value Areas (HCVAs),
- After first obtaining the Free, Prior and Informed Consent (FPIC) of local populations;
- In a manner that safeguards all peatlands, and
- In a manner that protects High Carbon Stock (HCS) forests.

A survey is currently being carried out to promote preferential sourcing from suppliers who commit to these aims.

24 International Seafood Sustainability Foundation
Auchan Retail Italy showcased such products during European Waste Reduction Week but is also growing its organic ranges and raising awareness among customers by doubling loyalty points earned on these products.

In Luxembourg, Auchan Retail participates every year in a national campaign led by the NGO Fairtrade Lëtzebuerg entitled “LETZ’ Step to Fair Trade” in response to genuine consumer demand for fair trade products, with the help of local partners.

To accommodate people with impaired vision and help them locate the products they want in stores, Auchan Retail is, to the best of its knowledge, the only major mass retailer in the world to provide Braille labelling of its own-brand products. In 2015, 3,515 such products were inventoried in the Auchan hypermarkets in France, Spain, Portugal and Romania. Individuals with visual impairment regularly perform in-store checks to check the quality of the information provided in Braille.

<table>
<thead>
<tr>
<th>NUMBER OF OWN-BRAND PRODUCTS LABELLED IN BRAILLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
</tr>
<tr>
<td>2014: 3,457</td>
</tr>
<tr>
<td>2015: 3,448</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe</td>
</tr>
<tr>
<td>2015: 67</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>2014: 3,457</td>
</tr>
<tr>
<td>2015: 3,515</td>
</tr>
</tbody>
</table>

CONTRIBUTING TO CONSUMER HEALTH AND WELL-BEING

The development of “sustainable consumption” is being driven by mounting health concerns: consumers are increasingly aware of the impact of food on their own health and that of their children. Auchan Retail recognises the importance of developing a food offer that addresses this necessary balance and is at the very heart of its “responsible discount” offer.

Good nutrition is a core aspect of the work carried out by the international CSR committee, which has developed a complete programme to promote healthy eating habits and healthy living from a very young age. Key features of the programme include: training, reformulating recipes for own-brand products, stocking fresh, locally-sourced, seasonal produce, showcasing such products, heightening customer awareness and staging in-store events.

The model has been emulated across stores in all Auchan Retail countries since late 2014, to varying degrees depending on efforts already made by certain stores and specific local characteristics.

Auchan Production has been working since 2005 on recipes for products sold under own brands with a view to improving their nutritional qualities.

On a comparable basis over the past 10 years, these efforts have helped cut down the overall amount of salt contained in own-brand products by 90 tonnes, the sugar content by 800 tonnes and the fat content by 810 tonnes.

In Spain, in 2011, Simply Market launched a blog dedicated to good nutrition (www.simplysano.es), in partnership with the University of Zaragoza. The information contained in the blog is provided by students of the university and a dietician, who gives advice, answers questions and publishes articles on healthy eating. The blog registers more than 12,000 monthly hits on average.

The Auchan Retail supermarkets in Italy have opted for a more experimental approach with a pilot project involving 3 schools and a consumers’ association. The students at these schools will be taught about good nutrition and will spend a day at a store to see what foods are on offer.

Auchan Retail’s Russian supermarkets have reworked their fruit and vegetable offer by sourcing from producers guaranteeing fresher, high-quality produce and by improving the staff’s product knowledge. They have also introduced a centralised pricing system to improve the consistency of prices for customers.
Throughout the year, Auchan Retail Portugal continued to promote nutritional awareness and advice to its customers. Practical information on daily nutrition was updated and distributed either in the form of video clips or in "healthy eating guides". To coincide with the 8th World Diabetes Day, in-store events were held to raise awareness about ways to prevent the disease. Cooking demonstrations and sport and diet presentations were held throughout the year in accordance with the business plan. A personal shopper initiative was trialled in stores free of charge to help customers target foods containing the recommended nutritional properties.

In China, traceability is a key challenge to ensure safe food that poses no threat to consumer health. For pork, the most prevalent meat in Chinese cuisine, a system has been in place since 2014 that enables customers to obtain key information about the origin of their meat (farm location, date and place of slaughter) by scanning a QR code on the product packaging or by consulting a website.

Awareness of the various sustainable development issues among the younger generations contributes to the behavioural changes that will be needed to move towards a more eco-responsible future. The Rik & Rok clubs for children aged 4 to 10 in the French, Spanish and Portuguese hypermarkets are positioned around themes related to sustainable development, with a particular focus on good nutrition. In these 3 countries, the club has almost a million members who regularly receive an illustrated magazine containing educational games and simple recipes.

Auchan has renewed its partnership with the city of Luxembourg and will therefore continue to supply fruit snacks to the children participating in sports camps during school holidays.

To respond to consumers’ needs and expectations, Auchan encourages and monitors the development of its ranges sourced from sustainable production.

### Listed Organic Products, as Defined by the European Union

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe de l'Ouest</td>
<td>6,773</td>
<td>8,716</td>
</tr>
<tr>
<td>Europe Centrale &amp; Est</td>
<td>287</td>
<td>1,578</td>
</tr>
<tr>
<td>Asie</td>
<td>-</td>
<td>87</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,060</td>
<td>10,381</td>
</tr>
</tbody>
</table>

The Auchan Retail hypermarkets and supermarkets in France and Italy offer a range of everyday organic products [pasta, rice, cereals, biscuits, etc.] for under €1.

To encourage consumption of fruit and vegetables, Auchan France stores have island displays of 14 fruits and vegetables available throughout the year at a price of €1. They are also developing an extensive range of market garden and seasonal produce at very low prices.

For customers with dietary restrictions, specific own-brand salt-, sugar-, lactose- and gluten-free product ranges have been developed and are offered today in all countries where Auchan Retail is present. The Spanish supermarkets now have aisles dedicated specifically to such products.

### Reducing Packaging and Eco-designing Own-brand Products

Auchan Production's engineers have been working since 2004 with product and packaging suppliers to cut down on the use of virgin raw materials in the packaging of own-brand products. These efforts are paying off today with more than 12,000 tonnes of virgin materials spared in the past 11 years. New pathways are now being explored.

Eco-design is just one of these pathways. The goal is to optimise the life cycle from the design phase all the way through to the end of the useful life. This can be achieved by using recycled, recyclable or biosourced materials for primary and secondary packaging, thereby reducing fossil energy consumption.

At the end of 2015, there were 695 self-service discount aisles in the hypermarkets of 11 countries to cater for customers who wanted to buy what they needed, in bulk, and at an affordable price. This range has expanded in some countries, with a growing number of food, and sometimes also non-food, products. Customers can find almost anything in these aisles: cereals, dried fruits, bread, pasta, rice, pulses, condiments, coffee, tea, frozen vegetables and fish, cosmetics and hardware items.
### NUMBER OF INTEGRATED HYPERMARKETS WITH A SELF-SERVICE DISCOUNT SECTION

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>242</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>90</td>
</tr>
<tr>
<td>Asia</td>
<td>363</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>695</td>
</tr>
</tbody>
</table>

### HELPING CUSTOMERS SORT THEIR WASTE

Batteries, light bulbs, plastic bags, household appliances and recyclable packaging should not be disposed of with household waste. To prevent such mixing, which is detrimental to recycling quality, Auchan Retail and Immochan have installed recycling stands in store entrances to collect certain waste. Materials such as bulbs, batteries, ink cartridges and even household oils are collected in these stands.

The Auchan Retail France supermarkets collected 99 tonnes of batteries, 16 tonnes of WEEE and 8.3 tonnes of light bulbs in 2015.

Ukraine is the only remaining country in which Auchan Retail has yet to set up a waste collection system in its stores. This is because the country does not have channels to manage this waste and legal barriers make it difficult to test the scheme.

### LISTENING TO OUR CUSTOMERS

Customer research is routinely carried out at group level prior to every commercial project. Each year, an international survey examines every site, using roughly 200 criteria, to identify their strengths and weaknesses, and then take any corrective action needed.

### FOCUS

#### THE “AUSHOPPING” EXPERIENCE

Immochan today boasts an impressive network of shopping malls that afford customers a highly-visible, efficient and pioneering experience. Immochan France has decided to go even further by enhancing the quality of its malls and encouraging every employee to strive for excellence in their relationships with consumers, retailers and partners. This has given rise to the “Aushopping” label, aimed at providing the best responses to new customer behaviours, to go even further in Immochan’s commitment to its partners and, in doing so, forge stronger ties with its close stakeholders. “Aushopping” is Immochan’s way of cultivating a comfortable environment bursting with colour, through a range of services, loyalty schemes and store events, placing the relationship with the customer at the very heart of the project.

This personalised relationship involves:

- An attractive sales offering, with pop-up stores and stands;
- Daily events (geared towards children, cookery demonstrations, music and cultural events);
- Spaces where customers can “take a moment” (calm spaces, kids’ spaces, digital spaces, music spaces);
- Water fountains, newspapers, available to customers in a relaxed atmosphere;
- Handy, useful services such as parcel pick-up points, secure left-luggage lockers, mobile phone charging stations, free Wi-Fi connection and information terminals.

Customers can continue their in-store experience by visiting the Aushopping.com internet platform on their PCs, tablets or mobile phones. They can peruse most of the stores situated in the mall to prepare or continue their purchases, and be the first to know about upcoming promotions and events.

---

25 Waste electrical and electronic equipment.
SOLIDARITY

Auchan Retail, Immochan and Oney operate in 13 different countries, which leads to great diversity in cultural references, economic and social contexts and sales policies in each of the regions in which they conduct their businesses. Nonetheless, the design and implementation of their solidarity policies is a uniform and shared process.

Solidarity is integrated into their business plans and rolled out at several action levels. It is expressed via solid partnerships and ties with a number of foundations, applying a local action approach.

IMPLEMENTING LOCAL SOLIDARITY INITIATIVES

Every site is a place for encounters, sharing and discussions with the community, creating social connections by consulting with and involving local stakeholders.

In France, Spain, Portugal, Italy, Hungary and Luxembourg, the Auchan Retail stores, warehouses and logistics platforms are in direct contact with organisations that work locally to organise food donations and thus contribute to combating food waste and helping people in difficulty. By way of example, the hypermarkets of Auchan Retail France have distributed the equivalent of 13 million meals via food donations.

In countries where national legislation is too restrictive, the lack of structured organisations or of assurances concerning the use of donated items makes this type of approach more unreliable. Initial trials are nonetheless being carried out by Russian hypermarkets as well as at pilot stores in Romania and Poland. In Ukraine, since there are no accredited distribution circuits, some food items are instead donated to animal shelters and zoos. In China, there are no recognised associations that collect food donations, except those that intervene in the aftermath of natural disasters.

Auchan Retail, Immochan and Oney Spain have teamed up with the Spanish Red Cross to organise healthy breakfasts and refreshments for children in need. Apart from sharing the logistics aspects, the 3 businesses donated €100,000 worth of food, equating to 105 tonnes, supplemented by a further 163 tonnes in customer donations.

To foster the circular economy and encourage the donation of non-food products to people in need, many collection operations are carried out in France, Spain and Hungary for products such as clothing, school supplies, computer equipment and toys, which are donated or recycled. A total of 170,000 school bags, more than 100,000 toys and items of sports equipment, and many items of clothing have been collected by the stores that have organised these operations.

In Italy, personal hygiene products worth €20,000 have been collected for migrants at a centre located in the suburbs of Milan.

In France, the Auchan retail supermarkets have capitalised on the creation of “Energy Quarters” in stores, which, alongside local associations, helped raise €251,700 in the space of a month through the sale of charity cards and the organisation of charity events. The proceeds were donated to associations whose work helps further the spirit of solidarity, a cause that is dear to the foundation.
RESEARCH IS ONGOING AND PUBLIC CAMPAIGNS GO SOME WAY TO HELPING THE CAUSE

For the past 13 years, Auchan and Simply Italy have taken part in the telethon. Their employees are the principal ambassadors of the project. In addition to the annual campaign held in late December, a string of events are organised in and around the stores throughout the year. The proceeds of these events are donated to the telethon and customers are encouraged to give what they can when passing through the checkouts. In 13 years, more than €15.4 million has been raised.

THE FOUNDATIONS

In addition to the initiatives implemented locally, foundations and solidarity programmes initiated by several businesses offer a framework for a policy of carefully thought-out sponsorship that is rolled out and monitored over time.

AUCHAN YOUTH FOUNDATION

Created in 1996 and chaired by Vianney Mulliez, Chairman of Auchan Retail, and placed under the umbrella of the Fondation de France, the Auchan Youth Foundation provides support to young people living in the neighbourhoods and cities near Auchan hypermarkets, in 11 of the countries in which it is present. The Auchan Youth Foundation seeks to:

- support community projects that aim to help young people achieve their goals and succeed in life (reading; writing; sporting activities; integration via training and employment; awareness of good nutrition and respect for the environment);
- encourage employees to become involved in their local associations and support them in this initiative.

The Auchan Youth Foundation enables the businesses in each country to benefit from expertise and financial resources to enhance their social responsibility with regard to specific, locally expressed needs.

A pragmatic approach

The businesses in each country provide their employees with an opportunity to become involved at each key phase:

- The store teams choose and investigate the projects to be supported.
- The project selection committee meets approximately every 2 months. A panel comprising 4 of the 12 country CSR managers and an Auchan Retail executive officer meets via videoconference to examine the projects presented by the Project Director and the associations’ managers. These discussions help each participant better understand the social difficulties encountered and the nature of the expressed needs, before the foundation decides whether to provide financial support.

Once the project is approved, the Store Managers and their employees become involved and support the project over the long term.

Some achievements

The Auchan Youth Foundation has supported the French association “La ferme du major”, which helps young adults in the Valenciennes area find their place in society and secure a job. The association has 3 objectives:

- to place young adults in situations typically encountered when working on a farm (growing, packing, delivering and selling the vegetables produced at the farm);
- social work: individual interviews, follow-up and integration;
- training: basic skills, refresher courses and job searches.

€10,000 was allocated to set up a workshop making pasteurised organic soups. Through this initiative, more spaces were opened up for young adults, either in the workshop or in growing the vegetables used in the soups. It was also a way to cut down on food waste.
Groups are taken to the Petite Forêt store, which partners the project, where they can take part in mock interviews, apply for internships and sell baskets of organic produce from the farm.

In Poland, 2 centres have been set up for children from poor areas in the city of Lublin (east of the country) and for the children of foreign refugees housed in shelters. These centres provide fun learning activities to facilitate the children’s integration. 10 Auchan employees lend a hand at a volunteering centre and provide help with schoolwork, carry out renovation work at the centres or prepare and deliver snacks for the children who take dance classes at the centres. The €10,000 allocated by the Auchan Youth Foundation will help cover the cost of refurbishing and maintaining these centres.

For the fifth consecutive year, the proceeds of Auchan’s 2016 New Year’s greetings cards went to SOS Children’s Villages. This international operation sponsored by the Auchan Youth Foundation helps support the association’s local programmes in each of the countries involved, for an overall budget of €100,000.

SOS Children’s Villages enables children who are siblings without parental support to grow up together in a new family. It aims to ensure that they thrive by offering a stable family life full of warmth.

71 projects were funded in 2015, equating to an overall budget of €831,963.

**SIMPLY FOUNDATION “A TASTE FOR SHARING” (SUPERMARKETS, FRANCE)**

Created in 2009, the Simply Foundation supports solidarity and social integration projects related to food and nutrition. This commitment is centred on skills sharing with a view to providing the professional expertise needed by the projects supported, as well as additional financial and/or material support.

**Areas of intervention:**
- health and nutrition for everyone, prevention and the role of nutrition for disadvantaged populations;
- social connection, promoting harmonious relationships in neighbourhoods;
- access to food, food distribution;
- access to employment and professional integration for people in difficulty.

In 2015, the Simply Foundation pursued its work by involving more store employees in local initiatives, through sponsorship and the organised donation of skills across all projects. Over the year, 25 workdays were donated to the 8 projects or associations supported by the foundation.

Two programmes targeting seniors were jointly developed and run by members of supermarket staff: a cooking contest in retirement homes and nutrition courses within specially adapted physical activity cycles.

As a partner in the rooftop vegetable garden project at the Agro Paris Tech environmental sciences institute and in the Open Agrifood d’Orléans international forum, the Simply Foundation has also helped raise awareness about local agriculture through its support for a number of projects.

In 2015, the Simply Foundation supported 29 projects for an overall budget of €173,375.
In 2011, Auchan Russia created its own structure for social responsibility. The Auchan Generations Foundation supports projects aimed at helping young people and children in 3 areas: training in sales professions, support for children who are orphaned, sick or have disabilities, and incentives to participate in sport.

In 2015, the Auchan Generations Foundation supported 57 projects, for a total of €763,170.

All the hypermarkets got behind charity operations during the year as part of a concerted effort to support children in need. The “Give Children a New Year”, “Hello Summer!” and “School for all!” campaigns collected €94,000 in school supplies and gifts with the help of more than 2,000 volunteers from the hypermarket staff.

Some achievements

The Auchan Generations Foundation supported a “football festival” as part of a programme to promote sport and healthy living. Together with the independent sports institute “Olympus”, the Ulyanovsk hypermarket organised matches between the pupils of 15 schools.

Thanks to the €17,500 allocated by the foundation, 49 teams were able to take part in the tournament, which brought together 1,000 children who came to play or cheer on their teams.

The foundation also backs teaching initiatives. It has allocated more than €30,000 to the “Study in comfort” project, which involves designing and manufacturing school uniforms for the children at a special boarding school in the city of Ufa. This school caters for 120 hemiplegic children, who need clothes tailored specifically to their disability. This was a unique experience for the students of the university that partnered the initiative, both on a professional level via the skills they acquired, and on a human one through the contact they had with the children.

The “young carpenters” project came to the aid of a boarding school in the city of Yaroslavl. The ageing building was renovated (floors and windows) and the equipment in the carpentry workshop was replaced by young apprentices who were trained in the technical aspects of the profession.

Lastly, a momentous project entitled “The World Around Us” brought together 200 children in need between the ages of 9 and 17, their teachers, the entire Auchan Generations Foundation team, 50 employees from Auchan Russia and 28 French students from the Alexandre Dumas high school. The €136,500 allocated to the project meant that these children and adults, from a variety of backgrounds, were able to spend a fun-filled 2 weeks at a holiday camp.
The Immochan France Foundation for Social Entrepreneurship works to support social entrepreneurs in more than 90 cities and towns across France.

Social entrepreneurs from a variety of backgrounds and profiles develop business projects that can take diverse legal forms:

- A business with a social, environmental or regional purpose (combating exclusion, unemployment, disability; promoting a region via a public interest project).
- An economic project aligned with the market that responds to a demand for jobs, social connections and wealth.
- Open, participatory and responsible management, with limited return on investment and remuneration of managers.

In 2015, the Immochan Foundation for Social Entrepreneurship notably provided €13,000 to the “Voisin Malin” (“savy neighbours”) association to set up a branch in Lille. This association was already active in the Ile de France region. The idea is to provide services based on ideas that local residents have come up with themselves. The association employs and trains these people to put their ideas into action. It finds out what the community needs, provides the necessary information, directs people to the services that can handle their request and accompanies them every step of the way until they can complete such tasks on their own.

Saint André farm in Friedholseim has started to grow oyster mushrooms as a way of diversifying its range of local organic produce. The farm employs people as part of an integration scheme. It has been able to invest in a mushroom spawn laboratory with the €12,000 received from the foundation.

**CREEnSO AWARD**

IESEG business school and the Immochan Foundation for Social Entrepreneurship organised the fourth CréEnSo (Creation of Social Enterprise) awards in 2015.

The winners of this award receive:

- The support of a masters student for one year. This student provides advice and guidance in key areas of their training: marketing, communication, audit, control, human resources, etc., depending on what the entrepreneur needs to see their project through to completion.
- A portion of the €20,000 grant, which is shared among the top 3 projects.

Out of 60 applicants, 15 were able to benefit from the expertise of masters students.

The 1st prize was awarded to Toulouse-based company Palanca. This CSR-oriented research, consulting and training cooperative, which has developed neighbourhood caretaking services, impressed the jury with its expertise.
The WOF Foundation was formed in April 2014 under the umbrella of the Fondation de France. It aims to foster or support social, medical or educational initiatives to benefit workers in the textile and general merchandise industries in the least developed countries and their families - goals the factory managers are unable to meet by themselves.

The Foundation has a 5-year budget of $7.5 million and will financially support associations and NGOs with contributions and by matching other donations.

It is chaired by Philippe Baroukh, Executive Chairman of Auchan Retail Italy. Marie-Hélène Boidin Dubrule, Head of Communication in charge of CSR for Auchan Retail International, is Vice-Chair.

The other seats on the executive committee are held by Auchan directors (Director of Legal Affairs, Director of International Sales and Procurement) and 3 qualified external directors:

- Alexandre Brailowsky (a doctor involved in humanitarian work).
- Frédéric Tiberghien (counsellor of state, honorary chairman of the ORSE – the French study centre for corporate social responsibility).
- Jean François Trogrlic (former Director of the ILO in France).

This committee met 4 times in 2015. In terms of ambitions, it is important for the members to be both rigorous and modest when selecting partners that can be trusted and when attempting to understand local realities.

One of the foundation’s first moves was to ask the non-governmental organisation RTM[^27] to carry out a survey into the health-related needs of workers in the Bangladeshi city of Dhaka. The findings, unveiled in October, corroborated the results of 2 similar surveys carried out by Swiss and German teams. The findings will be used to set up clinics where they are needed in partner factories and an emphasis will be placed on training medical personnel, on prevention and on access to care.

The WOF Foundation also supported a project led by the French NGO SIPAR to improve reading skills in Cambodia. SIPAR opened libraries in schools and set up mobile libraries to service rural areas, then prisons and now factories. The NGO also publishes information leaflets on hygiene and healthcare and organises on-site activities. The foundation and the AFD (French development agency) have committed to jointly financing the creation of 19 libraries-healthcare units in factories over 3 years.

The foundation also wants to co-develop a healthcare insurance scheme for 20,000 Bangladeshi workers.

As a public health expert and someone that has taken part in missions for the United Nations, Dr Pierre Claquin jointly profiled the scheme in the summer of 2015. For the project to work, the workers will need to understand the need for such a scheme, which is where an awareness campaign would be effective. Although the employers and the WOF Foundation would bear most of the cost of the insurance, the workers are not used to paying for such protection, no matter how minimal their contribution.
Annex
## LABOUR SECTION

<table>
<thead>
<tr>
<th>Themes</th>
<th>Section of the report (page number)</th>
<th>Table of corresponding indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EMPLOYMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total workforce</td>
<td>Workforce breakdown and analysis (p. 11)</td>
<td>- Employment structure by business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Employment structure by geographic region.</td>
</tr>
<tr>
<td>Breakdown of employees</td>
<td>Workforce breakdown and analysis (p. 11)</td>
<td>- No specific indicator.</td>
</tr>
<tr>
<td>by age</td>
<td>Workforce breakdown and analysis (p. 11)</td>
<td>- Breakdown of workforce by geographic region and age group.</td>
</tr>
<tr>
<td>by gender</td>
<td>Gender equality (p. 26)</td>
<td>- Breakdown of workforce by gender and geographic region.</td>
</tr>
<tr>
<td>by geographic region</td>
<td>Workforce breakdown and analysis (p. 11)</td>
<td>- Breakdown of workforce by geographic region and age group.</td>
</tr>
<tr>
<td>Hires</td>
<td>Workforce breakdown and analysis (p. 11) Welcoming new talents (p. 9)</td>
<td>- Number of permanent contract hires, by core business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of permanent contract hires, by geographic region.</td>
</tr>
<tr>
<td>Dismissals</td>
<td>Workforce breakdown and analysis (p. 11)</td>
<td>- Number of dismissals of permanent contract employees by geographic region.</td>
</tr>
<tr>
<td>Remuneration</td>
<td>Sharing in the company’s success (p. 24)</td>
<td>- Number and proportion of employee shareholders among eligible persons by geographic region.</td>
</tr>
<tr>
<td>Trends in remuneration</td>
<td>Sharing in the company’s success (p. 24)</td>
<td>- Ratio of personnel costs by geographic region / revenue before tax (excl. fuel).</td>
</tr>
<tr>
<td><strong>ORGANISATION OF WORK</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisation of working time</td>
<td>Workforce breakdown and analysis (p. 11)</td>
<td>- Breakdown of permanent/short-term workforce by geographic region.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Breakdown of full-time/part-time workforce by geographic region.</td>
</tr>
<tr>
<td>Absenteeism</td>
<td>Health, safety and working conditions (p. 18)</td>
<td>- Rate of absenteeism, by core business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Rate of absenteeism, by geographic region</td>
</tr>
<tr>
<td><strong>LABOUR RELATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisation of labour dialogue</td>
<td>Labour dialogue as a lever for social progress (p. 17)</td>
<td>- Number of meetings held with personnel representatives, by geographic region.</td>
</tr>
<tr>
<td>Overview of collective agreements</td>
<td>Labour dialogue as a lever for social progress (p. 17)</td>
<td>- No specific indicator.</td>
</tr>
<tr>
<td>HEALTH AND SAFETY AT WORK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Health and safety conditions at work</td>
<td>Health, safety and working conditions (p. 18)</td>
<td>- No specific indicator.</td>
</tr>
<tr>
<td>Frequency of workplace accidents</td>
<td>Health, safety and working conditions (p. 18)</td>
<td>- Rate of frequency of workplace accidents by geographic region.</td>
</tr>
<tr>
<td>Severity of workplace accidents</td>
<td>Health, safety and working conditions (p. 18)</td>
<td>- Rate of severity of workplace accidents, by geographic region.</td>
</tr>
<tr>
<td>Occupational illnesses and diseases</td>
<td>Health, safety and working conditions (p. 18)</td>
<td>- Number of occupational diseases by geographic region.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TRAINING</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Training policy implemented</td>
<td>Contributing to the personal development of each employee (p. 21)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Total number of training hours</td>
<td>Contributing to the personal development of each employee (p. 21)</td>
<td>- Hours of training dispensed by geographic region.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUALITY OF TREATMENT</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Measures taken in favour of gender equality</td>
<td>Gender equality (p. 27)</td>
<td>- Proportion of women in the workforce by geographic region.</td>
<td>- Proportion of women among managers by geographic region.</td>
</tr>
<tr>
<td>Measures taken in favour of integrating people with disabilities</td>
<td>Fostering and supporting the integration of people with disabilities (p. 28)</td>
<td>- Ratio of employees with disabilities by geographic region.</td>
<td></td>
</tr>
<tr>
<td>Anti-discrimination policy</td>
<td>Diversity and equal opportunity, a corporate affair (p. 26)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROMOTION AND RESPECT FOR THE PROVISIONS OF THE ILO CONVENTIONS</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Respect for freedom of association and the right to collective bargaining</td>
<td>Labour dialogue as a lever for social progress (p. 17) Monitoring labour conditions in manufacturing (p. 43)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Elimination of discrimination in relation to employment and profession</td>
<td>Labour dialogue as a lever for social progress (p. 17) Monitoring labour conditions in manufacturing (p. 43)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Elimination of forced or compulsory labour</td>
<td>Monitoring labour conditions in manufacturing (p. 43)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Effective abolition of child labour</td>
<td>Monitoring labour conditions in manufacturing (p. 43)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Themes</td>
<td>Section of the report (page number)</td>
<td>Table of corresponding indicators</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>------------------------------------</td>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL ENVIRONMENTAL POLICY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisation of the company</td>
<td>Governance of environmental and social policies (p. 31)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Evaluation/certification approach</td>
<td>Developing environmental site management (p. 38)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Employee training initiatives</td>
<td>Governance of environmental and social policies (p. 38)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Resources allocated to risk and pollution prevention</td>
<td>Limiting air, water and soil pollution and adapting to the consequences of climate change (p. 40)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Amounts of provisions and guarantees for environmental risks</td>
<td>Limiting air, water and soil pollution and adapting to the consequences of climate change (p. 40)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td><strong>POLLUTION AND WASTE MANAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measures to prevent, reduce and compensate for pollution that severely affects the environment</td>
<td>Limiting air, water and soil pollution and adapting to the consequences of climate change (p. 40)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Measures to prevent, recycle and eliminate waste</td>
<td>Sorting and recovering waste produced (p. 32)</td>
<td>- Recovery rate for waste from operations by geographic zone.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Helping customers sort their waste (p. 57)</td>
<td>- Damage rate for fresh produce, supermarkets.</td>
<td></td>
</tr>
<tr>
<td>Specific measures for noise and other types of pollution</td>
<td>Reducing the impact of goods transportation (p. 49)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimising noise pollution from activities (p. 40)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUSTAINABLE USE OF RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water consumption and water supply based on local resources</td>
<td>Applying sustainable water management (p. 37)</td>
<td>- Water consumption per m2 of surface area, by business and geographic region.</td>
<td></td>
</tr>
<tr>
<td>Consumption of raw materials and measures taken to improve their efficient use</td>
<td>Reducing packaging and eco-designing own-brand products (p. 56)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Helping customers sort their waste (p. 57)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy consumption</td>
<td>Optimising and reducing our energy consumption (p. 34)</td>
<td>- Consumption of electricity per m2 of surface area, by activity and geographic region.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Consumption of energy per m2 of surface area, by activity and geographic region.</td>
<td></td>
</tr>
<tr>
<td>Use of renewable energies</td>
<td>Optimising and reducing our energy consumption (p. 34)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td>Measures taken to improve energy efficiency</td>
<td>Developing environmental site management (p. 38)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Optimising and reducing our energy consumption (p. 34)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land use</td>
<td>Limiting air, water and soil pollution and adapting to the consequences of climate change (p. 40)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
<tr>
<td><strong>CLIMATE CHANGE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>Measuring the carbon footprint of the retail sites (p. 40)</td>
<td>- CO2 emissions in kg per m2 of surface area related to electricity consumption and refrigerant leaks, by activity and geographic region.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reducing the impact of goods transportation (p. 49)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reducing the environmental impact of plastic bags (p. 34)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adaptation to the consequences of climate change</td>
<td>Limiting air, water and soil pollution and adapting to the consequences of climate change (p. 40)</td>
<td>- No specific indicator.</td>
<td></td>
</tr>
</tbody>
</table>
## PROTECTION OF BIODIVERSITY

<table>
<thead>
<tr>
<th>Measures taken to protect and develop biodiversity</th>
<th>Contributing to biodiversity protection (p. 41)</th>
<th>Offering products that do not threaten biodiversity (p. 53)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- No specific indicator.</td>
</tr>
</tbody>
</table>

## SOCIAL SECTION

### Themes

<table>
<thead>
<tr>
<th>Section of the report (page number)</th>
<th>Table of corresponding indicators</th>
</tr>
</thead>
</table>

### REGIONAL, ECONOMIC AND SOCIAL IMPACT OF THE BUSINESS

<table>
<thead>
<tr>
<th>Impact in terms of employment and regional development</th>
<th>Forming sustainable partnerships with SMEs (p. 48)</th>
<th>Fostering local sourcing (p. 50)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- No specific indicator.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on neighbouring and local populations</th>
<th>Improving transportation options for residents (p. 51)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- No specific indicator.</td>
</tr>
</tbody>
</table>

## RELATIONS WITH STAKEHOLDERS

<table>
<thead>
<tr>
<th>Conditions for dialogue</th>
<th>Forming sustainable partnerships with SMEs (p. 48)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- No specific indicator.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Partnership and sponsorship initiatives</th>
<th>Chapter on Solidarity (p. 59)</th>
</tr>
</thead>
</table>

## OUTSOURCING AND SUPPLIERS

<table>
<thead>
<tr>
<th>Integration of social and environmental issues in the purchasing policy</th>
<th>Monitoring labour conditions in manufacturing (p. 43)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Number of organic products listed as defined by the European Union (own-brands and national brands combined).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Importance of outsourcing and integration of CSR in relationships with suppliers and subcontractors</th>
<th>Monitoring labour conditions in manufacturing (p. 43)</th>
<th>Special section: Plan to combat opaque outsourcing (p. 45)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Number of ICS audits completed and commissioned by Auchan in 2015.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Number of factories shared with Auchan that were audited by other ICS members in 2015.</td>
<td></td>
</tr>
</tbody>
</table>

## FAIR PRACTICES

<table>
<thead>
<tr>
<th>Initiatives taken to prevent corruption</th>
<th>Developing a business ethic and tackling corruption (p. 48)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- No specific indicator.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measures taken in favour of consumer health and safety</th>
<th>Safe and controlled food (p. 53)</th>
<th>Contributing to consumer health and well-being with a suitable food offer (p. 55)</th>
<th>A diverse, suitable, accessible and visible offer in stores (p. 54)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Number of own-brand products labelled in Braille.</td>
<td></td>
</tr>
</tbody>
</table>

## HUMAN RIGHTS

<table>
<thead>
<tr>
<th>Actions undertaken in favour of human rights</th>
<th>General principles and compliance with ILO standards (p. 43)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- No specific indicator.</td>
</tr>
</tbody>
</table>
To the Shareholders,

In our capacity as an independent third-party body for Auchan Holding accredited by the COFRAC\(^1\) under number 3-1050, we present to you our report on the consolidated labour, environmental and social information concerning the financial year ended on 31 December 2015, published in section 20 of the management report, hereafter “CSR Information”, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

**Responsibility of the company**

The Board of Directors is responsible for establishing a management report including the CSR Information stipulated under Article R. 225-105-1 of the French Commercial Code, in accordance with the guidelines used by the company comprising the environmental and social reporting protocol and the HR reporting protocol in their versions of October 2015 (hereafter the “Guidelines”), of which a summary can be found in the introduction to the “Methodology” section of the present management report.

**Independence and quality control**

Our independence is defined by regulatory texts, the code of ethics of the profession and the provisions of Article L. 822-11 of the French Commercial Code. Moreover, we have implemented a system of quality control that includes documented policies and procedures that aim to ensure compliance with applicable ethical rules, professional standards and laws and regulations.

**Responsibility of the independent third-party body**

Il nous appartient, sur la base de nos travaux :

- certify that the required CSR Information is included in the management report or, if omitted, that this omission is explained in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Certification of presence of CSR Information);
- express a measured assurance that the CSR Information, as a whole, is presented fairly in all significant aspects, in accordance with the Guidelines (Reasoned opinion of fair presentation of CSR Information).

Our work was carried out by a team of 5 people between July 2015 and February 2016, over the course of around 16 weeks.

We completed the work described below in accordance with applicable professional standards in France, the decree of 13 May 2013 determining the terms and conditions under which the independent third-party body shall conduct its mission and, with respect to the reasoned opinion of fair presentation, with the ISAE 3000 international standard.\(^2\)

---

\(^1\) Accreditation scope available at www.cofrac.fr

\(^2\) ISAE 3000 – Assurance engagements other than audits or reviews of historical information
1. CERTIFICATION OF INCLUSION OF CSR INFORMATION

Based on interviews with the managers of the departments involved, we examined the presentation of policies in the area of sustainable development, the social and environmental consequences arising from the activity of the company and its social commitments and, where applicable, the resulting actions or programmes.

We compared the CSR Information presented in the management report with the list stipulated in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated information, we verified that explanations were provided in accordance with the provisions of Article R. 225-105 paragraph 3 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, i.e. the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the same code, with the limitations stipulated in the methodology note presented in the “Methodology” section of the management report. The labour and environmental indicators reflect Auchan Holding’s performances between 1 October 2014 and 30 September 2015.

On the basis of our work, and taking into account the limitations noted above, we certify that the required CSR Information has been included in the management report.

2. REASONED OPINION ON THE FAIR PRESENTATION OF CSR INFORMATION

Nature and extent of our work

We conducted interviews with a dozen individuals responsible for preparing the CSR Information within the Sustainable Development, HR, Purchasing, Technical and Environment departments in charge of the data collection processes and, where applicable, responsible for the internal control and risk management procedures, so as to:

- assess the appropriateness of the Guidelines with regard to their relevance, completeness, reliability, neutrality and clarity, taking into consideration, where applicable, the best practices in the sector;
- verify the implementation of a collection, compilation, processing and control process that aims to provide complete and consistent CSR Information, and examine the internal control and risk management procedures relative to the preparation of the CSR Information.

We determined the nature and extent of our tests and controls based on the nature and importance of the CSR Information with regard to the characteristics of the company, the social and environmental issues related to its activities, its policies in the area of sustainable development, and best practices in the sector.

For the CSR Information that we viewed as most important:

- at the level of the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate qualitative information (organisation, policies, actions, etc.), we applied analytical procedures to the quantitative data and verified calculations and consolidation of data on the basis of samples, and we verified data consistency and agreement with the other information in the management report;
at the level of a representative sample of entities that we selected based on their business, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify proper application of the procedures and carried out detailed tests on the basis of samples, consisting in verifying the calculations made and comparing the data to its supporting documents. The sample selected represents on average 18% of the workforce and between 18% and 27% of the quantitative environmental data.

For the other consolidated CSR Information, we assessed its consistency with regard to our knowledge of the company.

Lastly, where applicable, we assessed the relevance of the explanations concerning the total or partial absence of certain information.

We believe that the sampling methods and sample sizes that we chose based on our professional judgement allow us to formulate a conclusion of measured assurance; stronger assurance would have required more extensive verification work. Due to the use of sampling techniques as well as other limitations inherent to the operation of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

**Conclusion**

Based on our work, we did not identify any significant anomaly liable to call into question the fair presentation of the CSR Information, taken as a whole, in accordance with the Guidelines.

**Notes**

Without calling into question the above conclusion, we draw your attention to the following:

- The controls that were carried out were not sufficient to correct reporting errors attributable to the automatic gas meter reading system used for the French hypermarkets. Consequently, the “energy consumption” data pertaining to the French hypermarkets has been excluded from the reporting scope for this year.

- A change in the reporting period for the “CO2 emissions arising from refrigerants” indicator has a bearing on the comparability of the current-year and prior-year data.

Paris-La Défense, France, 8 March 2016

The Independent Third-Party Body
ERNST & YOUNG et Associés

Eric Mugnier
Sustainable Development Partner
Bruno Perrin
Partner

---

3 Environmental and social information: the overall environmental policy (organisation, employee training and information actions); pollution and waste management (measures to prevent, reduce or compensate for air, water and soil pollution; waste prevention, recycling and elimination measures); sustainable use of resources and climate change (energy consumption, measures taken to improve energy efficiency and the use of renewable energies, measures taken to improve efficient use of raw materials); regional economic and social impact; relationships with stakeholders (conditions for dialogue, partnership and sponsorship actions); the importance of outsourcing and the inclusion of social and environmental issues in the purchasing policy and in relationships with suppliers and subcontractors; fair practices (actions undertaken to prevent corruption, measures taken in favour of consumer health and safety).

Employment information: employment (total workforce and breakdowns, hires and dismissals), organisation of working time (in particular part-time work), absenteeism, labour relations, health conditions, safety at work, workplace accidents (in particular their frequency and severity), as well as occupational diseases, training policies, total number of training hours.

4 French hypermarkets, Hungarian hypermarkets and Oney Banque Accord France.

5 Energy consumption, waste produced and refrigerants.