



# 2016

Annual and Corporate  
Social Responsibility  
Performance Report



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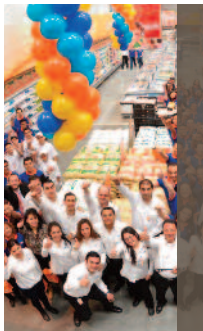
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A well-established player in the French retail industry, the Casino Group is also a leader in the global food retail market, with 12,969 stores worldwide – in France, Latin America and in the Indian Ocean region.

It has built up a portfolio of strong, dynamic and complementary banners, thanks to its workforce of nearly 228,000 people driven by a passion for retail and customer service.

In all of its host countries, Casino focuses its development on the formats with the highest potential and ability to adapt in order to meet customer needs, both today and in the future. Its continuous innovation strategy, its ability to adapt to local realities and its proactive engagement in the community make Casino a unique player in the retail industry that can consistently live up to its motto of “nourishing a world of diversity”.

1898

Geoffroy Guichard sets up Société des Magasins du Casino et Établissements Économiques d’Alimentation



1906

The first production plants to supply Casino-brand products are opened

1948

The first self-service store is inaugurated

1992

Merger with Rallye, a French retailer owned by Jean-Charles Naouri



1997

Acquisition of Franprix and Leader Price



1999

Strategic alliances are forged with long-standing retailers in Brazil and Colombia

2000

Stake in Monoprix increased to 50% and acquisition of Cdiscount

2012

Acquisition of control of GPA in Brazil and Monoprix in France

2015

Consolidation of operations in Latin America under the Colombian subsidiary Éxito

2016

Operations refocused on two core regions: France and Latin America



# Interview

## with **Jean-Charles Naouri**,

Chairman and Chief Executive Officer of Casino



*“All the measures we took in 2016 were designed to enhance our operational profile.”*

### **The Casino Group has been changing fast in recent years. How would you describe its profile today?**

The Group is both a historical and a leading retailer in every country where it operates, leveraging a diversified network of powerful, agile banners that are closely aligned with their customers and able to change fast alongside them. Our advantage is that we use this model to seize the best available opportunities, while at the same time ensuring healthy, long-term growth.

All the measures we took in 2016 were designed to enhance our operational profile. The Group streamlined its structure in Latin America by refocusing on food retail. The Brazilian e-commerce businesses were sold to Via Varejo, the subsidiary specialised in non-food retail, and the decision was then made to divest that company. The Group also sold its Asian businesses, thereby cutting its debt in half and solidifying its financial position considerably.

### **What were the highlights of the year?**

The main highlight in 2016 was the Group's turnaround in France, which was the culmination of several years of hard work. Performance improved, in line with our roadmap. Growth was also maintained in Latin America, despite the economic downturn in Colombia and Brazil. Grupo Éxito's businesses in Colombia, Uruguay

and Argentina generated organic growth of 10.8%\*. In Brazil, GPA's sales rose 11.7%\*. Business grew stronger in all geographies.

### **What strategy has driven that performance?**

Our results show that we have made the right strategic choices. We have two clearly defined priorities. Our primary goal is to adapt formats to new consumer trends in real time and develop winning formats in all countries. This means perpetually innovating to adjust our product offer and store concepts while staying in step with customer expectations.

Our second priority is operational excellence. This has been a constant focus for a number of years. In every country, we are continuously improving the way we work in stores by implementing best practices, reducing operating costs and rationalising investments.

### **How has business been for the French banners?**

In France, we've built a profitable, efficient business model in which each banner plays a role. Géant has performed well, with net sales up 1.6%\* and market share growing slightly. This reflects a series of bold sales initiatives emphasising the fresh produce section and food services. In parallel, we've cut back non-food retail space, especially for product categories affected by e-commerce. Net sales per square metre of

store space has since increased by more than 3%.

At Leader Price, where net sales are on the rise, the work undertaken to improve operational processes is paying off. The customer experience has been enhanced, the offering expanded and costs kept under control. Monoprix, which continues to roll out its unique, highly efficient business model, has enjoyed

*“Our primary goal is to adapt formats to new consumer trends in real time.”*

growth in net sales as well as rapid expansion. Sixty stores were opened in 2016, including twenty Naturalia stores featuring an original, all-organic concept. Casino Supermarkets regained momentum through a quality-oriented business model emphasising premium food and the development of food services.

### **Is convenience still the Group's key strength in France?**

We've adapted to market changes by defining differentiated urban, semi-urban and rural segments within the convenience category. Franprix is spearheading the trend in the urban segment with its Mandarine concept, which continuously innovates by designing spaces

\* Organic growth excluding fuel and calendar effects.



where customers can access a variety of services. Nearly two-thirds of stores in the Franprix network had been renovated by the end of 2016, and all remaining stores will be converted in 2017. Other convenience banners, such as Petit Casino, are introducing new services and upgrading their offering and concepts. These banners cover a network of more than 6,000 outlets, with nearly four out of five stores operated under franchise or partnership agreements.

**How has the economic downturn impacted business in Latin America?**

Our multi-format model enables us to continue expanding our businesses while developing synergies between countries, especially in

*“Assaí accounted for 36% of GPA’s net sales, thus gradually improving our business mix in Brazil.”*

apparel, property and financial services. In Colombia, we’ve maintained the leadership of our banners in every segment. Inspired by the success of Assaí in Brazil, Grupo Éxito has launched a promising cash & carry concept, Surtimayorista. We’ve also continued to develop our property business with the creation of Viva Malls, the leading shopping centre operator in

Colombia, in partnership with a financial investor. In Uruguay, sales growth is underpinned by the country’s stability and high purchasing power. In Argentina, we’ve gained market share and continue to develop property projects, giving us resilience in a highly inflationary environment.

**With the planned sale of Via Varejo in Brazil, what is GPA’s new business model?**

GPA is refocusing on food banners, building its business around two divisions, Multi Varejo and Assaí. We’re very happy with the way sales are trending at Extra hypermarkets. The revitalisation plan has proved successful, delivering gains in market share and store traffic that have helped lay the groundwork for improving profitability in 2017. The premium banner Pão de Açúcar has delivered an excellent performance and continues to develop its convenience format.

The cash & carry banner Assaí has enjoyed organic growth of nearly 40% and is rapidly expanding. Thirteen new stores have been opened successfully, of which two converted Extra hypermarkets. Assaí accounted for 36% of GPA’s net sales in 2016, up from 30% in 2015, thus gradually improving our business mix in Brazil.

**How has the Group performed in e-commerce?**

A perfect complement to our brick-and-mortar banners, the e-commerce business is now focused on Cdiscount in France. The website has reported outstanding growth and strong

numbers: business volume of nearly €3 billion, net sales of €1.8 billion and 8 million active customers, the majority of whom now use mobile services. The indicators are also positive, with a significant rise in the number of sales and orders. The marketplace’s contribution continues to grow, coming in at 31% of the total in 2016. Customer loyalty has improved, with a rapidly increasing number of members signing up to Cdiscount’s unlimited delivery service.

**What are the challenges for 2017?**

In every region, our expansion drive needs to target the most successful formats. We are confident that cash & carry will develop in Latin America as the perfect response to changing consumer habits in that market. We also want to reinforce the Group’s leadership in premium formats, with Monoprix and now Franprix in France, Pão de Açúcar in Brazil and Carulla in Colombia. Convenience is another priority. In Latin America, we have to adapt to market changes by clearly differentiating between the offerings available in the convenience segments. In 2017, we will continue adjusting our store mix and accelerate conversions to the most profitable formats.

*“Through their involvement and professionalism, our teams play a key role in achieving operational excellence.”*

**How do you reconcile your performance goals with the Group’s social and environmental responsibility?**

They are closely inter-related. Our CSR commitments, which are upheld and applied by the men and women who work for the Group, support our ever-evolving strategy. Through their involvement and professionalism, our teams play a key role in achieving operational excellence. By working with local producers, reducing our carbon footprint, promoting diversity and professional development, and taking a more caring approach to managing people and dealing with customers, we are creating a sustainable business growth model.



# LE TRAITEUR

HOMME  
PARAPHARMACIE  
VOLAILLES

FEMME  
FEMME  
PANES

BIO

NOTRE CHEF  
TRAITEUR ET SON  
EQUIPE SONT  
A VOTRE DISPOSITION  
POUR TOUTES  
VOS DEMANDES

2016





# Banners: momentum gathering across all formats

## Brazil: Assaí inaugurates its 100<sup>th</sup> store

On 20 October in Aracaju, capital of the state of Sergipe, Assaí inaugurated its 100<sup>th</sup> store, reaching an important milestone in the development of the Brazilian cash & carry chain. Assaí had an exceptional 2016, increasing sales by almost 40% and opening 13 stores during the year, including three in states where it previously had no presence. The banner strengthened its position as number 2 in the market, with a network of 107 sales outlets. Assaí is now present in 16 Brazilian states ■



## Leader Price unveils its new concept

The Casino Group's value banner is reinventing itself and going back to basics to provide quality products at aggressively low prices. This commitment is symbolised by a new logo and rolled out as part of a brand new concept that refreshes the shopping experience, with a focus on revitalising the customer journey and making stores more enjoyable. The transformation has achieved considerable success. The first Leader Price store introduced the new concept in May (in the Paris suburb of Ballainvilliers) and has seen a 30% increase in sales ■



## SuperMaki reinvents traditional retailing in Madagascar

Under the SuperMaki banner, Jumbo Score is developing a new way of working with informal retail outlets in the Madagascan capital. Around 20 convenience stores adopted the banner in 2016, thus gaining access through a supply contract to the Group's quality and food safety standards ■

## Casino Supermarkets on a quest to conquer the premium food market



The French banner Casino Supermarkets is placing a priority on fresh produce, focusing on a new quality-oriented positioning that showcases food services, introduced this year in its stores in Paris, Lyon and Marseille. Apart from working to improve both the product offering and concept, the banner is making a commitment to sharing its expertise and developing the skills of its people in customer service roles ■

## Petit Libertad, premium convenience in Argentina

After opening 15 Devoto Express stores in Uruguay in 2015, the Group is now introducing a new premium convenience format in Argentina, with the first Petit Libertad store opening in Córdoba in October. The 140 sq.m store stocks over 3,000 items, from everyday essentials to highly differentiated products including a line of Italian pasta, Swiss chocolates and a selection of beers from around the world. More than a dozen stores, generally franchises, are set to open in 2017 ■



## Grupo Éxito launches its cash & carry banner: Surtimayorista

Grupo Éxito's new cash & carry banner opened in Bogotá in May. Operating under the name Surtimayorista, the concept builds on the key principles of the Brazilian retailer Assaí: an effective wholesale business model aimed at both restaurant operators and families seeking the lowest possible prices. Its aim is to open points of sale in all large towns and cities in Colombia ■





# The pioneering spirit – from product offerings to payment solutions

## Géant revamps its fresh produce offering

The new fresh produce offering has taken centre stage in Géant supermarkets, with an area specially designed to resemble a marketplace selling high-quality, locally-sourced produce with a shortened supply chain for greater freshness. Similarly, the pages of the “Mon marché Géant” catalogue, sent out every week to more than 5 million customers, are full of recipes and tips ■



## Casino extends its range of agro-ecology products

Having introduced frozen vegetables free from pesticide residue and chicken raised without antibiotics, Casino has widened its agro-ecology product offering by selling pork raised from birth without antibiotics. This commitment from the Group is intended to develop innovative farming practices that help the environment as well as producers and consumers ■



## Leader Price launches an organic baby food offering

An assortment of 18 fully-organic baby food products was launched in Leader Price stores in October. It was developed in collaboration with a group of specialists in paediatric nutrition to meet the specific dietary needs and tastes of babies aged 4 to 12 months old. Textures and ingredients have been adapted to each age group ■



## Private-label apparel: Éxito's gamble pays off

With prices reduced by 40% and faster turnover in designs, Éxito has implemented a new strategy to further develop its offering of 11 private-label apparel brands and has met with unprecedented success. In 2016, volumes increased by 82% and sales by 52% ■



## Monoprix always in fashion

The 150 textile designers and product managers at Monoprix keep making resolute choices and are introducing two new textile collections: sportswear by Monoprix Fit and skiwear by Monoprix Ski for the whole family to enjoy ■

## Franprix leads the way with a portable payment system

Franprix has revolutionised the checkout experience by introducing a new portable payment solution. Checkout staff walk among customers, offering them all the services traditionally available at the checkout using a portable “ring” scanner, a credit card terminal, a tablet – all connected to the secure in-store WiFi. Introduced in about 100 stores in 2016, this solution takes the banner one step further on the road to transformation and innovation, by reinforcing closeness with the customer ■



# Omni-channel retailing



## Monoprix invents its very own monoji

Building on its popularity on social media, with 1 million Facebook fans to its name, Monoprix has launched its own collection of emojis, known as monoji, available for download on the App Store. Inspired by the off-beat humour of Monoprix packaging and designed by the New York artist Jeremyville, monoji are short, ready-to-use messages that are directly available using the iPhone's iMessaging keyboard ■




## Meals delivered by Franprix in under an hour

Collaborating with Allo Resto, Glovo, les Nouveaux Fromagers and Resto In, the ultra-urban banner Franprix is setting up an increasing number of partnerships with start-ups to deliver breakfast, cheese platters, nibbles or meals to the homes and offices of people in the French capital. Orders made using Allo Resto or Rest In's website or mobile app are delivered within 45 minutes ■

## Mobile sites boost traffic for exito.com and carulla.com

The e-commerce websites for Grupo Éxito went from strength to strength in 2016, with the launch of mobile versions for exito.com and carulla.com. These mobile sites already account for 50% of traffic, and launching the marketplace has also driven faster growth. With sales up 25% and 45 million more visits during the year, Grupo Éxito is cementing its position as leader in the Colombian online market ■



## Cdiscount launches same-day delivery

To reduce delivery times, the main competitive challenge in e-commerce, Cdiscount has set up a new distribution mechanism. At the Saint-Mard warehouse to the northeast of Paris, the cut-off time for delivery of items weighing more than 30kg has been pushed back to 2pm for same-day delivery in Paris and Lyon. For items weighing less than 30kg, the introduction of staggered shift teams in the Cestas warehouse near Bordeaux has also made it possible to push back the cut off to 2pm, Saturday included. Parcels are dispatched by 5.30pm for next-day delivery throughout France, including on Sundays in Paris ■

# Cdiscount

VOUS ÊTES PLUS RICHE QUE VOUS NE LE CROYEZ

## Cdiscount launches a mobile telephone package for €2 a month

France's leading e-commerce website now offers the most competitive mobile telephone package on the market, with a basic contract unlike any other in France: 200 minutes + 200 SMS/MMS + 200 MB of 4G for €2 per month ■



## Viva Vinhos, online wine retailing by Pão de Açúcar

Pão de Açúcar has entered the online wine market with the Viva Vinhos offering available on its website. The service gives customers access to a selection of wines from the best winemaking regions, chosen by the retailer's in-house specialists. Customers chose the type of subscription and the number of bottles of wine they want to order, and each month, the wine is delivered to their homes free of charge. Launched last spring in São Paulo, the initiative has been rolled out to other major towns and cities in Brazil ■



# CSR commitments that influence all operations

**First set of graduates from the “Caring Management Practices” masters’ programme**

The Université Jean Monnet in Saint-Étienne has awarded the first Trade and Retail “Caring Management Practices” masters’ degrees to 12 managers from the Group. This first set of graduates from various French subsidiaries can now extend to their teams their knowledge about what drives employees motivation in caring management. The second group of students is made up of 11 new managers ■

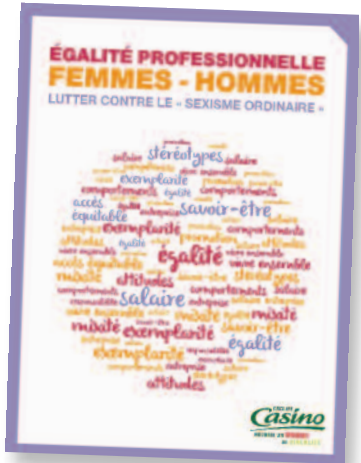


## Easydis rolls out a fleet of 400 natural gas trucks

The Casino Group's distribution subsidiary, Easydis, has begun rolling out a fleet of vehicles running on natural gas to limit its impact on the environment when delivering to stores. The goal is to own 400 clean trucks by 2020, the largest fleet of natural gas vehicles in France ■

## A new milestone in the battle for gender equality

Drafted based on findings from a field survey of Group employees, a guide entitled “Fighting Everyday Sexism” was circulated to employees to help break down stereotypes that discriminate against women at work. In addition, Casino signed up to the Women's Empowerment Principles developed by UN Women, thereby strengthening the Group's commitment to promoting gender equality in the workplace ■



## Monoprix stops selling eggs from caged hens

As the first major retailer to offer, from 2013, only free-range eggs under its private label, Monoprix has taken respect for animal welfare one step further by permanently removing all eggs from caged hens (category 3) from sale across all its brands. Franprix, Leader Price and Casino stores have each since made the commitment to stop selling eggs from caged hens in their stores by 2020 ■



## Colombia opens its largest photovoltaic solar power plant

The largest photovoltaic solar power plant in Colombia and new jewel in the crown of Viva Malls, Viva Baranquilla was opened in November. The plant produces 24% of the store's energy consumption and reduces CO<sub>2</sub> emissions by 302 tonnes per year ■



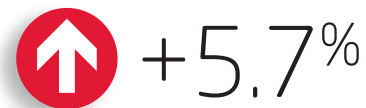
# Key figures

€36

**billion**  
in consolidated net sales

€1.034

**billion**  
in trading profit



organic growth<sup>1</sup>  
in consolidated sales



**million**  
underlying net profit, Group share



at 31 December 2016

€6.1

at 31 December 2015

**billion**  
consolidated net debt

## Retailing

No. 1 in Brazil

No. 1 in Colombia

## E-commerce

Cdiscount is No. 2 in France

Exito.com is No. 2 in Colombia

227,842

**employees<sup>2</sup>**

12,969

**stores**

9,855

stores in France<sup>3</sup>

3,114

stores in Latin America<sup>4</sup>

39%



Percentage  
of employees under 30

53%



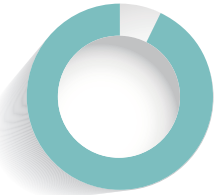
Percentage  
of female employees

37%



Percentage  
of female managers

93%



Percentage of employees  
on permanent contracts

<sup>1</sup> Excluding fuel and calendar effects.

<sup>2</sup> Number of employees on payroll at 31 December 2016, including those under permanent/fixed-term contracts and full-time/part-time contracts – consolidated businesses only.

<sup>3</sup> Including the Indian Ocean region. <sup>4</sup> Excluding Via Varejo.

# A broad international footprint

## Colombia

### Value banners



### Convenience banners



### Premium banner



### e-commerce



## Brazil

### Value banners



### Premium banner



### Convenience banners



### e-commerce



## Argentina

### Value banner

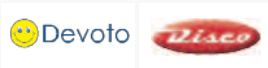


### Convenience banners



## Uruguay

### Value banners



### Convenience banner



### Premium banners

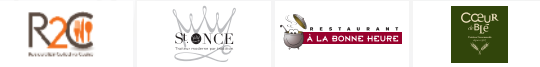


## France

### Value banners



### Convenience banners



### Premium banners



### e-commerce



## Indian Ocean

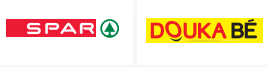
### Value banners



### e-commerce



### Convenience banners



# The Executive Committee

Led by the Chairman and Chief Executive Officer, the Executive Committee is responsible for managing the Group's operations as it implements the strategic vision defined by the Board of Directors. It shapes strategy, coordinates and shares initiatives and tracks cross-functional projects to ensure the alignment

of action plans deployed by the subsidiaries and operating divisions and, in this capacity, sets priorities when necessary. It also monitors financial results and ratios and determines the action plans to be undertaken. The Committee meets once a month.



**Jean-Charles Naouri**  
Chairman  
and Chief Executive Officer



**Carlos Mario Giraldo Moreno**  
Chairman  
and Chief Executive Officer  
of Grupo Éxito



**Julien Lagubeau**  
Chief Operating Officer  
and Executive Committee  
Secretary



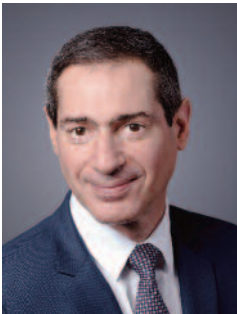
**Régis Schultz**  
Chairman of Monoprix



**Hervé Daudin**  
Merchandise Director  
and Chairman  
of EMC Distribution



**Antoine Giscard d'Estaing**  
Chief Financial Officer



**Jean-Paul Mochet**  
Chief Executive Officer  
of Franprix  
and the Convenience Banners



**Arnaud Strasser**  
Corporate Development  
and Holdings Director



**Yves Desjacques**  
Corporate Human  
Resources Director



**Ronaldo Iabrudi**  
Chief Executive Officer  
of GPA



**Tina Schuler**  
Chief Executive Officer  
of Leader Price  
and Casino Supermarkets



**Gérard Walter**  
Chief Executive Officer  
of Géant Casino





A pioneering  
model  
for the future





A pioneering model for the future

# A multi-format, multi-banner strategy

The Casino Group has developed a diversified portfolio of powerful, complementary banners in its two host regions. Thanks to this organisation, it is ideally equipped to keep pace with the main trends shaping the retail industry and to effectively roll out its strategy, which focuses on the most successful formats.

## Powerful, complementary banners

The Casino Group is today firmly established in two balanced and structured geographic regions: France, the Group's historical homeland, and Latin America, where operations are grouped around the Colombian subsidiary Grupo Éxito. In all of its host countries, the Group has developed a diversified portfolio of powerful, complementary banners representing some 13,000 multi-format stores, be they long-standing players rooted in consumers' everyday lives, attractive and agile gems capable of spotting trends from the outset or innovative concepts at the leading edge of new consumer behaviour.



50%

of consolidated net sales is now generated by the most successful formats

More than just the sum of its outlets, the network draws its strength from its extremely refined segmentation, which makes it possible to meet ever-changing demand. Value banners include the hypermarkets, the discount outlets and the highly dynamic Assaí cash & carry chain in Brazil. Premium banners are represented by Pão de Açúcar in Brazil, Carulla in Colombia and Monoprix and Franprix in France. And convenience banners, which are adapted to both city centres and rural areas, are well developed in France, with Casino Shop, Vival, Spar, Leader Price Express and Sherpa, and being deployed rapidly in Latin America, notably with Minuto Pão de Açúcar in Brazil, Carulla Express in Colombia and Devoto Express in Uruguay.

## Four priority formats

Thanks to the strength of its network, the Casino Group is ideally positioned to accompany the main changes transforming the retail industry, such as the gradual shift to e-commerce in the non-food segment, the trend of urbanisation and ageing populations, and the polarisation of consumer habits around premium and discount



banners. This vision has led the Group to focus on four up-and-coming formats capable of sustainably delivering growth: premium, value, convenience and e-commerce. The Group's multi-format dimension provides numerous opportunities to spur their development. For example, the Group is stepping up the expansion of its most successful banners, transforming outdated formats, making adjustments to transfer surface area from one format to another and selling businesses that are no longer in line with its model.

## Shifting the boundaries

This movement accelerated in 2016. It was the driving force behind the faster-paced expansion of Assaí, which added 13 stores in 2016 and plans to open more than 20 outlets in 2017, notably thanks to the programme to convert Extra hypermarkets. In France, Géant continued its transformation and refocused on a quality food offering and attractive fashion, beauty and housewares ranges, leaving the development of non-food sales to e-commerce banner Cdiscount. Part of the Group's DNA, the convenience format stepped up its segmentation drive to create highly specific banners that cater more

effectively to demand, as evidenced in the success of Minuto Pão de Açúcar premium convenience stores and Colombia's "aliados" local discount stores. Also helping to fuel this transformation were the clear move upmarket by Franprix, a champion in innovative services, and the focus on premium food products by Casino Supermarkets. Lastly, the announced sale of non-food e-commerce



## Fresh Market, an innovative concept inaugurated in 2016

The Uruguayan banner offers a range of upmarket fresh produce and groceries.

# A pioneering model for the future

operations and banners in Brazil fits neatly into this strategy. In all areas during the year, the Casino Group shifted the boundaries and showed proof of agility. As a result, the Group has streamlined its business, reaffirmed its sound financial position and strengthened its operating profile, with half of its sales now made through sustainably successful formats.

## Synergies to boost excellence

The banners are structured and managed coherently to generate strong synergies. For this reason, the Group's size and positioning have become major assets during



## Cross-fertilisation

By facilitating synergies, the combination of the Group's Latin American operations within a coherent unit led by Grupo Éxito has resulted in the creation of two new discount banners. In Colombia, a first cash & carry store named Surtimayorista has opened its doors based on the Assaí model, while in Brazil the "aliados" concept has been rolled out among small independent merchants under the Compre Bem banner.



purchasing rounds with large international suppliers. These advantages have been further enhanced by the strategy of forming alliances with partners such as Intermarché for food and office purchases in France, Dia for international food operations and Conforama and Steinhoff for non-food products in France and for international operations.

In terms of operational excellence, projects focus on sharing best practices in store management and operations and on skills transfer initiatives, as in the apparel and food services segments. They also include measures to contain costs, notably with a programme to improve stores' energy performance, and investment management.

Lastly, cooperation is intensifying around private labels, which have a vast market on both sides of the Atlantic. While the Casino and Monoprix food brands bring a touch of French tradition to South American stores, Grupo Éxito is continuing to deploy its Finlandek housewares brand and strengthen its Bronzini and Arkitect apparel brands, which are designed in Colombia and now widely available in hypermarkets in Brazil, Argentina and France ■

## Interview

Belmiro Gomes, Chief Executive Officer, Assaí

*"The conversion of Extra stores is a source of growth for Assaí."*

## What are the main characteristics of the Assaí store concept?

Our concept is ideally suited to our original clientele of small merchants. We offer a wholesale range of 7,000 items spanning groceries, fresh produce, beverages and cleaning and personal hygiene products at market-beating low prices. We have developed an industrial-scale, easily reproducible model containing all the ingredients for excellent profitability. In concrete terms, we adjust the structure of the stores, expanding their surface area and raising the roof to increase storage space and facilitate deliveries. This model for "autonomous" stores – meaning they do not depend on a distribution centre – was a decisive factor in the banner's growth. Today, Assaí continues to gain market share.

## How did a banner dedicated to small merchants succeed in attracting a clientele of regular consumers?

Our stores have been made more appealing, with brighter, more comfortable selling areas and an updated and diversified product assortment that is more in line with what families expect. The economic



Assaí customers

60% Consumers

40% Restaurant operators and small merchants

situation has also helped to accelerate the change in clientele. To maintain their purchasing power, Brazilians have had to embrace the discount segment, with some consumers migrating from traditional retailers to cash & carry banners. Assaí is capturing this new market. This explains the success of the Extra hypermarket conversion project, which is a source of growth that is significantly outperforming forecasts.

## What is the outlook for the banner?

Our first priority is to keep up our fast-paced expansion, particularly into states where we are not yet established. After inaugurating 13 stores in 2016, including three in new Brazilian states for the banner, we plan to open six to eight new stores and above all convert 15 to 20 Extra hypermarkets in 2017.

## THROUGHOUT THE GROUP

The cash & carry concept is perfectly aligned with customer needs in Latin America. With the support of Assaí's teams,

**Grupo Éxito** opened its first **Surtimayorista** store in Bogotá in 2016. After a period spent adjusting to the local

culture, this Colombian take on cash & carry is slated to spread quickly to the country's other major cities.





A pioneering model for the future

# E-commerce: tailored digital strategies

The Group is leveraging its deep local roots to secure growth in the rapidly expanding e-commerce market, drawing on everything from Cdiscount's leadership model in France, which combines the agility of a pure player with the influence of a long-standing retailer, to the specific digital strategies of the Group's banners.

## Cdiscount: playing the complementarity card

In a mature market such as France, where competition in non-food retail has benefited e-commerce, pure player Cdiscount has a rightful place in the Casino Group's strategy. The click & mortar approach is creating a great many synergies. For example, while refocusing their offering on food and "pleasure" purchases such as fashion, beauty and housewares, Géant hypermarkets are developing corners dedicated to the website's range of home appliances and electronics. Cdiscount is also benefiting from the Group's purchasing power, which was enhanced in 2016 by a partnership with Conforama (see box).

Cdiscount has reported remarkable growth, drawing on its granular knowledge of customer behaviour to enhance the shopping experience and update its range. As France's second-most popular e-commerce website,

8 million

active Cdiscount customers, who bought 49 million products in 2016

Cdiscount attracted 842 million visits in 2016 (up 11% year-on-year), of which 53% from mobile devices, a proportion that continues to rise. The number of orders has increased by 23% to more than 25 million, with 49 million units sold to date. Thanks to this performance, Cdiscount generated business volume of nearly €3 billion, up 14% on the previous period.

## Growth drivers

Cdiscount's growth strategy is based on developing direct sales in tandem with the marketplace, which now represents more than 20 million products for sale. The e-commerce banner is extending its range of merchant services to include delegated logistics, whereby the banner stocks and sends the merchants' products on their behalf to improve the level of customer service. Going from strength to strength, the marketplace captured 31.4% of business volume in 2016 versus 28.1% in 2015.

Another significant growth driver, customer loyalty initiatives are based primarily on the "Cdiscount à volonté" premium membership programme, which enables



## Alliance with Conforama

To guarantee the lowest prices to Cdiscount customers, the Group has increased its influence in the area of non-food purchasing by forming an alliance with Conforama, a French subsidiary of the Steinhoff group. Two joint central purchasing agencies have been set up: Casino-Conforama-Achats SARL (Mano-A), which handles product listing and purchasing negotiations for products delivered in France and procured from the main home appliance and electronics suppliers, and SICA International Services Sarl, which negotiates international services and conditions with global suppliers.



## Close-to-the-customer digital offerings

Harnessing their dynamism, innovation capacity and strong identities, the Group's banners implement digital strategies that are closely aligned with the specificities of their markets. Grupo Éxito websites, for example, which account for nearly half of all e-commerce in Colombia, benefit fully from the support of brick & mortar stores, where digital terminals give supermarket shoppers access to an expanded non-food range. In Brazil, Pão de Açúcar offers premium services online such as Viva Vinhos, a subscription that each month gives members access to a selection of wines chosen by experts. In France, Monoprix is pursuing its goal of bringing fashion to the masses through the MSR.com website, developing its food range through monoprix.fr and nurturing ties with some million fans via social media. And Franprix is taking its incubator strategy online, forming partnerships with start-ups to deliver breakfasts, cheese platters, nibbles and meals to homes and offices in Paris and launching a recruitment campaign shared by You Tubers ■

1 million

Monoprix fans on Facebook

customers to benefit from express delivery on all purchases for €19 a year. The number of members has more than doubled in 12 months, impacting both the quantity and speed of order deliveries. Cdiscount has updated its supply chain to provide same-day Monday-to-Friday delivery for packages weighing more than 30 kilograms, and seven-day delivery for small and medium-sized packages. Lastly, Cdiscount strengthened its relationship with its French customers in 2016 by launching mobile phone, streaming and cloud computing deals.





A pioneering model for the future

# A product offering to meet increasingly higher standards

Since the beginning, the Casino Group has strived to design and market quality food products that meet high taste and health standards while catering to customer needs. To this end, it encourages good agricultural practices and supports responsible livestock farming methods.

## Only the tastiest

Since the creation of the first Casino-brand products in Saint-Étienne in 1901, private labels have always been a central development factor for the Group's banners. In both France and Latin America, they offer products in line with expectations, recognised for their taste and chosen for their competitive prices.

Private labels make an essential contribution to store appeal, which is why the Group has set up an ambitious strategy for developing products that deliver a high-quality taste experience. Thanks to its innovation processes, sustainable relationships with suppliers and internal sensory analysis laboratory, the Group develops

## Franprix

Franprix continues to roll out its private label, which now includes nearly 900 simple and tasty products, made to the exacting quality standards required of suppliers, packaged discretely so as to keep the focus on the product, and sold at affordable prices.



exceptionally tasty products assessed each year as part of a continuous improvement process. Its Casino Délices, Monoprix Gourmet and Guichard Perrachon ranges are industry benchmarks. A champion of affordable, tasty products, Leader Price sells a wide array of quality goods, with a special emphasis on the end-of-year holiday season.

## Health, a top priority

As the first signatory of a Voluntary Code of Commitment to Nutritional Progress in 2008, the Group has made health one of the priorities of its food strategy. It is supported in this endeavour by a Health Committee made up of independents experts, such as an endocrinologist, a food safety expert, an agronomist, an economist, a sociologist and a three-star chef. The Committee assists Casino in analysing the latest scientific trends in the field of nutrition and health and identifying ways to

continuously improve product quality. Under its leadership, the nutritional qualities of Casino products are optimised by reducing their fat, sugar and salt content, and by substituting some of their ingredients with healthier alternatives. As part of this approach, more than 2,000 recipes have been updated over the past few years.

The Health Committee also helps the Group to identify emerging risks, such as antibiotic resistance linked to the use of antibiotics in livestock farming. The Group thereby addresses consumer concerns by encouraging agro-ecology. Working hand in hand with local supply chains, Casino markets poultry and pork products from animals raised without antibiotics, primarily under the Terre & Saveurs brand. And Casino frozen vegetables are now guaranteed free from pesticide residue and produced using strict methods. The range is labelled Agriplus.



## Organic for all

In 2016, organic products continued to meet with growing success among consumers. To cater to this popularity, the Group is leveraging its multi-format, multi-banner model, a key asset that gives it the opportunity to make organic products affordable for all. In 1990, Monoprix became the first major retailer to market organic products, earning a pioneer status that it strengthened with the 2008 acquisition of Naturalia, an all-organic specialist banner. Organic products today account for 10% of food sales at Monoprix and Franprix. Both banners are implementing proactive strategies in



the area, going as far as substituting conventional products with organic alternatives without raising the price. This has been the case since 2016 for Monoprix baguettes and Franprix orange juice. Géant and Casino Supermarkets also offer a wide range of organic products and hold significant market share, while Leader Price is expanding its assortment.

Private labels have long been committed to the organic cause, with Casino launching its first organic lines in 1999. In France, Group banners market nearly 1,200 Casino Bio, Franprix Bio, Leader Price Bio, Monoprix Bio and Naturalia private-label items. In Brazil, more than 20% of GPA's private-label products are certified organic. The banners continue to innovate, constantly expanding their ranges to include new categories. The emphasis was on

A pioneering model for the future | A product offering to meet increasingly higher standards

satisfying the palette in 2016, with Casino Bio cheeses, chocolates and nibbles, as well as on baby products, with Leader Price Bébé Bio. Lastly, the all-organic scoop-and-weigh sections developed by Naturalia are being deployed in some hundred Monoprix stores and in new Franprix stores, and are being tested by Géant and Casino Supermarkets.

Short food supply chains

To guarantee the origin and quality of the fresh produce it sells, the Group strives to shorten supply chains by giving preference to small, local producers. In France, the Group develops partnerships with farmers, winemakers, livestock farmers, wholesale fishmongers and fishing ports, in particular through its Terre & Saveurs brand and “Meilleur d’ici”, “Ici en France”, “Ça vient d’ici” and “La Criée” programmes. Géant regionalises its fruit and vegetable purchases and works closely with local producers to more effectively incorporate seasonality and offer ripe products.



1,600

The number of organic private-label products offered by the Group’s banners

As part of the “Caras do Brasil” programme, GPA teams up with craft cooperatives and sells their products at Pão de Açúcar stores. At the same time, it is implementing the “Quality from the source” programme among fruit, vegetable and egg suppliers with the aim of reducing pesticide use. In Colombia, Grupo Éxito is developing a programme on best farming practices among fruit and vegetable suppliers, and forming partnerships with small local producers supported by NGOs such as the Clinton Foundation ■

Spotlight

A long-term commitment to supply chains

Casino stores in France sell quality meat from heifers from the Massif Central, lambs from Aveyron, pigs from southeast France and other animals born and raised in traditional farms. As part of its dedication to offering customers quality products, the Group has made a commitment to the French livestock supply chain. Producers need to be able to anticipate business volumes over the long term in order to invest and secure their company’s future. Banners, on the other hand, must be able to guarantee their supplies. These observations formed the basis of “supply chain contracts”, which offer producers and processing companies the visibility they need to ensure their development. The last partnership to date, formed under a multi-year agreement for the creation of an Arcadie Sud-Ouest heifer chain, provides 230 livestock farmers with guaranteed purchase volumes and prices based on real production costs. The cooperatives have undertaken to meet certain standards with regard to animals’ welfare, environment and feed.

PDO cheese and antibiotic-free poultry

The Group goes above and beyond its commitment by taking over struggling agrifood sites to return them to profitability. Its goal is to support producers



as they move up the quality chain so that they can supply products that meet Group brands’ exacting specifications. Since its integration into the Group, Luché Tradition Volailles in France’s Sarthe region has developed a range of 100% French poultry raised without antibiotics, sold under the Terre & Saveurs brand. In the Loire region, the acquisition and upgrade of the Entreprise Laitière de Sauvain cheese maker, a specialist in Protected Designation of Origin (PDO) Fourme de Montbrison cheese, enabled the producer to expand its market in France and create the “Lait des éleveurs des Monts du Forez” label, which is sold in stores.

THROUGHOUT THE GROUP

GPA is nurturing its relationships with supply chain players and adopting a responsible beef purchasing policy.

Products sold in **Extra** and **Pão de Açúcar** stores are now 100% sourced from chains that can guarantee the meat’s

origin and comply with quality and environmental protection requirements.



A pioneering model for the future

# A property strategy in support of retail

Combining retail and property operations in a dual model, the Casino Group has developed an active portfolio management strategy over the years. Its aim is to provide its retail operations with sites that are adapted to the banners' business strategies while also creating value.

## Stepping up business transformation

A major strategic challenge for the Casino Group is the ability to adapt retailing to suit customers' changing needs. The Group's property management business serves its retail operations first and foremost, allowing banners to step up the transformation of their business model by developing sites. The property division notably provides support in reducing the Géant banner's non-food areas, with surface area reassigned to adjacent shopping malls. In Angoulême, the transfer of 2,500 sq.m of Géant selling space made room for an H&M store in 2016, providing a boost for the shopping centre.

## Strengthening site appeal

The second priority of the Group's property business is to bolster its value-creation strategy by developing extension and property development projects. Renovation and extension operations enhance site appeal and expand the catchment area while increasing the value of the property. One of 2016's most emblematic projects, the extension of the Fenouillet shopping centre was inaugurated late in the year and features an additional 12 mid-sized surfaces, 50 new stores, five restaurants and a food court built around a bistro by Michelin-starred chef Yannick Delpech. Fenouillet now has a total of 85,000 sq.m of retail area. This strategy is being replicated in city centres with Monoprix buildings, which the Group owns and will be



able to develop. Following the disposal of five Monoprix sites in 2015, the property division made two more sales in 2016 for transformation projects. These will involve restructuring and extending the stores' selling areas, reallocating the stock rooms, and creating new retail and residential space.

## Exporting expertise

Internationally, the Group's expertise in operating and capturing the value of shopping centres is a differentia-



ting strength. Its ambitious aim is to offer everyone a unique customer experience suited to specific local conditions. In South America, operations in Brazil and Argentina are expanding their neighbourhood shopping centre concepts with the Conviva and Patagonia brands, respectively, while in Colombia, Éxito has emerged as the main player in the commercial property market through its Viva centres. Highlights in 2016 included the opening of a combined 64,000 sq.m at Viva Barranquilla and Viva La Ceja, and the establishment of an autonomous property entity, Viva Malls. Fondo Inmobiliario Colombia (FIC), one of the country's largest private equity funds, has since bought a stake in Viva Malls, giving the entity the means to accelerate its development and further enhance the appeal of its sites ■

## Casino property

A dedicated division with all of the requisite project management, legal, design and property management capabilities covers every aspect of the commercial property cycle, from purchasing the land and developing the property to marketing the retail space and capturing each property's full value. The division develops and sells building rights and property projects to partner real estate operators, such as Mercalys.

### Argentina: Libertad expands to 160,000 sq.m

The extension of two shopping centres for a total surface area of 15,000 sq.m enabled Libertad to achieve a total of 160,000 sq.m of retail area in 2016, spread among 11 of Argentina's medium-sized cities. Libertad is now the third-largest property operator in the country, and the largest outside Buenos Aires.



# CSR as a performance driver

The Group’s Corporate Social Responsibility (CSR) commitments are deeply embedded in its corporate culture. They underpin its strategic decisions and contribute to creating a sustainable business growth model by improving its social and environmental impact.



### Building on strong values

The Casino Group leads an innovative, proactive CSR policy. The aim is to shape a more responsible shopping experience and enhance the sustainability of the Group’s business model by engaging in continuous dialogue with stakeholders. The Group’s long tradition of social and environmental innovation and its four core values (Entrepreneurship, Loyalty, Rigour and Shared Responsibility) form the basis of its CSR policy. This policy is implemented in line

with the overarching international principles to which the Group adheres: the United Nations Global Compact, the International Labour Organization’s Global Business and Disability Network Charter, and the Women’s Empowerment Principles, an initiative of UN Women. On the forefront to combat discrimination and actively



engaged in promoting more sustainable consumption, Casino was the first retail group to earn France’s Diversity Label in 2009 and Workplace Equality Label in 2013 and to advocate environmental product labelling.

### From commitment to strategic focus

The Casino Group’s stepped up its long-standing commitment in 2010 by creating a corporate CSR department. A core pillar of its sustainable development policy, the Group’s “Spirit of CSR” continuous improvement programme launched in 2011 focuses on five key areas of action. Today, it resonates throughout all Group businesses and contributes to building a lasting business model. Helping to drive growth in a number of ways, the programme boosts employee motivation and dedication, makes the Group more competitive by improving its environmental impact and stimulates demand for responsible products. With support from the highest levels of the organisation, action plans are vigorously implemented by the banners and cover every area of the company, including purchasing, private labels, operations, logistics and more.

### Promoting social dialogue

Human resources and CSR policies are built on the basis of regular dialogue with employee representatives. In 2016, this long-nurtured relationship led to the renewal of fundamental agreements for the Group and its employees in the areas of workplace health and safety, employee-management relations, CSR and strategic workforce planning.

### Quantifiable, measurable progress

Attesting to its commitment, the Group’s CSR performance is measured using specific indicators aligned with its 15 priorities. For example, in 2016, the Casino Group improved its performance, increasing the number of employees with disabilities by 5%, the percentage of women managers by 2 points, the number of organic products by 12% and the percentage of waste recycled by 2 points. More than 32 million meal equivalents were donated to food banks thanks to the work of 228,000 employees, i.e., a 21% increase.

### The 15 priorities of the “Spirit of CSR” continuous improvement programme

#### Committed employer

- Promote diversity
- Help young people enter the workforce
- Provide growth opportunities for employees
- Take action for health, safety and well-being at work

#### Responsible retailer

- Take action to protect consumer health
- Encourage consumption that is respectful of the environment and biodiversity
- Combat food waste

#### Trusted partner

- Strengthen ethical social compliance
- Support local production channels
- Promote the CSR initiatives of suppliers

#### Environmentally proactive Group

- Reduce greenhouse gas emissions
- Increase energy efficiency
- Reduce and recover waste

#### Local corporate citizen

- Develop foundation programmes
- Develop solidarity partnerships

# A pioneering model for the future | CSR as a performance driver

The Group also reduced the amount of power used at stores 5% by implementing action plans and cut the distribution of single-use plastic bags by 11% (excluding Assai).

## CSR, an intrinsic factor in performance indicators

Firmly rooted in the Group's corporate culture, CSR issues are now included as performance indicators for managers and executives. This means that a component of the variable compensation paid to the Casino Group Chairman and Chief Executive Officer is determined based on the Group's CSR performance, measured as part of one of the three non-financial indices. In France, the Group-wide Managerial Attitudes and Behaviours handbook aims to reinforce a management culture that upholds Group values. Representing 30% of the pay metrics applied in calculating variable compensation, these guidelines were amended in 2016 to incorporate CSR criteria.

Outside France, quantitative CSR targets are now factored into managers' variable compensation. In 2016, managers in Brazil were reviewed based on quantified performance targets covering gender equality, disabled workers and energy consumption. In Colombia, variable compensation is determined based on indicators relating to local sourcing and financing for Éxito Foundation initiatives, more specifically its "Gen Cero" programme ■

## CSR Governance

The CSR programme is managed at the highest level of the organisation under the responsibility of the CSR Strategy Committee, which is made up of 12 members, eight of whom also sit on the Executive Committee. They validate CSR policy aims and monitor their application in the Group's different entities. The programme is rolled out by the Group's CSR department, which leads a network of dedicated correspondents in France and internationally.



## The Casino World Community

With more than 18,000 members, the Casino Group social network continues to build connections that defy geographical distances. The Casino World Community has been redesigned and enriched with fresh content to encourage employees to share best practices in a dedicated forum, boost professional efficiency and enhance personal development with the "Easy learning" page. A new interactive discovery experience builds users' knowledge about the Group, especially its CSR commitments.

## Strategy valued by benchmark indices

The Group's non-financial performance is constantly improving. Casino is listed in a number of socially responsible investment indices, which include the companies with the best performance based on environmental, social and governance criteria: FTSE4GOOD, Euronext Vigeo Index (Eurozone 120, Europe 120, World 120 and France 20), Ethibel Sustainability Index Excellence Europe, MSCI Global Sustainability Index and STOXX® Global ESG Leaders Indices. In May 2016, the rating agency Vigeo Eiris ranked the Casino Group as the number one retail company, and Éxito and GPA took the second and third positions respectively in emerging countries. The Group also improved its rating in the Dow Jones Sustainability Index by 6 points between 2015 and 2016. Casino has reported to the Carbon Disclosure Project (CDP) since 2013.

## Interview

Stéphane Tuot, Head of Logistics at Franprix

*"At Franprix, CSR creates a virtuous circle for operations teams"*

## Why choose waterway shipping to deliver goods to Franprix's Paris stores?

Given the difficulty getting into Paris to supply our stores, we decided to use a boat that travels along the Seine River from our warehouses in Val-de-Marne to the foot of the Eiffel Tower. This efficient solution is in line with the Group's target to reduce our carbon footprint. When the project was launched in 2012, 80 stores were being stocked this way. As from 2016, we deliver dry goods to more than 300 stores in the Paris region via the Seine.



## What other logistics projects at Franprix integrate CSR commitments?

They all do! At Franprix, CSR issues are handled directly by the different departments. Sustainable development isn't viewed as a restriction for our operations teams, it adds a new dimension to our projects. Viewed in that light, CSR is a virtuous circle that creates an economically viable business.

## Is the collection of unsold goods in line with this philosophy?

It's hard to organise the collection of unsold fresh products store by store in an urban setting. That's why we've developed a seamless logistics process in partnership with Phénix, a socially engaged company that connects stores with neighbourhood charities and finds service providers to transport products with short expiry dates by electric delivery tricycle every morning. The equivalent of more than 250,000 meals made with fresh produce have been donated to some 60 charity organisations in the Paris region since the project's launch in early 2016. This is another example of how we've created a sustainable development model.

## THROUGHOUT THE GROUP

Joining the Group in combating food waste, with 6 million meal equivalents donated in 2016, **Monoprix** raises customer

awareness and continues to innovate with Re-Belle jams. Re-Belle collects unsold fruit removed from about a dozen Monoprix stores and makes

jams out of them at a special workshop that promotes employment. The jams are sold at Monoprix stores in Paris.







**Dynamic,  
innovative  
banners**



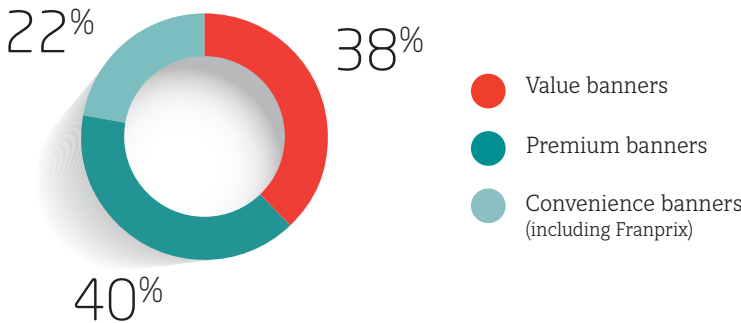
# France

As Casino's historic hub, France plays a core role in the Group's strategy of differentiation and increasingly granular segmentation by format. More than ever, the innovative, sales-driven French banners are reaffirming their strength.

9,855  
stores

69,835  
employees  
(on payroll under permanent or fixed-term contracts at 31 December 2016)

2016 net sales breakdown







*Encompassing Géant, Casino Shop, Monoprix and Leader Price, the Group has built an extensive network of multi-format banners throughout France. Its nationwide coverage enables it to stay close to consumers.*

# A network of powerful, agile banners

With attractive, tailored concepts, quality products, innovative services and greater focus on the shopping experience, the Group's French banners assert their identity and continuously evolve to remain a step ahead of ever-changing consumer habits.

## Géant continues its transformation

For Géant Casino, 2016 was a year of steady business growth. The banner took advantage of its price positioning and continued its transformation. Sales rose, particularly in food products, where growth in net sales came to 2.7%. This performance confirms that Géant has taken the right strategy of broadening its food offering and reducing non-food retail space, especially in product categories that compete with e-commerce. The new Géant look features an expanded market space in the spirit of a covered market hall, emphasising food services and local produce.

The concept includes a redesigned beauty area based on formats applied in specialised retail, an updated and expanded apparel department to highlight private-label collections, a housewares department showcasing the modern design of the Finlandek line and a selection of appliances available in the Cdiscount corner. And all in a smaller retail space.

## In touch with customers

The Group's agile property model made it possible to reduce the surface area of hypermarkets by 1.6% in 2016, with further scalebacks planned for 2017. Teams have been reorganised to be more available for customers in the market area and beauty department, at checkout counters and the customer reception desk. A skills development programme has been rolled out to enhance expertise and knowledge about products, and better advise customers. And customers have responded



positively. In 2016, market share rose 0.1%, and net sales per square metre increased 3%. At the same time, the banner has reviewed its methods to develop operational excellence in stores to reduce logistics costs, limit supply shortages and speed up checkout times.

## Leader Price: back to basics

The substantial improvements to operating processes are a key priority in Leader Price's strategy to get back to basics as a neighbourhood retailer. 2016 marked the banner's return to fundamentals. Its new blue and red logo symbolises the fight Leader Price has led since it was founded to maintain product quality at aggressively low prices.

The new concept upholds this identity. The shopping experience has been refreshed, with a revitalised customer journey, enhanced fragrance, wine, fruit and vegetable departments and new displays that more



clearly mark out the range. The offering itself is evolving, with highly affordable, quality products – new organic products, baked goods, local products and holiday ranges – and attractive promotional campaigns. With 143 stores converted into franchises, the banner is balanced, with half of its outlets now operating as integrated stores and half as franchises.

**Casino Supermarkets reasserts its personality**

With 125 new food service areas opened in 90 stores, Casino Supermarkets is shifting its focus back to fresh produce and moving the range upmarket. The new look of the market sections has boosted business throughout the store. Clearly aimed at the premium segment, the banner highlights service and the shopping experience, introducing numerous innovations, upholding product quality, developing employee professionalism with its Best in Fresh Academy and improving its operational excellence practices.

**Casino Restauration: the spirit of local business**

The programme to convert self-service cafeterias into traditional À La Bonne Heure restaurants was completed in 2016, with more than 100 restaurants now open at shopping centre car parks. Their operating system changed in 2016, with restaurants now under franchise or management lease. With the support of Casino Restauration, salaried management employees are now becoming restaurant business owners. Also embracing the entrepreneurial spirit, the Cœur de Blé take-away snack concept has been very successful in shopping centres. Casino Restauration also continues to diversify its businesses, with strong growth in R2C food service and Saint-Once catering services, which enjoyed a boost during the UEFA Euro 2016 football championship.



**Developing Naturalia’s all-organic model**

The banner gained market share and continued to expand, with 20 stores opened in 2016.

In the 15 renovated Paris stores, sales have increased by 7.5%. This performance is a reflection of innovative promotional campaigns, such as Casinomania in June, the Summer Tour and the 100-day Casino Folies event at the end of the year. The banner’s net sales advanced 3.8% in 2016.

**Monoprix, in a league of its own**

Monoprix’s special relationship with its customers grew stronger in 2016. The banner has 1 million Facebook fans and brings customers a different experience at its stores, mainly through its unique food, fashion and housewares assortments. A pioneer in driving responsible consumption, Monoprix takes concrete action with its private label and offers products in its food service areas that deliver a superior taste experience. The Monoprix label also includes clothing lines. Created by its team of 150 designers and fashion experts, the collections mark a clearly defined style combining quality and the latest trends. Its collaboration with recognised designers adds a touch of high fashion to stores, such as the collection of Calais lace bridal gowns by Lorafolk. Two new ranges were introduced in 2016, Monoprix Fit (sports clothing) and Monoprix Ski. The banner also launched a home

delivery solution that serves customers in less than an hour. Shoppers leave their items at store checkout and pay on delivery. The Monoprix group is very dynamic, opening 60 stores in 2016 in all its formats, such as the Naturalia flagship in Paris suburb Les Lilas.

1.7 million

number of active Franprix card holders

**Franprix revolutionises the convenience concept**

Driven to reinvent its business as a retailer to keep pace with changing consumer habits, Franprix is revolutionising the convenience store format with its Mandarine concept. Stores are being transformed into places where customers can relax and socialise. In a space covering 400 sq.m, they can find everyday essentials, including many Franprix private-label products, as well as



a condensed version of their small neighbourhood shops, featuring meat and cheese counters, hot and cold snacks, a café area with WiFi access, freshly squeezed organic juice, in-store postal services, a Western Union office and even a key-cutting machine. Innovation is everywhere, and teams are fully available to serve customers. Through their training at the Mandarine Academy, employees develop their professional expertise and social skills. For faster checkout, mobile cashiers equipped with payment terminals and a “ring” scanner approach customers directly. At the end of 2016, 60% of stores had switched to the Mandarine concept. The programme will be fully rolled out by end-2017 and will continue to develop.

**Franchises take off**

Following the example of Franprix, the convenience banners are rejuvenating by updating their offering and store concepts while rolling out new services with fresh produce, local products, fragrance counters and rotisserie grills. More than 6,000 stores form the Group’s historical core, providing nationwide coverage with a variety of specific banners adapted to urban, suburban and rural areas. 2016 was a year of transition when franchising took off. Very small outlets were shut down, and more than 60 integrated stores were converted to the more entrepreneurial franchise model within Casino Proximité. Today, 77% of the Group’s stores are operated under a franchise or partnership agreement. The highly efficient Vival and Spar franchise networks feature numerous innovations, including the Spar Lib’ order terminals installed at campsites and the Vivalivres libraries with books available for loan. Petit Casino is preparing for the metamorphosis of its stores in 2017, again with the intention of re-embracing the local business spirit and developing services ■





*"In food services, the talent of our teams is what makes the difference"*

**Serge Margaridenc,**  
Director of traditional fresh produce at Casino Supermarkets

Casino Supermarkets is determined to recapture the premium food segment, shifting its focus to honour in-store food services. This transformation will develop by leveraging expertise, as explained by **Serge Margaridenc**, Director of traditional fresh produce.

**How will the market areas be transformed at Casino Supermarkets?**

For the past year, we've been working on a project to recapture the premium food segment by boosting the appeal of traditional fresh produce. This strategy naturally encompasses both the offering and the store concept. For example, we work with small producers to offer tasty varieties of fruit and vegetables that are picked when ripe. We're also introducing orange juicers, home-made pizzas, sushi bars, a hot and cold snack range, meat and pastry specialities, and more, to provide a comprehensive range of appealing options. We also pay close attention to organic products and new consumer preferences for gluten-free or animal protein-free foods. But what really makes the difference in stores is the skills of the people who work with the products.

**What role does expertise play in the refresh?**

Expertise is the heart of the matter. There's a real shortage of competent professionals in these fields, even though cooking shows have made them popular with young people. For Casino

**800** employees have received training

Supermarkets, the point is to share best practices, support employee development and enhance their skills.

**What steps are you taking to achieve that goal?**

Specifically, in each region we're setting up department-schools for each area of food service: fruit and vegetables, seafood, meat, cheese-deli, pastries and baked goods. All employees working in these fields will participate in practical training sessions on products and the skills of the trade. And of course, they'll continue to receive support and guidance to keep their techniques up to date. The idea is to develop their taste for products and turn them into top professionals. That's also why we launched the Best Professional Worker Challenges in stores in 2016, to highlight the value of our teams, foster healthy competition between employees and show customers the extent of their talent.

**THROUGHOUT THE GROUP**

In Colombia, the integration of **Super Inter**, a banner specialised in fresh produce, has provided a way of developing the expertise of workers from the fruit,

vegetable and meat departments at all Grupo Éxito stores. Best practices to improve order management and meat cutting techniques and reduce breakage,

etc. were rolled out at 250 **Éxito** and **Surtimax** stores. This had a direct impact on sales, which rose 30% for fruit and vegetables and 25% for meat products.

# Overview of CSR actions in France



## Management Caring management can be learnt

Now with 4,200 managers trained, an e-learning course available online and an expanding network of workplace well-being experts, the caring management programme is gaining momentum in France. The Human Resources department published “Caring Management, the story(ies) of a day-to-day commitment”, a collection of personal accounts from 50 Group managers describing their experience in implementing this commitment on an everyday basis.



## Solidarity Social responsibility

The Casino Group Foundation launched a programme in 2016 to promote the social responsibility of employees. A dedicated website posts volunteer opportunities available with more than 30 partner organisations.

## Gender equality Combating sexism

To combat stereotypes that lead to discrimination, the Group produced the “Combating everyday sexism” guide, based on a field survey of employees. Its efforts earned it the “No More Clichés” award presented by Communication & Entreprises, as well as the LSA Diversity and CSR Award and the Gender Diversity Award from Agence Mixité Entreprise.

## Animal welfare Commitment to the welfare of egg laying hens

Following in the footsteps of Monoprix – the first retailer to remove all eggs produced by caged hens from its stores – Franprix, Leader Price and Casino stores also made the commitment to stop selling any eggs produced by caged hens at their stores by 2020.

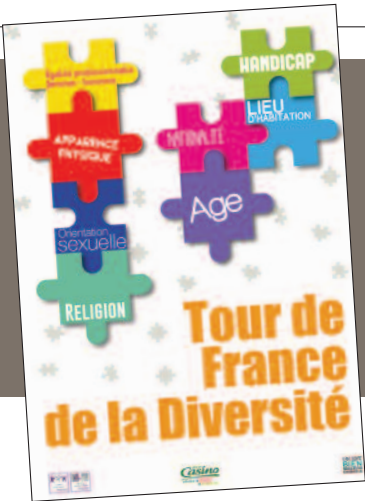
## Environment Clean vehicles

The logistics subsidiary Easydis announced that, between now and 2020, it would roll out a fleet of 400 vehicles powered by natural gas, reducing fine particulate emissions by 85%. Monoprix pledged to triple the number of trucks running on CNG (compressed natural gas) by the end of 2017, and Franprix has started replacing trucks to supply its Paris stores, with the first 20 vehicles in operation in 2017.



## Diversity Tour de France

The Group is bridging the diversity gap with the first edition of the diversity Tour de France organised in 2016. Twelve meetings and debates led by an independent expert took place in Casino stores, restaurants and warehouses in France, bringing together managers, employees and Group diversity representatives.



## Sustainable consumption Monoprix Tous Cultiv'acteurs

The first fruit and vegetables with the Monoprix Tous Cultiv'acteurs label are being introduced in stores. Monoprix is helping its partner producers to move towards more environmentally friendly farming practices by reducing the use of pesticides in order to protect pollinators. The upshot for customers is healthy products that taste good.





# Colombia

The country's long-standing top retailer, Grupo Éxito takes advantage of its multi-format, omni-channel model to support sector growth. From the premium food market areas at Carulla to the discount departments at Surtimayorista, its banners innovate to meet the needs of all consumers.


1,873  
stores

41,614  
employees  
(on payroll under permanent or fixed-term contracts at 31 December 2016)

205  
store openings

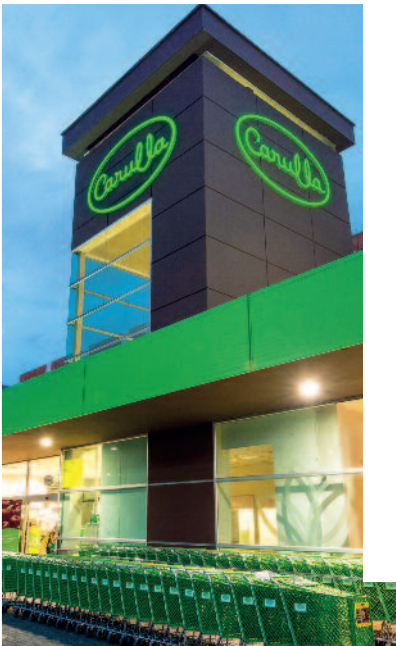
Grupo Éxito : No. 1 retailer

No. 1 private employer

 +10.8%  
organic net sales

 47%  
employees under 30





*Grupo Éxito is consolidating its leadership on the Colombian market with the premium banner Carulla, the vast network of Éxito hypermarkets and supermarkets and the fresh product specialist Super Inter. The group continues to roll out its convenience banners and is developing a new discount format, Surtimayorista.*

# Grupo Éxito: an undisputed leader with a pioneering spirit

With high-performing, multi-format banners boasting a strong identity, an ambitious property strategy and e-commerce operations backed by banners, Grupo Éxito – an integral part of Colombian society – is sustaining its long-term business model and continuing to pick up on trends.

## Cross-fertilisation

By bringing its Latin American subsidiaries under the Grupo Éxito banner in 2015, the Casino Group has built an organisation designed to create value. The programme of leveraging synergies is now in full swing. Éxito’s recognised expertise was deployed outside Colombia in 2016. The transfer of expertise in apparel lines (see p. 60) has enabled GPA in Brazil and Libertad in Argentina to develop their offering faster. The concept of “aliados” (allies) inspired the launch of Brazil’s Compre Bem convenience stores in São Paulo (see p. 69). Lastly, Uruguay continued to open its Devoto Express outlets, modelled after the Éxito and Carulla Express convenience formats.

The May 2016 opening of the first cash & carry store in Bogotá, Colombia under the Surtimayorista banner reflects the knowledge being shared between Latin American subsidiaries. The new banner applies the fundamentals of Brazil’s Assaí network: an efficient wholesale business model aimed at restaurant owners and families looking for the lowest prices. The cash & carry model effectively satisfies the changing needs of

1,307

Aliados Surtimax and Super Inter stores in 2016, a surge of 20% over one year.







**Viva Malls, leading operator of shopping centres in Colombia**

With two openings in 2016, including the 64,000 sq.m Viva Baranquilla centre, and the set-up of its subsidiary Viva Malls, Grupo Éxito is continuing to expand its property operations. The investment in its share capital by a major financial partner will bring opportunities for new projects. Viva Malls currently operates 12 shopping centres and is building two additional complexes. One of these is the 140,000 sq.m Viva Envigado project set to include 240 shops. Viva Envigado will be Colombia's largest centre when it opens in 2018.

the Colombian market. A second pilot store, also in the Colombian capital, will open in 2017 before the nationwide launch.

**A leader in every format**

The undisputed No. 1 retailer in Colombia, Grupo Éxito is strengthening its top position in the country where it now serves 49.1% of the formal market<sup>1</sup>. It continues to tap into new consumer habits and is driving growth in the Colombian market to unlock maximum potential in each of its formats.

Carulla, its premium supermarket banner, offers a high-quality food range and a service-packed customer journey. Carulla's new craft baked goods concept, developed by a French pastry chef from Géant Casino,

<sup>1</sup> Source: Nielsen, figures at 31 December 2016.

has met with huge success in the 68 stores where it is featured.

Grupo Éxito reaches its core low-to-mid-income customer base through Éxito, a business-driven banner popular with customers that operates hypermarkets, supermarkets and convenience stores throughout Colombia, and the Super Inter banner, which is well established in the western region of the country. With its specialist knowledge in fresh produce, Super Inter shares

with all Grupo Éxito teams its expertise and best practices in working with fruit, vegetables and meat. Active in the discount market through the Surtimax banner, Grupo Éxito is pursuing its responsible programme of forming alliances with small, traditional stores. The local shops that join the network benefit from the Group's quality standards and operational expertise. Their sales have grown by an average of 70%. Colombia now has more than 1,300 Aliados Surtimax and Super Inter outlets.

**An omni-channel, non-food model**

Grupo Éxito's development potential is also driven by its non-food operations. The apparel collections in particular are a major factor in enhancing the appeal of hypermarkets and supermarkets. They account for a growing proportion of the Group's total sales, which represented 13% in 2016. An historical advantage for Éxito, the apparel lines have enjoyed record growth in private-label sales, which increased 52% over the year as a result of their new price positioning. The Group is



**Uruguay: launch of the Disco Fresh Market banner**

The Uruguayan subsidiary Disco has opened its very first Fresh Market store, dedicated to fresh produce, in the famous resort town of Punta del Este. This novel premium concept based on top international standards demonstrates the strong innovative edge of Grupo Éxito.

preparing the launch of the apparel collections into e-commerce.

Backed by the banners, exito.com and carulla.com have widened their lead on Colombia's online market and are playing a pioneering role in supporting its growth. Their click & mortar model creates logistical and sales gateways to physical stores. Interactive terminals have been installed at more than 130 supermarkets to broaden their offering of non-food products. Sales from this digital catalogue increased by 50% during the year. Two events in 2016 will shift operations into higher gear. The release of the mobile versions of exito.com and carulla.com, which already drive 50% of traffic, will reinvent the shopping experience, while the launch of the marketplace will significantly expand the online selection. With total sales up 25%, business growth is set to take off ■





Interview



*“Sales of our private-label apparel brands have jumped 52%”*

Irina Jaramillo Muskus, Director of Apparel Collections at Grupo Éxito

Growth in the apparel segment, one of the banner’s historical businesses, picked up in 2016. The Director of Apparel Collections, **Irina Jaramillo Muskus**, discusses one of the core areas of expertise at Éxito, which has built its strategy on 11 key brands and an efficient local production model.

**What do you think explains Éxito’s success in apparel?**

Apparel was Éxito’s initial business when it was founded in 1949. Today, our performance is based on a clearly defined strategy. The objective is to make fashion affordable for all Colombians. To achieve that, we’ve developed 11 key private labels, which account for almost half of our apparel sales, and a local production model: 92% of products come from 290 workshops operating in eight Colombian cities. Our design offices monitor trends and continuously launch new collections. The operating structure is very agile. It takes less than two months to bring an item from the design table to the store shelf. And in stores, the layout of the displays and the expertise of apparel sales staff, trained at our specialised school, are valuable assets.

**Could you describe the new apparel offering launched in 2016?**

More than a new offering, it’s a new approach. To offset the economic downturn and the drop in Colombians’ household income, we decided to rethink

 **51 million**

number of apparel products sold by Grupo Éxito in 2016, of which 43% under private labels

our business model. The idea is to offer nice, quality clothing at low prices, all year round. The prices on private labels have fallen nearly 40% without sacrificing on quality, and collections are rotated faster. And that’s brought results. Visit frequency has jumped 16%, volumes are up 82%, and sales have grown 52%!

**What do you hope to achieve in the future?**

Our next challenge is to further strengthen our brands by developing an omni-channel approach. In 2017, we plan to launch dedicated websites for each brand and boost online sales.

THROUGHOUT THE GROUP

Éxito’s apparel expertise is being deployed throughout the Group. In 2016, 400,000 items were exported to Latin American subsidiaries. Grupo Éxito supports <b>GPA</b> and <b>Libertad</b> in	implementing the business model that has driven its success: short supply chain, sales teams trained to act as real style consultants, merchandising that enhances products and fast collection	rotation. To rework its strategy in France, <b>Géant</b> brought in its new Director of Apparel, Ana Lora, from Grupo Éxito.
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# Overview of CSR initiatives in Colombia

## Solidarity Éxito takes action for Gen Cero

Spearheading Gen Cero, the nationwide programme to combat child malnutrition, the Éxito Foundation has joined forces with its public and private partners to reach its objective for 2030 to ensure that no Colombian child under five suffers from malnutrition. In 2016, the programmes benefited 38,920 children across 50 cities in Colombia. Éxito was a driving force over the year in developing the early childhood protection law in Colombia.



## Gender equality “Mujeres de Éxito”

In 2016, Grupo Éxito set up a gender equality committee in charge of steering its action plans. Also during the year, 300 employees participated in “Mujeres de Éxito”, a series of conferences and focus groups organised in Bogotá, Cali and Barranquilla to discuss the topics of leadership and communication.



## Purchasing Growing support for local producers

Grupo Éxito supports responsible farming and fishing and sources a growing portion of its products from local production channels. In 2016, the Group bought 86% of the fruit and vegetables sold in stores from 756 small-scale producers, and 1,550 tonnes of fish from 1,500 family-owned fishing businesses.



## Waste “Limpiemos Colombia”

Éxito supports the “Limpiemos Colombia” campaign, or Clean up Colombia Day, a day dedicated to cleaning public spaces nationwide, in partnership with the Ministries of the Environment and Trade and WWF. More than 23,000 volunteers worked with the campaign, collecting 113 tonnes of waste.



## Workforce integration 777 first jobs

As part of the Colombian Labour Ministry’s 40,000 first jobs programme, Éxito gave 777 young people aged 18 to 28 their first work experience in its stores.

## Energy 5,631 sq.m of solar panels

Two new solar power units were commissioned at Éxito locations in 2016, including the largest in Colombia, which is installed on the roof of the new Viva Barranquilla shopping centre. These units bring Éxito’s total solar panel surface area in the country to 5,631 sq.m.







# Brazil

The retail leader GPA is pursuing its vision of keeping pace with the ever-shifting shopping behaviour of Brazilians in a modern, multi-cultural society by developing its portfolio of complementary banners with a strong, differentiating identity.

1,135  
stores

100,523  
employees  
(on payroll under permanent or fixed-term contracts at 31 December 2016)

GPA : No. 1 retailer

No. 1 employer in food retail

↑ +11.7%  
GPA Food  
organic sales

↑ +39.2%  
Assaí  
organic sales





*The profound changes made to enhance GPA's business model were reflected in 2016 in the takeover of Extra Hiper, continued growth of Assaí, the resilience of Pão de Açúcar and the rapid expansion of convenience outlets across all segments, with the launch of Aliados Compre Bem, the banner designed for small independent stores.*

# Ranging from cash & carry to premium: GPA's winning model

GPA is returning to basics and shifting its focus back to its historical core business, food. In this way, the Group is stepping up growth at its most profitable banners to leverage the strength of its multi-format, multi-banner model.

## Back to the source

As a long-standing market leader, GPA owes its success and resilience to the improvements it has made in line with the fundamental principles of the retail industry: operational excellence, process optimisation and streamlined operations. At the same time, its multi-format and multi-banner model gives it the capacity to adapt its portfolio to changing consumer practices. This has led GPA to begin selling its interests in non-food retail businesses under the Via Varejo banner. In so doing, GPA is focusing once again on its original core business – food retail – and is adapting its portfolio of stores to channel investments into the most successful formats. A programme to convert some Extra supermarkets to Assaí's cash & carry format began in 2016 and has produced outstanding results, far outstripping forecasts.

## Assaí: full speed ahead

Assaí's success shows no sign of slowing. Originally intended for professionals, the cash & carry model has proved increasingly popular among individuals impacted by the recession as they seek out lower prices by buying wholesale. The comprehensive business model developed by Assaí is robust and efficient, and can be implemented rapidly. The banner opened 13 stores in 2016, including three in new states and two conversions. It surpassed the symbolic milestone of 100 stores and ended the year with 107 outlets operating in 16 Brazilian states. Performance has been exceptional, and sales climbed



15 to 20

Extra supermarkets are scheduled to come under the Assaí banner in 2017

nearly 40% in 2016. A genuine driving force for GPA, Assaí is consolidating its No. 2 market position and intends to maintain its fast-paced development.





### Extra regains sales momentum

After completely repositioning its pricing strategy, Extra Hiper has launched a revitalisation initiative that is starting to pay off. Turning around a business means improving fundamentals: product assortment and layout, consistent supply, faster checkout and a new approach to promotional deals. Campaigns were developed in line with consumer trends, such as the large-scale 1,2,3 programme offering discounts on a thousand products every week: 20% on the first, 50% on the second, the third for free. In the non-food segment, Extra also revamped its apparel lines after working with Grupo Éxito, which shared its expertise and private-label collections with the banner. Customers love it, and this shows in its performance. At the end of 2016, sales volumes were rising, and hypermarkets were steadily regaining market share.

### Pão de Açúcar, enhancing the shopping experience

Over the years, the premium banner Pão de Açúcar has forged a unique relationship with its customers. It is one of the most respected brands in Brazil's retail industry. Pão de Açúcar is focusing more than ever on the shopping experience at its 185 stores, in a continuous drive to enhance service quality, expand the product assortment and strengthen ties with customers, even beyond its physical stores. The Pão de Açúcar Mais loyalty programme upholds this philosophy, extending the relationship to the Internet with a dedicated application and continuing to innovate by offering original advantages.



### Pão de Açúcar Mais attracts 4 million members

GPA's premium banner enjoys unrivalled brand affinity with its customers. It has 1.2 million Facebook fans, and the Pão de Açúcar Mais loyalty programme exceeded the 4 million member mark in 2016. The smartphone app provides access to all of the programme's advantages. The online strategy has produced tangible results, as Mais customers account for a growing portion of the banner's net sales, representing 70% in 2016.



Pão de Açúcar has made its first foray into the online wine market with the Viva Vinhos programme available on its website. The service provides access to a selection of wines hand-picked by banner experts. The customer chooses the type of subscription and number of bottles, and every month receives wines at home free of delivery charges. On top of these additional services, the entire e-commerce offering of Pão de Açúcar and Extra was restructured in 2016. The delivery system was also entirely redesigned with a new distribution hub opened for online sales.



### Pioneer in convenience stores

Closely in sync with new consumer behaviours, the convenience concept remains a strong growth driver. GPA continues to deploy its banners and is moving towards a more clearly defined segmentation of its formats. The Group is ramping up expansion of the Minuto Pão de Açúcar premium banner, an immensely popular format among urban shoppers, with 14 new stores opened in 2016. Continued double-digit growth in sales shows that this strategy is on track. Additionally, GPA has leveraged synergies with Grupo Éxito and come up with a new concept aimed at reaching a low-to-mid-income customer base, Aliados Compre Bem. Based on the "aliados" programme in Colombia, some one hundred Aliados Compre Bem stores cropped up in São Paulo this year. This win-win model is based on forming partnerships with small, traditional shopkeepers, which carry the private labels Pra Valer and Qualitá and draw on GPA's operational expertise to develop their outlet within the surrounding neighbourhood ■



Spotlight



*Minuto Pão de Açúcar,  
the upscale  
convenience store*

The banner's 76 convenience stores operating in the states of São Paulo and Pernambuco feature a unique atmosphere aligned with the high standards expected by customers.

As soon as customers enter the store, which is tastefully decorated with creative signage, wood fixtures and elegant lighting, they find high-quality fresh produce that is beautifully and intelligently displayed. "That's how the banner surprises customers," says Marcelo Bazzali, Executive Director of GPA Convenience. "The average Minuto Pão de Açúcar store carries more than 4,000 items in a space of barely 250 sq.m right in the customer's neighbourhood." The assortment takes care of their essential shopping needs for the week while also featuring products that set Pão de Açúcar apart, with highly regarded private labels – Taeq, Casino Délices, Club des Sommeliers – a wide selection of organic, gluten-free and salt-free products and health food, along with high-quality fresh bread. Minuto Pão de Açúcar is the go-to store for the latest food trends.

**A shopping experience on par with the best**

Chosen by the magazine Canadian Grocer as one of the "25 grocery stores to visit before you die", the banner's stores take great pride in being distinctive. Its wealthy, young and active urban customers enjoy

14

Minuto Pão de Açúcar stores opened in 2016

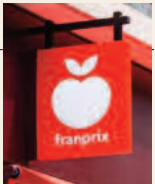
a shopping experience that meets the highest international standards. "Where Minuto truly stands above other convenience banners is in its service quality," Marcelo Bazzali points out. "In a store, you have tangible features, such as assortment and layout, as well as other, less tangible features, such as friendly, caring staff. Employees who feel valued understand how to treat customers well." The quality of management is also integral to the banner's success, as are its responsible commitments. Fitting refrigerated display cases with doors, recycling used products and, most recently, implementing the "Projeto Arredondar" programme (see p. 73) have all contributed to shaping this unique identity.

THROUGHOUT THE GROUP

Not just stores, but a pleasant environment and customer experience in itself, **Franprix** in France continues to make best use of its Mandarine concept to revolutionise the convenience retail format. In a 400 sq.m space, the banner offers meat and cheese

counters, a vast selection of food to go and freshly squeezed orange, grapefruit and pomegranate juice. Franprix also provides unique services, such as key cutting, Seattle's Best Coffee<sup>1</sup>, parcel pick-up with La Poste, money transfers with Western Union,

and more. This determined, service-driven strategy is made possible through the Mandarine Academy, which promotes a culture of expertise and social skills among staff.



<sup>1</sup> In partnership with Starbucks.



# Overview of CSR initiatives in Brazil

## Gender equality UN Women Award

GPA's policy to promote gender equality is producing results. Women now represent 25% of management, up from 21% in 2015. GPA's advances earned it the UN Women Award in 2016.



## Energy efficiency More than 300 stores renovated

The energy efficiency programme continues to be rolled out. Lighting, air conditioning and commercial refrigeration systems have been renovated at more than 300 stores in two years. In addition, the largest solar power unit in Brazil's retail industry, comprised of 1,140 solar panels, was commissioned on solar canopies covering car parks at the Assaí store in Várzea Grande, in the state of Mato Grosso.



## Diversity "GPA Iguais"

As part of the "GPA Iguais" programme initiated in 2016, GPA issued a diversity guide for managers and introduced "Diversity Minute" meetings to encourage dialogue on combating discrimination within teams.



## Sustainable consumption Organic Thursday

The Pão de Açúcar banner has launched an Organic Thursday campaign to promote its organically farmed products and its Taeq private label in particular, by offering customers a 20% discount.



## Recycling "Novo de novo"

In 2016, the "Novo de Novo" circular economy programme manufactured more than 3.7 million items of product packaging for the Taeq and Qualitá private labels using cardboard collected from 200 recycling stations set up in Extra and Pão de Açúcar stores.



## Solidarity "Projeto Arredondar"

Minuto Pão de Açúcar has implemented the "Projeto Arredondar" campaign at its stores, which allows customers to round up their payment to the nearest real. The sums collected are donated to charity organisations focusing on environmental protection and education.



Dynamic, innovative banners

# Business partnerships

Pioneering the franchise concept in emerging markets, Casino continued to develop the footprint of its banners. It also develops private-label supply partnerships in new markets. These collaborations underpin the Group's expansion in Europe, Africa, the Middle East and Asia.

## Nearly 260 affiliated stores in 31 countries

Teams dedicated to business partnerships have been carrying out substantive work for several years to forge partnerships with retail players in countries where the Group does not yet have a presence. The first focus of this process was to expand the network of affiliates through long-term agreements with powerful local partners. A total of ten stores were opened in 2016, primarily under convenience formats, part of the Group's DNA. The number of affiliated stores worldwide reached 258 in 2016. With 117 stores operating in North Africa and the Middle East, and 27 more in Sub-Saharan Africa, the Group is broadening and deepening its presence in geographies with high growth potential.

## Private labels, the Group's ambassadors

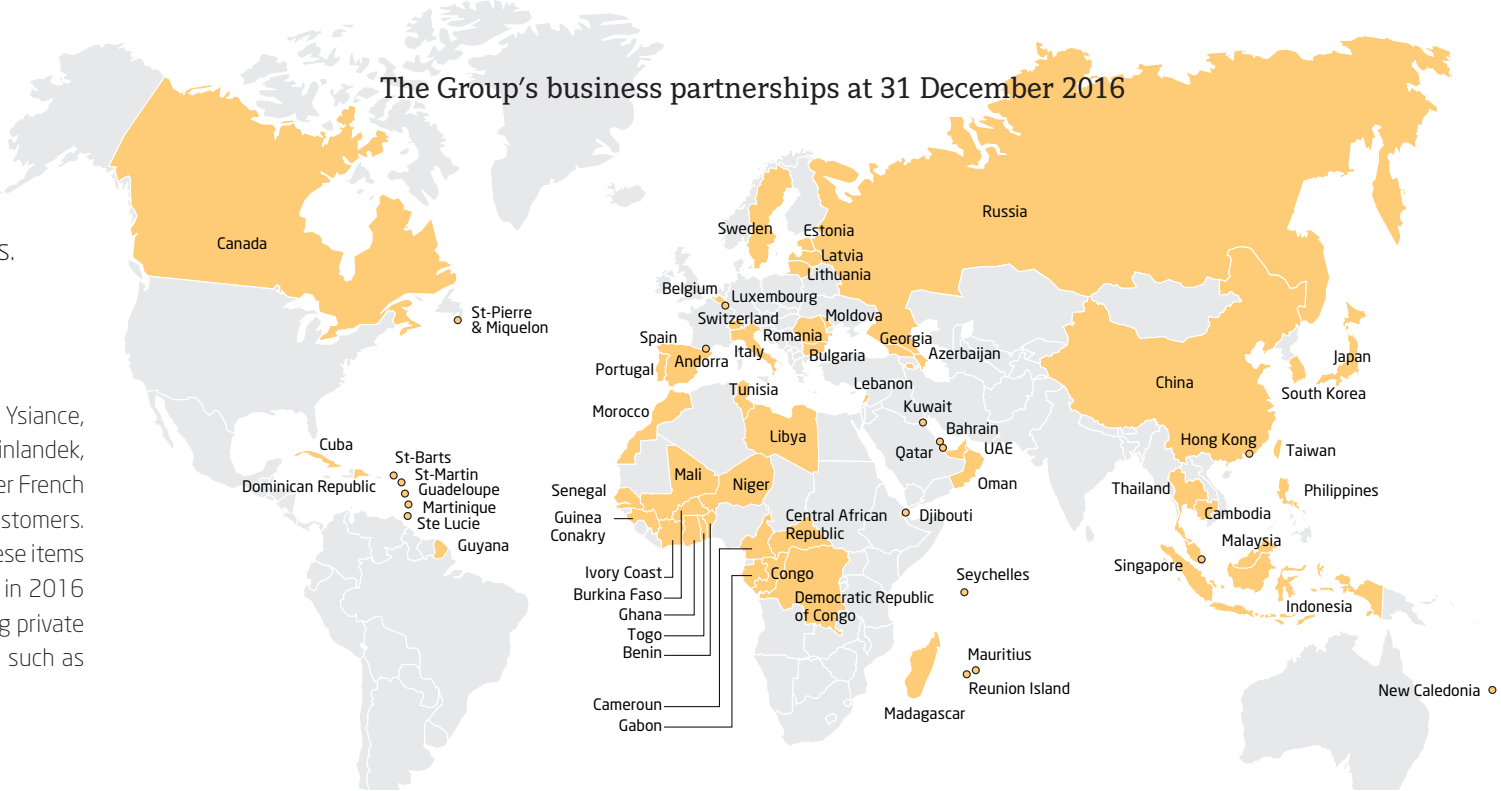
The Group has also been expanding the supply of Casino private-label products to leading local retailers. Apart from providing access to major markets, these partnerships also substantially raise the visibility of all Group brands, Casino, Casino Délices, Guichard Perrachon,

Casino Bio, Doodingues, Tilapins, Ça vient d'ici, Ysiance, Tous les Jours, Monoprix, Monoprix Gourmet, Finlande, etc. These brands, which represent a sought-after French lifestyle, are resoundingly popular with Asian customers. A number of stores in Southeast Asia feature these items in a dedicated corner. New agreements signed in 2016 have made Casino products the banner's leading private label, generating high sales volumes at stores such as Marjane in Morocco and Bravo in Azerbaijan ■

## Franchises Development of Casino Mandarine in Abidjan

The Group exports its expertise in the convenience store format with the development of a new concept, Casino Mandarine. Two stores were opened in 2016, one of which in Abidjan, Côte d'Ivoire developed with Prosuma and another in Yaoundé, Cameroon with Mercure International. Addressing a high-end, urban customer base, the banner has duplicated the concept that has made Franprix so successful in France, featuring a wide, glass street-level façade, flashy colours, carefully designed lighting, a high-end fresh product assortment, orange juicers, a single checkout line, and so on. Franprix has also inspired the Convenience Academy in Abidjan, based on the Mandarine Academy model, to train future managers. About ten Casino Mandarine stores are set to open in Côte d'Ivoire in 2017.

The Group's business partnerships at 31 December 2016







CSR  
performance



# Committed employer

## Group policy

As a major employer in France and in most of its host countries, the Casino Group develops and implements innovative human resources and management policies that are sensitive to local cultures.

These policies aim to:

- promote employees' professional development and enhance individual talents;
- combat discrimination and strengthen equal opportunity;
- foster constructive and innovative social dialogue;
- protect employees' health, safety and well-being at work;
- implement a fair and progressive compensation and benefits policy.

## Highlights in 2016

### Promoting diversity and combating discrimination

Because it believes that diversity contributes to its business performance, the Casino Group has been active in combating all forms of discrimination since 1993. Casino leads a proactive policy designed to encourage the hiring of applicants from a wide range of backgrounds, foster equal opportunity at every level and promote social cohesion.

■ In 2009, Casino was the first retailer group to obtain the **"Diversity Label"** awarded by Afnor to companies pursuing an exemplary policy. Following an audit, the label was renewed in 2016 and extended to Monoprix.

■ The first edition of the **Diversity Tour de France** was organised in 2016. Debates were held in Group stores, restaurants and warehouses, bringing in managers and employees

together with Group diversity teams.

■ In October 2015, the Group signed the **International Labour Organization's Global Business and Disability Network Charter** in order to reaffirm its commitment to helping disabled people find employment. The number of disabled employees increased 5% on 2015 as a result of the Group's assertive policies, especially in Brazil.

■ Casino, which has the equivalent of 13.22% of **jobs filled by people with disabilities**, renewed its agreement on behalf of the disabled in 2016. Monoprix recruited 207 disabled workers between 2014 and 2016, surpassing the target set in the disability agreement by 15%. Cdiscount implemented an e-learning training course on integrating disabled persons.

■ GPA's **Commitment Charter for the Promotion of Diversity** launched in 2015 provides a framework for measures to promote disabled people, young people and the LGBT community and was extended in 2016 to actions taken to combat racial discrimination. Also during the year, the "GPA Iguais" programme was set up for managers as were the "Minute Diversité" meetings to encourage managers to address diversity issues with their teams. Increasing the number of disabled workers is

one of the three quantitative CSR performance objectives used by GPA in determining variable compensation.

■ **Assaí**, which has implemented numerous employee awareness and training initiatives, reported for 2016 that 5% of its employees were disabled, an outstanding achievement for the retail sector in Brazil.

■ **Éxito** rolled out its **"Población vulnerable"** integration programme

aimed at people with disabilities, victims of armed conflict and their families, severely disadvantaged young people, and veterans returning to civilian life.

### Promoting gender equality in the workplace

Workplace gender equality is a key commitment for the Group. At every level of the organisation, gender equality issues impact gender diversity across job categories, career management, human resources processes (compensation, access to training, hiring and promotions) and parenthood. The Casino Group held as soon as 2013 the "Workplace Equality Label" awarded by Afnor.

■ In 2016, the Group adopted the **Women's Empowerment Principles** backed by UN Women and joined forces with France's National Committee in signing an agreement to support the actions and awareness campaigns of this international organisation.

■ To combat stereotypes that lead to discrimination, the Group produced the **"Combating everyday sexism" guide** in France, based on a field survey of employees. Its efforts earned it the No More Clichés award presented by the organisation Communication &

Entreprises, the LSA Diversity and CSR Award and the Diversity Award from Agence Mixité Entreprise.

■ **GPA, winner of the UN Women Award, held two Women's Forums** attended by some 200 managers and developed its internal women's network, "GPA Mulheres na liderança", set up in 2014. Increasing the proportion of women in the management team is one of the three CSR performance objectives used in determining variable compensation.

■ In 2016, **Éxito** intensified its action to support gender equality: hiring in leadership positions, training for women managers, career management, equal pay, and support and awareness measures. Three hundred employees participated in conferences and focus groups called **"Mujeres de Éxito"** to discuss best practices.





Helping young people enter the workforce

Employees aged under 30 accounted for 39% of the Group's workforce at 31 December 2016. Casino's commitment to young people is mainly reflected through an active policy to promote work-study solutions.

- The Group employs 2,400 work/study trainees in France. Programmes to facilitate the hiring and integration of work/study trainees have been introduced in all entities. Casino organised its **Work/Study Day** for the fifth straight year in 2016. As every year, a panel of professionals named the winners of the 2016 Best Apprentice Contest during the event.
- To combat stereotypes, the Group provides employees with **the guide "Do You Look at Young People in the Right Way?"** to encourage intergenerational dialogue. The Group also undertakes specific initiatives to help young people who are poorly qualified or from underprivileged backgrounds. In 2016, the Group hired 1,066 employees from these disadvantaged neighbourhoods as well as 450 interns and 103 work/study programme participants.
- The Group has forged many partnerships **to guide young people in entering the workforce**, including with the Civic Service Agency, the Business Network for Equal Opportunity in Education, the Nos Quartiers ont du Talent association and the Talents des Cités competition. Monoprix works closely with the Second-Chance School, France's local employment offices and EPIDE, a French government agency for the integration of young adults in the job market. Franprix is a partner to the Étincelles network, which helps disadvantaged young people enter the workforce.
- In 2016, Grupo Éxito rolled out the Colombian Labour Ministry's **40,000 first jobs** programme, which aims to break down the barriers to youth employment.
- In Argentina, Libertad leads work/study and vocational training programmes in collaboration with schools and universities, and joined the Argentinian government's **"Primer Paso y Entrenamiento para el trabajo"** programmes designed to offer unemployed youths their first work experience.
- Casino was the first retailer group to sign in 2016 the **City of Paris Charter for Local Employment**. The initiative is a success : over the year, the Casino Group hired 4,360 Parisians.

Developing employee talent

Since its very beginnings, the Casino Group has been committed to providing career growth opportunities for its employees and bringing out individual talent, which contributes to its operating performance.

- The **"Young International Talents"** programme aims to develop the talent of future international managers by enhancing their knowledge of international cultures and relations between entities. Entities in each country use career development programmes to identify and support future leaders: the "Talent Pool" in France, Assaí's "Accelerate" programme in Brazil and Libertad's "Pool de Altos Potenciales" in Argentina.
- In France, the Group negotiated a new agreement on strategic workforce planning (SWP) in 2016. Through its in-house training organisation, **Casino Campus**, nearly 41,600 employees from all banners benefited from either



classroom training or e-learning during the year. In 2016, Casino also developed new certification programmes in food services to train people for jobs in the meat, seafood and pastry fields.

■ A number of banners have set up **in-house training centres**. To underpin its new service-driven strategy, Franprix trained 1,000 employees through its Mandarin Academy in 2016 to develop their professional expertise and customer service skills. Assaï has a corporate

university that offers courses focusing on the cash & carry segment, training 36,000 people in 2016. Two schools were set up for Éxito in 2016 to provide bakery and telephone services training, in addition to the Surtimax, Éxito Express and Carulla centres.

### Enhancing workplace health and well-being

The strength of social dialogue plays a major role in building the human resources policies of the Group, which is committed to improving the physical and mental health and safety of its employees.

■ In France, Casino maintains regular dialogue with the representative trade unions and exchanges with 1,000 staff representative bodies and 5,500 elected representatives. An **agreement covering social dialogue** was renewed in 2016.

■ Every two years, Éxito conducts a study of 22,000 employees to **measure the workplace atmosphere**. The entity achieved a score of 80 in 2016, up from 78.6 in 2014, raising the status from "highly satisfactory" to "outstanding". In Brazil, the survey of Assaï employees measured the employee engagement rate at 75%, ranking Assaï among companies with the highest rates on the market.

■ GPA and Éxito implement **workplace accident prevention plans** to identify major risks as early as possible. In 2016, 941 GPA sites

were assessed for potential environmental, medical and accident risks. GPA also organised a prevention week at its stores and warehouses.

■ Casino, the first food retailer to receive the endorsement of the French Diabetes Federation for its sugar-free product ranges, held **events for its employees** in 2016 to raise their awareness about diabetes, one of the leading health issues in France.

■ The **caring management practices** awareness programme, designed to increase employee motivation by limiting workplace stress, was carried forward in France. As part of the programme, the workplace well-being expert Dr Philippe Rodet trained 4,200 managers, who can further their knowledge in the area with practical content available on a dedicated e-learning site. The network of

workplace well-being experts identifies employees who might be experiencing difficulty and directs them to the people who are best placed to help them, whether it be the occupational physician, management, the HR department, a help and assistance service, etc. Finally, a "Caring Management Practices" module was included in the Trade and Retail Masters programme at Jean Monnet University in Saint-Étienne. The first class of Group managers graduated in 2016.

■ In 2016, Éxito upheld its **"Tiempo para ti"** programme to improve work-life balance. More than 12,530 days were used to benefit over 20,300 employees.

# Responsible retailer

## Group policy

Food is a key health issue in today's society and a fundamental concern for the Group, which addresses it by offering quality products combining nutritional balance, health, pleasure and respect for the environment.

The Group has defined four priorities:

- improve consumer health through a more balanced diet;
- encourage environmentally responsible and biodiversity friendly consumption;
- combat food waste;
- step up action to support animal welfare.

## Highlights in 2016

### Protecting consumer health

The first signatory of a Voluntary Code of Commitment to Nutritional Progress in 2008, Casino has a Health Committee made up of independent experts to analyse scientific trends in the field of health and improve the nutritional value of private label products.

■ To reduce consumers' exposure to pesticides and antibiotics, Casino launched the **"Agriplus" programme** in 2016 to develop innovative agricultural initiatives that are good for the environment, producers and consumers. The "Agriplus" label has been extended to new frozen vegetable products free of pesticide residues, poultry raised without antibiotics, especially for the Casino Bio and Terre & Saveurs brands, and pork raised without antibiotics.

■ The Group offers a number of product ranges to **meet the needs of consumers with special dietary requirements**. The "Casino Bien pour Vous !" label offers a sugar-free product range developed with the French Diabetes Federation (FFD) and a gluten-free product range created with the French Association of Gluten Intolerance (AFDIAG). The "Taeq" label distributed in Colombia and Brazil also features product ranges adapted to new diets.

■ Building on its nutritional assessment conducted in 2015, Éxito continued **optimising private label food products**, with 39% of its food offering now meeting the nutritional requirements introduced as a result of this assessment.



Encouraging more sustainable consumption

To help customers consume more environmentally friendly products, Casino Group stores now offer more than 19,680 products that are certified environmentally responsible, an increase of 13% compared with 2015. These products account for a growing share of revenue at Group entities.

■ Group stores sell more than 16,100 **organically-farmed products**, including over 14,110 in France through the private labels Casino Bio, Franprix Bio, Leader Price Bio, Monoprix Bio and Naturalia. In 2016, the Leader Price Bébé Bio range was launched with 18 products covering four age groups.

■ The Group's banners offer a number of product ranges meeting **Good Agricultural Practices (GAP)** certification, with more than 930 products on store shelves in 2016. The Group encourages its suppliers in other countries to apply GAP. For this reason, Éxito put in place a GAP certification programme, and more than 200 fresh products were certified in 2016, up 41.5% on 2015.

■ In 2016, Monoprix launched the "Monoprix Tous Cultiv'acteurs" continuous improvement programme, covering some 20 fruit and vegetable products. This programme aims to bring customers healthy products that taste good, while helping partner producers to move towards more environmentally friendly farming practices and

reduce the use of pesticides in order to **protect pollinators**.

■ Following on from its long-standing responsible policy regarding palm oil, the Casino Group continued its action to **combat deforestation** in 2016 with the new focus of GPA's beef purchasing policy. The traceability processes guarantee that the supply chain is not involved in deforestation. A full 98% of purchases come from suppliers that have signed up to the meat origin inspection programme.

■ An advocate of **sustainable fishing**, the Group is removing endangered species from its stores and supports small-scale fishing. In 2016 under its private label, Monoprix launched canned albacore tuna sourced without the use of fish aggregating devices and bolstered its coastal fishing initiative based on practices that promote species renewal. Casino sells canned albacore tuna caught by pole and line fishing, a method regarded as more sustainable for tuna fish populations.

■ Casino promotes **local products** through its "Le meilleur d'ici" concept, which supports 1,500 local suppliers located within 80 km of the store. Monoprix carries a "Made in pas très loin" range of products made within 100 km of the store, representing nearly 1,500 items of which 20% are available exclusively at the banner.

■ In Brazil, a corporate communication campaign was launched in 2016 featuring several healthy, easy-to-make recipes using nutritious ingredients. **GPA's responsible food truck** offers free cooking workshops and recipes developed by nutritionists to promote a healthy and environmentally friendly diet. A total of 2,300 people have taken part in these workshops.

The Group offers 20,000 certified sustainable references





## Combating food waste

The Casino Group implements an active policy to reduce food waste. It optimises store operations to reduce breakage and offers deals on products with short expiry dates.

- Banners develop programmes to donate products **with short expiry dates** to charity organisations and form partnerships with organisations active in the social and solidarity economy, such as Phénix (Franprix, Casino supermarkets) and Egosphère (Leader Price).
- The banners provide tools to raise the awareness of customers and employees in their stores such as "Great ways to reduce waste" and "Waste Prevention Tips" at Monoprix, and the "Combating Food Waste" booklet at Casino banners.
- In Brazil, GPA launched a zero waste campaign to encourage stores to reduce food waste, and Assaí reports on waste recycling and composting.
- Monoprix develops the processing of damaged produce. The banner has partnered with Re-Belle craft jams made using over-ripe or damaged fruit collected from its stores.

## Respecting animal welfare

The Group has implemented an enhanced programme in France to inspect animal farming and slaughter conditions and, in partnership with its suppliers, develops product ranges that meet strict specifications. Significant steps have been taken across three production channels: eggs, meat and dairy.

- In 2013, Monoprix was the first retailer to remove from sale **eggs from caged hens** under its private label and replace them with free-range or organic eggs. In April 2016, Monoprix went a step further by removing from sale all eggs from caged hens, across all brands. The banner received an award from Compassion in World Farming (CIWF) for its efforts. Franprix, Leader Price and Casino stores have each since made the commitment to stop selling eggs from caged hens in their stores by 2020. In Brazil, GPA has committed to removing eggs from caged hens from sale by 2025 across its own brands, in line with the public health regulations and requirements set out by the Brazilian Minister for Agriculture.
- Since 2014, Monoprix has selected French farms that comply with the Charter for Good Agricultural Practices. Its action to **improve welfare standards for dairy cows** has earned it the "Good Dairy Commendation" from CIWF. Casino supports the "Lait des éleveurs du Monts du Forez" group, which offers the best possible farming conditions, while Franprix sells Cant'AveyLot milk under the "Lait de la vallée du Lot" brand.
- In 2000, Casino included animal welfare principles in the guidelines for its Terre & Saveurs meat range, which was broadened to include animal slaughter procedures in 2013. Since 2015, independent veterinarians have conducted **audits of slaughterhouses** that supply meat to the Casino and Monoprix banners. These audits check staff training, animal transport conditions and the permanent presence of an animal protection professional at the facility.

# Trusted partner

## Group policy

The Casino Group rolls out a policy designed to monitor and improve the social and environmental impacts of its supply chain.

- This policy is structured with three key priorities:
- implementing a social ethics programme for suppliers of its private label products;
  - offering guidance for supplier CSR programmes;
  - supporting local production channels.

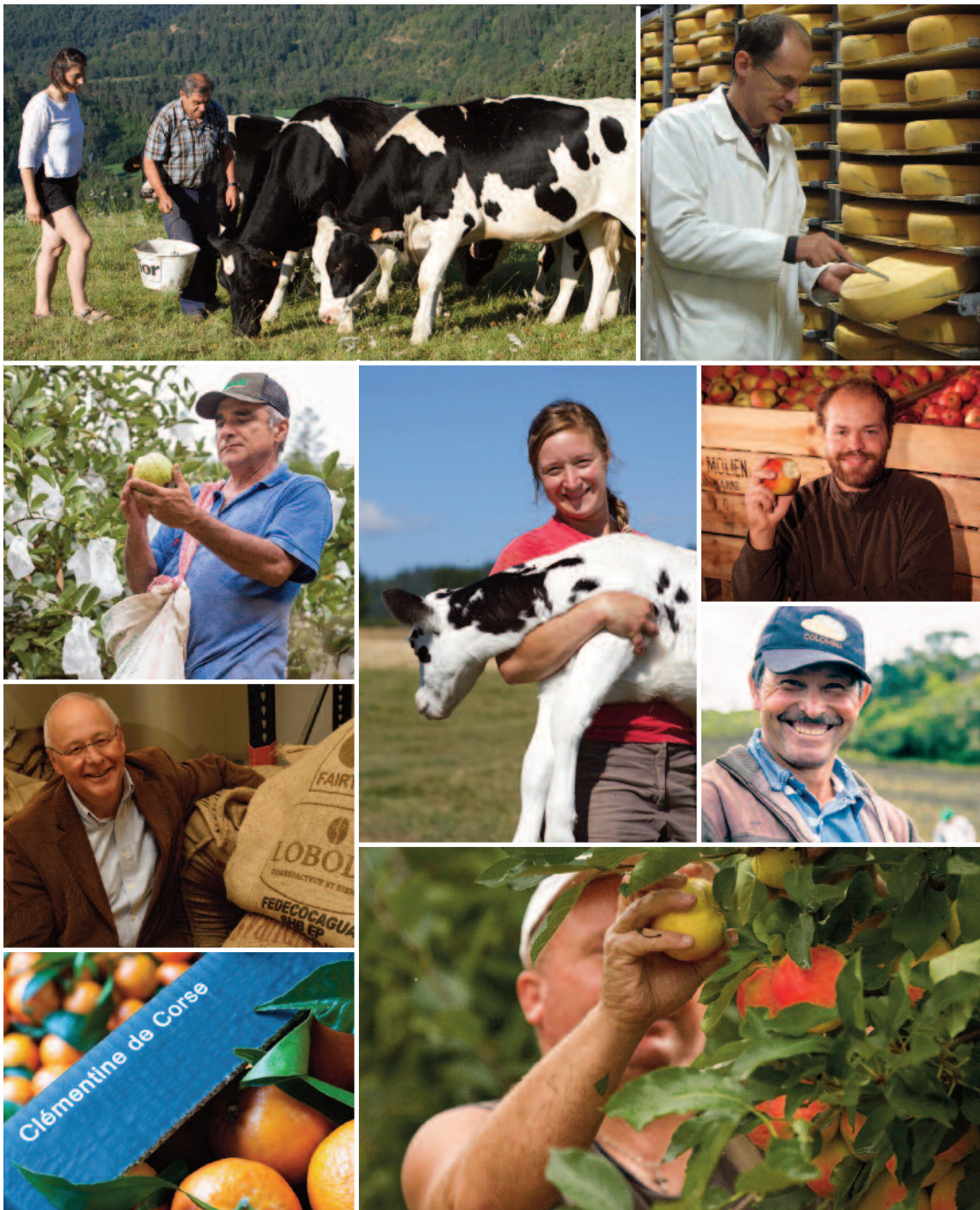
## Highlights in 2016

### Implementing ethical social compliance

Since 2002, suppliers have been encouraged to participate in a social ethics programme that aims to monitor and improve the conditions in which workers are employed to manufacture the Group's private label products.

- The Group's **Supplier Ethics Charter** defines the rules applicable to the supply chain. The Charter covers unlawful trading practices, anti-corruption policy, human rights, environmental protection, animal welfare and the Five Freedoms of Animal Welfare as defined by the World Organisation for Animal Health.
- Every year, more than 300 production sites are audited by independent firms to check compliance with the requirements set out by the Supplier Ethics Charter. The **social audits** are implemented first in factories which manufacture high-risk products and are based in countries considered as most likely to present risks of violation of human rights and working standards. Regular audits are carried out in China, India and Bangladesh. The Group is a member of France's Initiative Clause Sociale and supports the Bangladesh Accord on Fire and Building Safety.
- In addition to these audit programmes, subsidiaries are drawing up **audit procedures** for local suppliers. GPA is active in the Brazilian initiative "Associação Brasileira do Varejo Têxtil" (ABVTEX), an organisation that brings together all retailers in the Brazilian textile industry to certify textile suppliers and sub-contractors based on 18 criteria for ethical conduct. Éxito drafted a Supplier Code of Conduct that includes ethical, transparency and good governance requirements and was signed by more than 440 suppliers in 2016.





## Supporting local production channels

With strong roots in the regions where it is present, the Group has close relations with local small businesses and the agricultural sector. It has taken several steps to support small producers, cooperatives and farmers.

■ In 2016, Casino and the French small business association (FEEF) signed a charter to set up a framework to promote business relations with local SMEs, vectors of **regional economic vitality**. The Group notably appointed an SME representative to streamline relations with the purchasing hub and a mediator to handle commercial disputes.

■ The Group works to promote the development of the animal farming industry. It teams up with producers, cooperatives and agricultural sectors and recently sealed a number of **long term partnerships**. With the Altitude cooperative and Covial, Casino launched a sourcing channel for heifers raised at higher elevations at some 50 traditional farms in the Massif Central in the middle of southern France. With the Unicolor cooperative, Casino develops a sourcing channel for lambs raised in the Aveyron and surrounding departments in central southern France. The Group also worked with Arcadie Sud-Ouest to set up a

sourcing channel for “Label Rouge” pork raised in south-western France, along with a heifer sourcing channel. These partnerships have led to multi-year agreements based on stable purchasing volumes and prices derived from actual production costs.

■ In Colombia, **Éxito supports local producers** by developing partnerships with NGOs such as the Clinton Foundation. Small producers benefit from a support programme – technical assistance, productivity improvements, delivery management – and a pledge to buy their products at an optimised price to contribute to local social and economic development. Agricultural products come from 21 regions and 756 Colombian producers. Lastly, Éxito continues to roll out its training programme for its suppliers in partnership with EAFIT University: more than 500 suppliers have benefited from company management training as part of this programme.

■ In Brazil, GPA continues to develop the “Caras do Brasil” programme that gives craft cooperatives the opportunity to sell their products at Pão de Açúcar stores. Social and environmental criteria are taken into account in the producer selection process. Meanwhile, the “Quality from the source” programme involves fruit, vegetable and egg suppliers in order to control pesticide use, product transport and storage conditions upstream of the supply chain.



# Environmentally committed group

## Group policy

As a United Nations Global Compact signatory, Casino has long been active in an improvement plan to fight climate change, reduce pollution and protect natural resources and biodiversity.

The banners' environmental priorities are:

- reducing greenhouse gas (GHG) emissions;
- improving energy efficiency;
- reducing and recovering waste.

## Highlights in 2016

### Reducing greenhouse gas emissions

In 2012, the Casino Group pledged to reduce its emissions per square metre of retail space by 20% by 2020 (scopes 1 and 2). To achieve that target, it rolls out action plans covering transport, energy consumption and the impact of refrigerants.

■ The Group makes it a priority to **reduce fugitive emissions from refrigeration and freezer units**. This involves improving the airtightness of existing equipment to limit leaks and using ozone-neutral refrigerants with reduced global-warming potential. About 30 stores have new hybrid equipment that use a refrigeration circuit charged with synthetic refrigerants for positive cold production and a circuit charged with natural refrigerants (CO<sub>2</sub> or propane) for

negative cold production. This system halves stores' initial charge of synthetic refrigerants with high global-warming potential. Monoprix and Casino supermarkets have been testing equipment that uses only natural refrigerants to meet all their refrigeration requirements.

■ To limit its GHG emissions and reduce pollution from goods transport in city centres, Casino makes 97% of its city deliveries using vehicles that comply with the

latest standards (Euro 5 and 6). In 2016, its logistics subsidiary Easydis announced that it would roll out between now and 2020 a **fleet of 400 vehicles running on compressed natural gas (CNG) or liquefied natural gas (LNG)** for long distances. These vehicles are more silent and reduce fine particulate emissions by 85%. Monoprix pledged to triple the number of CNG-powered trucks by 2017. In addition, both Monoprix and Casino are testing trucks that run on

renewable bioCNG, which could reduce transport-related GHG by 90%.

■ Franprix is a pioneer in **alternative modes of transport**, especially through the use of inland

waterways. In 2016, the banner increased by 42% the proportion of goods delivered to stores within Paris's city limits by boat via the Seine River.

■ GPA maintains its backhauling programme and has been testing the use of double-decker trailers to **increase delivery loads** and reduce mileage when delivering to stores.

### Improving energy efficiency

By improving the energy efficiency of stores, the Group reduces their electricity consumption and its indirect impact on greenhouse gas emissions. It continues working towards its target to reduce its electricity consumption per square metre of retail space by 20% between 2012 and 2020.

■ Reducing energy consumption is addressed through a continuous improvement process, which is based on carrying out energy audits for sites, monitoring consumption, and implementing an energy renovation programme. More than 800 Géant and Monoprix stores and Casino supermarkets are covered by **Energy Performance Contracts (EPCs)**.

■ Commercial refrigeration systems are one of the biggest sources of energy consumption within the Group, which is well on the way to meeting its commitment to installing **doors on 75% of its refrigeration and freezer units** by 2020. 100% of Géant hypermarkets, 80% of Casino supermarkets and 43% of Monoprix stores were equipped in 2016, along with 100% of new Franprix and Casino Shop stores.

■ In Brazil, the 140 GPA hypermarkets and 182 supermarkets underwent **energy renovation work** in 2015 and 2016 to switch to LED lighting and improve air conditioning and commercial refrigeration systems. In Colombia, Éxito develops natural lighting, fits stores with LED tube lights and is standardising the installation of smart meters.

■ **Renewable energy generation** continues to be developed at Group sites with the installation of solar power generation units on roofs and solar canopies at hypermarket car parks. In Colombia, two photovoltaic systems were rolled out in 2016; the one in Barranquilla is the largest in the country. In 2016, 60 installations were in operation, representing a solar panel surface of 458,480 sq.m.

■ Energy efficiency is one of the criteria applied in the **environmental certification of buildings**. In France, 30% of shopping centres are certified Outstanding under the BREEAM In-Use standard. Grupo Éxito was awarded LEED Silver certification on two occasions for the Éxito store in Cundinamarca and LEED Gold for the Viva de Riohacha shopping centre. Three Pão de Açúcar stores were also LEED-certified.



Recovering waste

The main waste generated by stores is cardboard, plastic, paper and organic waste. The Group aims to reduce waste and increase recovery rates by supporting the development and sustainability of local recycling networks.

■ In 2016, **more than 217,000 tonnes of waste was recovered** – cardboard, paper, plastic and organic waste – thanks to processes implemented at Group stores. Recycling cardboard, paper and plastic cut CO<sub>2</sub> by more than 33,000 tonnes.

■ In Brazil, large-scale waste sorting is developing at GPA banners: 553 stores sort their cardboard and 279 sort their organic waste for composting. Thirty stores extended waste sorting to new materials such as glass and some plastics.

■ Éxito has strengthened its waste management policy by appointing environment representatives at stores who are responsible for raising employee awareness. In 2016, 33,000 tonnes of operational waste was recycled. The banner took part in the nation-wide “**Limpiemos Colombia**” campaign aimed at raising public awareness about waste recycling.

■ To promote the emergence of a circular economy in which used products serve as raw materials, the Casino Group provides in-store **collection points** in France, Brazil,

Colombia and Argentina where its customers can **return their used products**. In 2016, consumers returned 19,000 tonnes of products (batteries, light bulbs, electrical and electronic waste, etc.), which were then given to accredited service providers for recycling.





# Local corporate citizen

## Group policy

With strong roots in regional communities, the Casino Group has a positive impact on local economic development, solidarity and efforts to fight poverty and exclusion.

It takes action through:

- food donations;
- its four corporate foundations;
- partnerships with public interest organisations.

## Highlights in 2016

### Food donations

The Group encourages its banners to work actively with food banks, with more than 16,100 tonnes of products donated in 2016.

- In France, the Group is committed to helping the most disadvantaged members of society through a partnership with the **French Federation of Food Banks**, which was rolled over in 2016 to boost the involvement of stores in weekly recovery operations and the food bank national collection day. In 2016, 10,557 tonnes of products were collected from Group banners (Casino, Monoprix group, Franprix, Leader Price, Vindémia) and 1,466 tonnes were collected from customers.
- GPA organised its fourth annual **"Dia de Solidariedade"** to support non-profit organisations such as Amigos do Bem. This food drive collected 859 tonnes of food donations from more than 1,800 participating stores with the help of 11,000 volunteers.
- In Colombia, Grupo Éxito continued its partnership with **Colombian food banks** and collected more than 1,900 tonnes of goods in 2016. It also supports a programme to recover agricultural surplus from rural areas.

### Supporting public interest organisations

To support local organisations, Group banners develop outreach initiatives involving employees, customers and suppliers.

- Initiated in Franprix stores through its partnership with the socially engaged organisation microDon, the **"Arrondi en caisse"** programme gives customers the opportunity to round up their payment to the next euro. The full extra amount is donated to a local organisation. The programme was rolled out in Naturalia stores in 2016, and the Brazilian convenience banner Minuto Pão de Açúcar implemented its local equivalent, "Projeto Arredondar". MicroDon card campaigns were also led at more than 100 Monoprix stores in 2016 to support humanitarian organisations.
- **Cdiscount** led a "junk removal" campaign to donate furniture and home appliances to the charity organisation Emmaüs and maintains its partnership with Ateliers du bocage, a company in the Emmaüs network that promotes social integration. The banner also organised a toy drive for hospitalised children, Flying Santa, at the Bordeaux university hospital. A digital catalogue was specially developed for the campaign, and packages were delivered by drone.
- Libertad's outreach programme **"Donemos sonrisas"** supports local children's aid initiatives through in-store collections. Some ten organisations receive funding every year.
- **Co-branding campaigns** carried out with suppliers also provide funding for outreach organisations. In 2016, the Casino Group and Danone joined forces with the organisation Sport dans la Ville to help 1,000 young women from low-income neighbourhoods to find jobs. A campaign was also organised with Pepsico in Casino, Monoprix and Franprix stores to support the Andes social and solidarity stores.

### Role of Group foundations

Group foundations structure and coordinate the outreach initiatives led by banners and their employees, with a focus on children's aid.

- The **Casino Corporate Foundation** works to prevent the exclusion of children by educating them through theatre. Its "Artistes à l'école" programme has provided around 2,000 children with backing for a two-year artistic education curriculum. The graduating class presented its final creation project in June 2016 at a special evening event held at the Théâtre de l'Odéon in Paris. In addition, the "Parrains engagés" programme supports charitable projects aiming to teach children through drama, with Group employees volunteering as sponsors.
- Another initiative spearheaded by the Casino Corporate Foundation got Group employees involved in the





“Tous en scène” outreach programme launched at 5,500 sites in France. The event raised money to develop new theatre projects for children with little access to culture.

■ In 2016, the Casino Corporate Foundation also launched a **volunteering promotion programme**. A catalogue of volunteer opportunities to work with 30 partner organisations is available for employees on a dedicated website.

■ **Instituto GPA** develops educational programmes for disadvantaged children. It supports the “Núcleo Avançado em Tecnologia de Alimentos” (NATA) professional training centre where more than 300 students can be trained for jobs in the baking and

dairy sectors. Instituto GPA is regarded for its “Musica & Orquestra” programme, which provides young people with two years of music training. The orchestra performs in stores as well as in theatres and at festivals in Brazil and abroad. In 15 years, more than 13,000 disadvantaged children have been trained under the programme. Lastly, Instituto GPA is continuing its partnership with the Getulio Vargas Foundation to deploy the “Prosperar” programme, which grants merit-based scholarships and currently benefits 30 students.

■ An established partner of the Colombian public authorities, the **Éxito Foundation** is involved in combating child malnutrition through its “Gen Cero” programme. Its objective for 2030 is to ensure that no Colombian child under five

suffers from malnutrition. In 2016, 39,000 children were aided through this action. Éxito was also a driving force in developing the early childhood protection law in Colombia.

■ The **Monoprix Foundation** is involved in combating isolation in cities. More than 20 charity projects were funded in 2016. The Foundation formed a partnership with Unis-Cité to support the “Intergénéreux” programme to protect the elderly from social isolation. Solidarity week gave more than 720 employees the chance to participate in a clothing and toy drive.

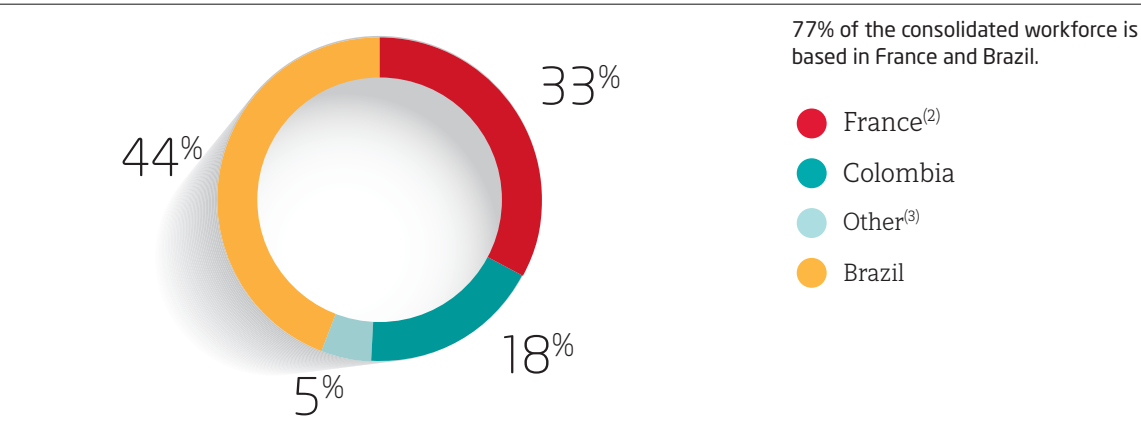


# Key 2016 CSR performance indicators

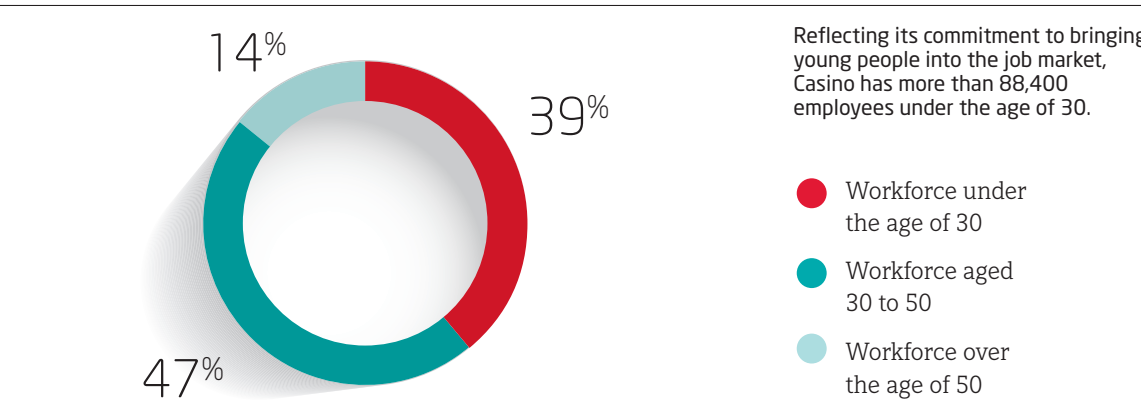
## Committed employer

### DIVERSITY

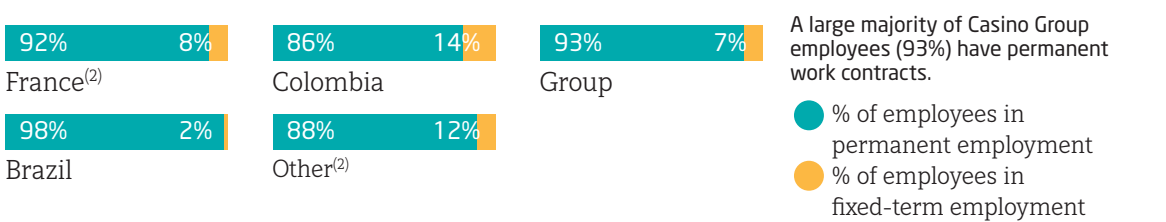
Consolidated workforce by country<sup>(1)</sup>



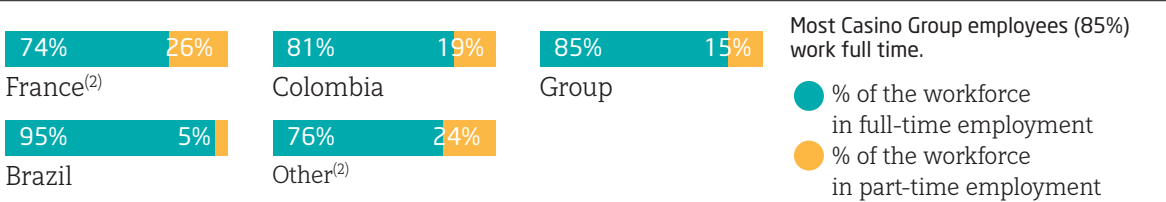
Consolidated workforce by age<sup>(1)</sup>



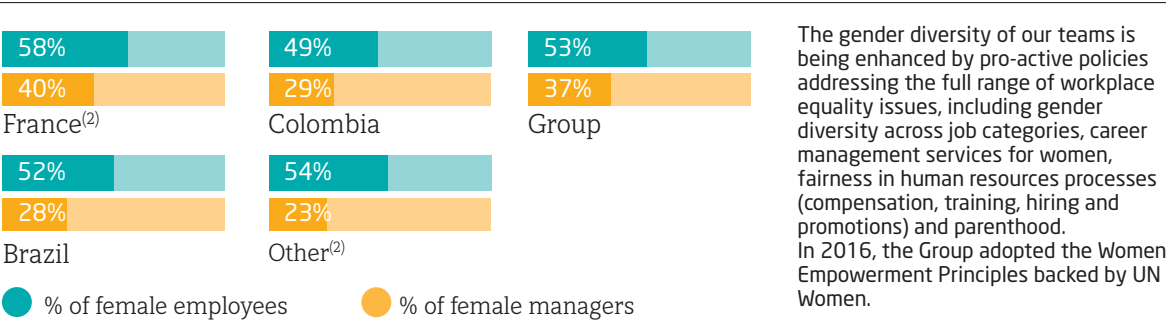
Workforce by type of employment contract (permanent/fixed-term)<sup>(1)</sup>



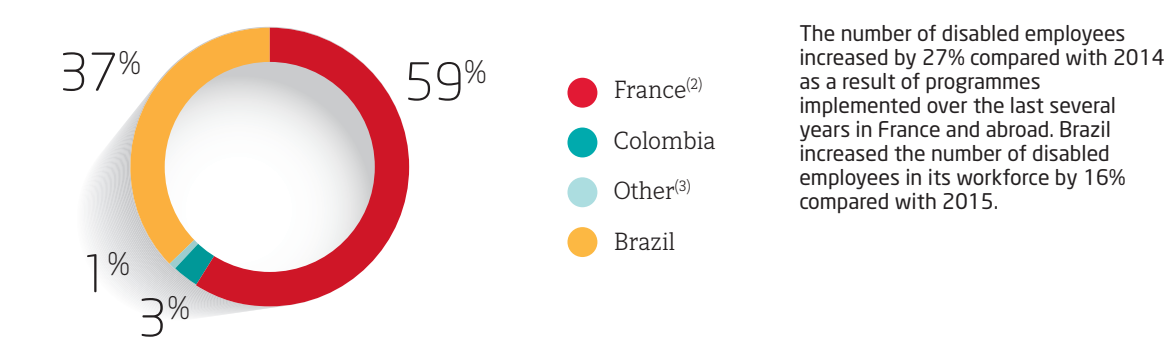
Workforce by full-time/part-time employment<sup>(1)</sup>



Representation of women in the consolidated workforce and in management by country<sup>(1)</sup>



Employees with recognised disabilities by country<sup>(1)</sup>



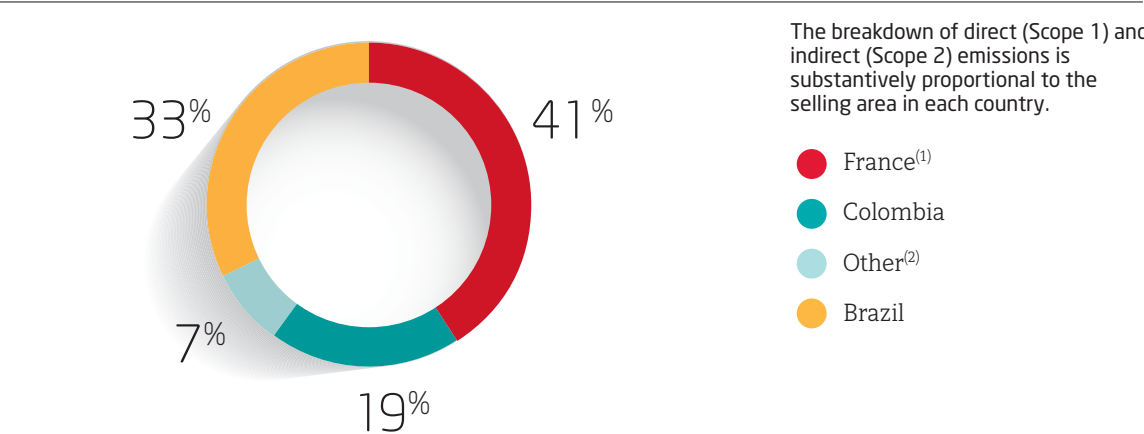
<sup>(1)</sup> Total workforce under permanent or fixed-term contracts at 31 December 2016.  
<sup>(2)</sup> France: Casino, Franprix, Leader Price, Monoprix, Cdiscount and Vindémia. <sup>(3)</sup> Libertad (Argentina) and Disco Devoto (Uruguay).

<sup>(1)</sup> Total workforce under permanent or fixed-term contracts at 31 December 2016.  
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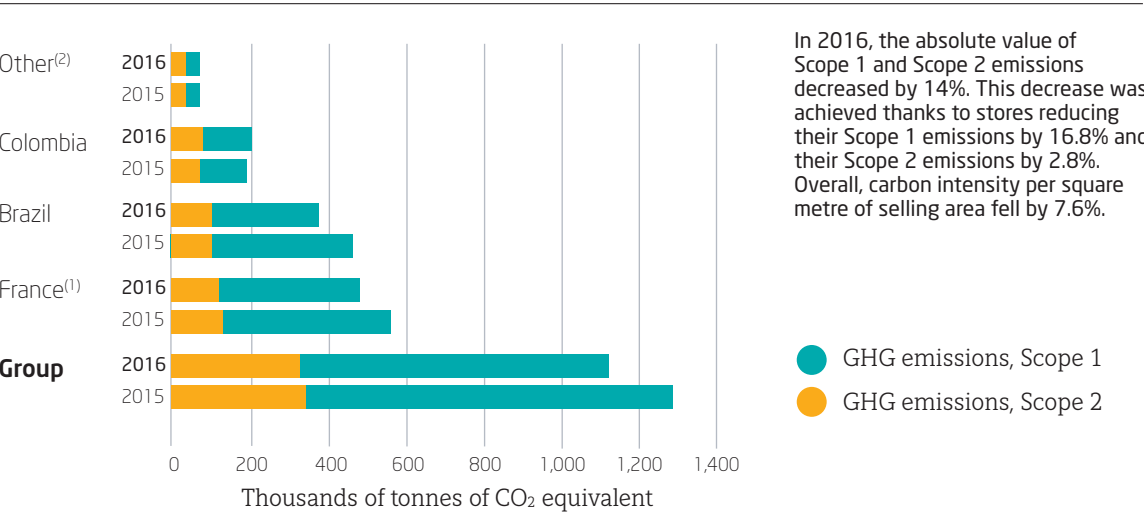


Environmentally committed group

Scope 1 and Scope 2 greenhouse gas (GHG) emissions by country

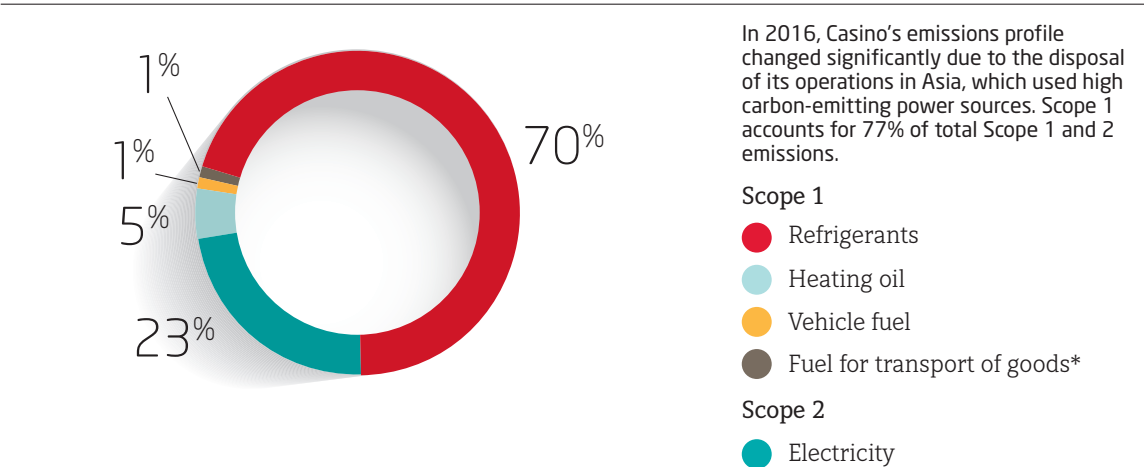


Change in Scope 1 and Scope 2 greenhouse gas emissions in absolute value by country



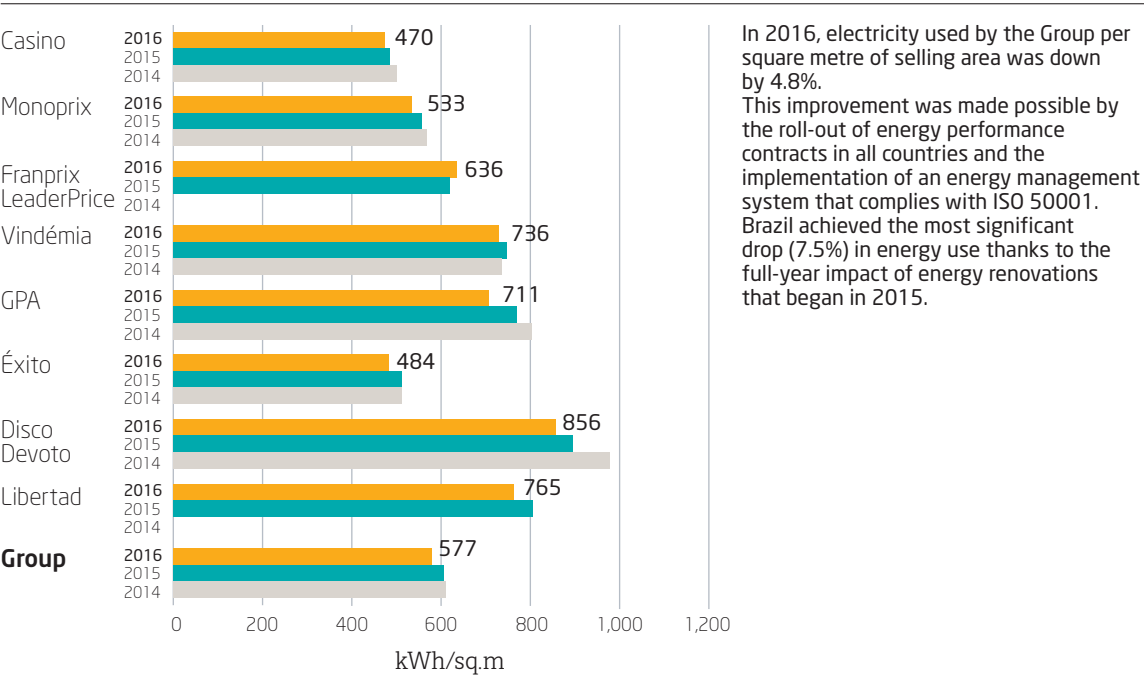
<sup>(1)</sup> France: Casino, Franprix, Leader Price, Monoprix, Cdiscount and Vindémia.  
<sup>(2)</sup> Libertad (Argentina) and Disco Devoto (Uruguay).

Scope 1 and Scope 2 greenhouse gas (GHG) emissions by origin



\* includes transport of goods under operational control for the logistics segment between warehouses and stores.

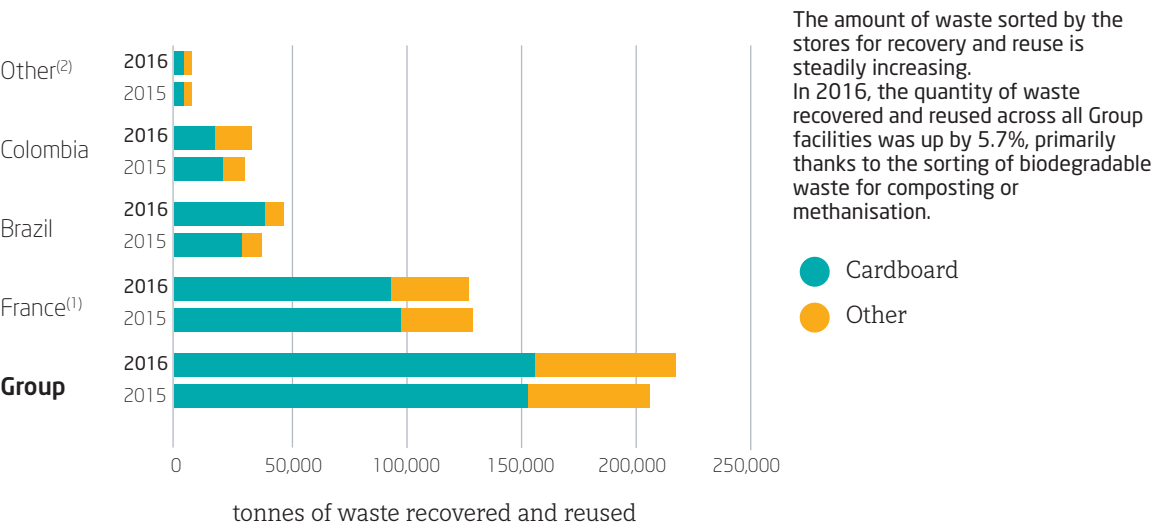
Change in energy efficiency by Group operating unit, 2015-2016, in kWh/sq.m





Environmentally committed group

Amount of waste recovered and reused, 2015-2016



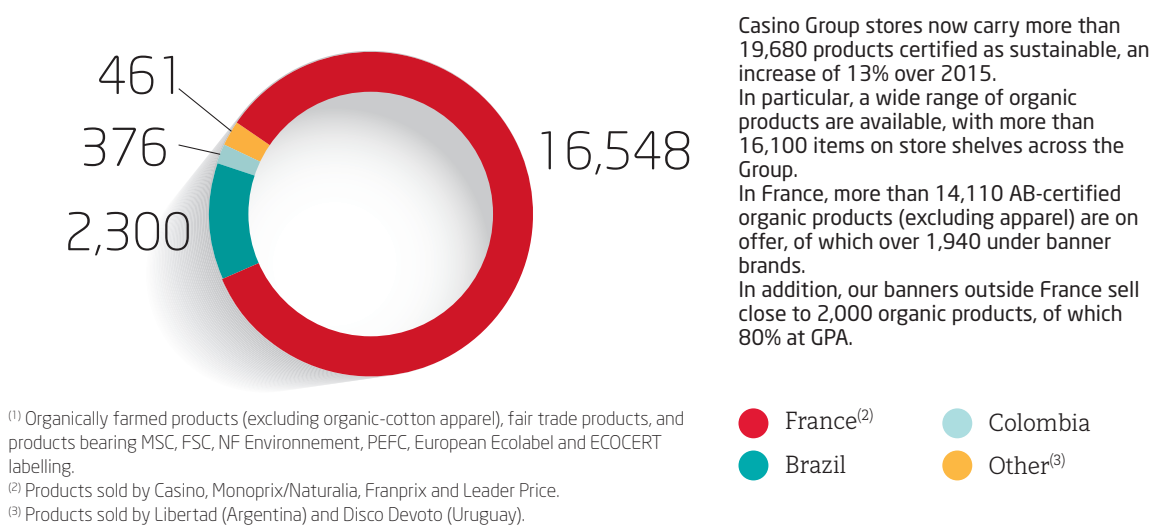
The amount of waste sorted by the stores for recovery and reuse is steadily increasing. In 2016, the quantity of waste recovered and reused across all Group facilities was up by 5.7%, primarily thanks to the sorting of biodegradable waste for composting or methanisation.

<sup>(1)</sup> France: Casino, Franprix, Leader Price, Monoprix, Cdiscount and Vindémia.  
<sup>(2)</sup> Libertad (Argentina) and Disco Devoto (Uruguay).

Responsible retailer

PROMOTING RESPONSIBLE CONSUMPTION

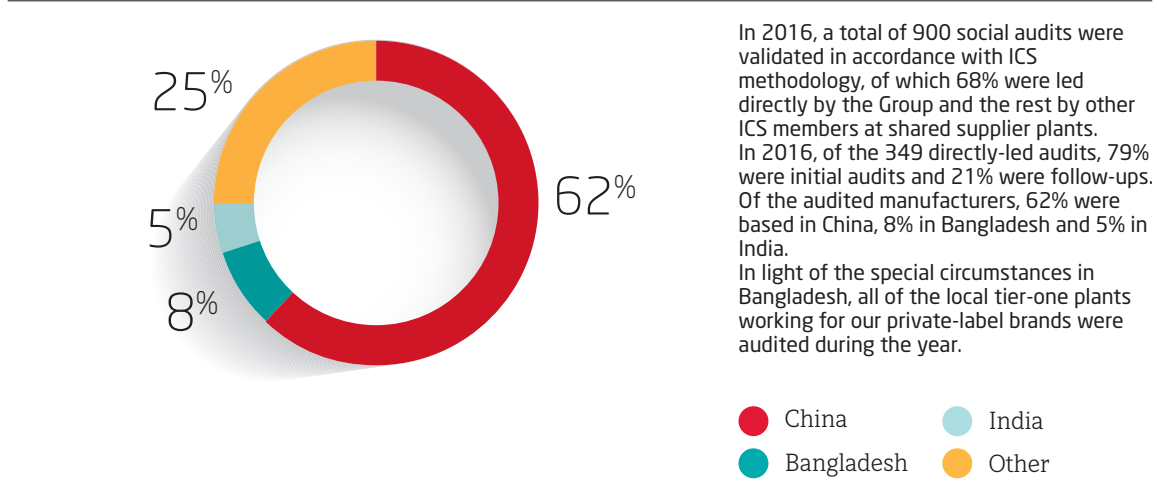
Number of national-brand and private-label products certified as sustainable<sup>(1)</sup>



Casino Group stores now carry more than 19,680 products certified as sustainable, an increase of 13% over 2015. In particular, a wide range of organic products are available, with more than 16,100 items on store shelves across the Group. In France, more than 14,110 AB-certified organic products (excluding apparel) are on offer, of which over 1,940 under banner brands. In addition, our banners outside France sell close to 2,000 organic products, of which 80% at GPA.

<sup>(1)</sup> Organically farmed products (excluding organic-cotton apparel), fair trade products, and products bearing MSC, FSC, NF Environnement, PEFC, European Ecolabel and ECOCERT labelling.  
<sup>(2)</sup> Products sold by Casino, Monoprix/Naturalia, Franprix and Leader Price.  
<sup>(3)</sup> Products sold by Libertad (Argentina) and Disco Devoto (Uruguay).

ICS social audits performed by country



In 2016, a total of 900 social audits were validated in accordance with ICS methodology, of which 68% were led directly by the Group and the rest by other ICS members at shared supplier plants. In 2016, of the 349 directly-led audits, 79% were initial audits and 21% were follow-ups. Of the audited manufacturers, 62% were based in China, 8% in Bangladesh and 5% in India. In light of the special circumstances in Bangladesh, all of the local tier-one plants working for our private-label brands were audited during the year.

# Principles and reporting scope of non-financial information

Information on the Casino Group's corporate social responsibility process and its environmental, human resources and social performance has been prepared in accordance with the principles set out in the Group's CSR reporting protocol, and distributed to everyone involved in the reporting process in France and in the international subsidiaries. The human resources, social and environmental data presented are aligned with financial reporting and, unless stated otherwise, cover all business activities under the operational control of the Casino Group or its major subsidiaries in France and abroad. Data concerning affiliates, franchises and business leases are not included. Reporting is on a fully consolidated basis (data included at 100%).

"The Group" includes the consolidated data of French and international business units. These data exclude operations discontinued in 2016 in application of IFRS 5, i.e., Viavarejo and Cnova Brazil.

Information on the Casino Group's corporate social responsibility process is also available on the corporate website ([www.groupe-casino.fr](http://www.groupe-casino.fr)) and in the 2016 Registration Document, which provides additional information about CSR performance and initiatives, as well as about the governance system and methods and principles applied. The Registration Document includes the report issued by the Statutory Auditors based on their 2016 review of the Company's CSR information. Monoprix, Cdiscount, Vindémia, GPA, Grupo Éxito and Libertad each publish CSR information in their management reports or on their websites. The Group, as well as its subsidiaries Libertad, GPA and Éxito, are signatories of the United Nations Global Compact, and each publish a Communication on Progress report every year.

## UN Global Compact cross-reference table

The Casino Group signed the United Nations Global Compact in 2009, thereby embracing its ten fundamental principles concerning human rights, labour, the environment and the fight against corruption.

### UNITED NATIONS GLOBAL COMPACT PRINCIPLES

Human Rights	Pages
1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	78 to 82, 87, 89, 94 to 97
2. Make sure that they are not complicit in human rights abuses.	87, 103
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	82
4. The elimination of all forms of forced and compulsory labour.	87, 103
5. The effective abolition of child labour.	106 to 110
6. The elimination of discrimination in respect of employment and occupation.	53, 63, 73, 78, 79 98, 99
Environment	
7. Businesses should support a precautionary approach to environmental challenges.	90 to 92, 100 to 102
8. Undertake initiatives to promote greater environmental responsibility.	52, 53, 83 to 86, 90 to 92, 100 to 102
9. Encourage the development and diffusion of environmentally friendly technologies.	41, 62, 63, 72, 73, 90 to 92, 100 to 102
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	87



# 2016 CSR indicators

	Unit	Group	France					Brazil	Colombia	Uruguay	Argentina
			Casino	Cdiscount	Monoprix	Franprix Leader Price	Vindémia	GPA	Éxito	Disco Devoto	Libertad SA
Committed employer											
Number of employees at 31 December 2016(*)	Number	227,842	36,364	1,530	21,868	10,073	4,631	100,523	41,614	7,992	3,247
Women	%	53%	58%	43%	62%	51%	50%	52%	49%	56%	47%
Men	%	47%	42%	57%	38%	49%	50%	48%	51%	44%	53%
Under 30 years old	%	39%	20%	29%	34%	28%	29%	45%	47%	46%	24%
30 to 50 years old	%	47%	47%	64%	43%	56%	57%	47%	46%	42%	74%
Over 50 years old	%	14%	32%	7%	23%	16%	13%	9%	7%	12%	2%
Under permanent contracts	%	93%	92%	92%	92%	90%	88%	98%	86%	84%	98%
Full-time	%	85%	72%	97%	71%	76%	86%	95%	81%	84%	56%
Percentage of female managers	%	37%	34%	38%	52%	32%	37%	28%	29%	28%	17%
Disabled employees at 31 December 2016	Number	7,134	3,063	43	871	119	99	2,660	224	29	26
People hired under permanent contracts during the year	Number	45,769	3,561	231	5,249	988	305	27,356	6,188	1,774	117
People under the age of 26 hired under permanent and fixed-term contracts	Number	57,834	9,948	154	9,819	2,336	878	15,332	16,815	2,295	257
Workplace accidents with at least one day of lost time	Number	7,961	1,958	69	1181	903	211	1,220	1,653	594	172
Annual turnover of employees under permanent contracts	%	22%	13%	11%	24%	15%	7%	28%	21%	18%	7%
Training hours per person	Hours	18	6	16	5	5	5	15	48	4	15
Employees under permanent contracts promoted	Number	13,118	430	47	694	848	129	4,733	4,705	1,490	42
Meetings with employee representatives during the year	Number	22,689	12,887	103	5,068	681	621	350	702	44	360
Responsible Retailer and Trusted Partner products											
Products certified as "responsible"(**)	Number	19,684	2,127	771	11,609	974	1 067	2,299	376	394	67
Organic national-brand and private-label products (excluding apparel)	Number	16,107	1,910	3	10,654	764	787	1,609	203	110	67
Environmentally committed group (***)											
GHG emissions, Scope 1	t CO <sub>2</sub>	1,122,767	288,365	5,054	91,696	79,524	17,800	370,035	199,521	40,034	30,738
GHG emissions, Scope 2	t CO <sub>2</sub>	334,605	49,752	457	19,291	15,580	33,215	102,343	77,413	5,502	31,051
Electricity consumption											
Total	MWh	3,292,576	879,838	8,168	313,024	275,961	46,847	1,176,361	439,849	67,921	84,608
Electricity/sq.m of selling area	kWh/sq.m	577	470	-	533	636	736	711	484	856	765
Water consumption	cu.m	5,397,209	877,460	16,751	237,150	174,195	33,451	2,007,946	1,558,765	207,144	284,347
Volume of operating waste recycled and reused	tonnes	217,308	77,365	1,938	27,573	22,023	-	47,567	33,616	5,156	2,070
Waste recovery rate	%	47%	64%	77%	57%	62%	-	27%	-	-	-
Local corporate citizen											
Funds distributed for community outreach (donations and foundations)	€	76,419,968	16,442,693	133,881	16,513,138	6,852,947	2,228,275	15,589,276	17,993,049	453,811	212,898
Estimated number of people reached through foundations or outreach partnerships	Number	96,057	55,000	-	-	-	146	2,088	38,823	-	-

(\*) Employees: Excluding leased and franchised stores.

(\*\*) Private label and national brand products derived from organic farming (excluding organic-cotton apparel), fair trade products and products bearing MSC, FSC, NF Environnement, PEFC, EU Ecolabel or ECOCERT labelling.

(\*\*\*) Vindémia data include operations located on Reunion Island, i.e., 99.5% of the entity's revenue. The Group waste recovery rate covers 91% of Group revenue. Group water data cover 97% of Group revenue.

Note: Group data exclude discontinued operations in application of IFRS 5, i.e., Viavarejo and Cnova Brazil.



bienvenue  
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bienvenido  
bem-vindo

GROUPE  
**Casino**

**Financial  
performance  
and governance**



# The Board of Directors

Following the Annual General Meeting of 5 May 2017<sup>(1)</sup>, the Board of Directors will continue to be comprised of 12 members:

**Jean-Charles Naouri**

Chairman and Chief Executive Officer.

**Nathalie Andrieux**

Independent Company Director.  
*Independent Director.*

**Diane Coliche**

Permanent representative of Matignon-Diderot;  
Chief Financial Officer of Monoprix.

**Jacques Dumas**

Representative of Euris;  
Adviser to the Chairman of Casino;  
Deputy Chief Executive Officer of Euris.

**Christiane Féral-Schuhl**

Lawyer.  
*Independent Director.*

**Lady Sylvia Jay**

Independent Company Director.  
*Independent Director.*

**Didier Levêque**

Representative of Finatis;  
Corporate Secretary of Euris and Chairman  
and Chief Executive Officer of Finatis.

**Catherine Lucet**

Chief Executive Officer of the Education  
and Reference division of Editis.  
*Independent Director.*

**Gérald de Roquemaurel**

Legal Manager of BGR Partners.  
*Independent Director.*

**David de Rothschild**

Legal Manager of Rothschild et Cie Banque  
and Managing Partner of Rothschild et Cie.

**Frédéric Saint-Geours**

Chairman of the Supervisory Board of SNCF.  
*Senior Independent Director.*

**Michel Savart**

Representative of Foncière Euris;  
Advisor to the Chairman of the Rallye/Casino Group  
and Chairman and Chief Executive Officer  
of Foncière Euris.

**Henri Giscard d'Estaing**

Chairman of Club Med.  
*Non-Voting Director.*

**Gilles Pinoncély**

Company Director.  
*Non-Voting Director.*

**Kareen Ceintre**

Secretary of the Board of Directors.

<sup>1</sup> Subject to the election or re-election of the proposed candidates.

## Organisation and procedures of the Board of Directors

The rules governing the organisation and procedures of the Board of Directors are defined by law, the Company's Articles of Association and the Board's Charter. They are presented in detail in the Chairman's Report and in the 2016 Registration Document filed with the French securities regulator, the Autorité des Marchés Financiers (AMF).

Directors are elected for a term of three years. In accordance with the Company's Articles of Association and the Afep-Medef Corporate Governance Code for French listed companies, the Board is re-elected in part each year on a rotation basis. The terms of the following directors are therefore expiring at the Annual General Meeting of 5 May 2017: Gérald de Roquemaurel, David de Rothschild, Frédéric Saint-Geours, Euris and Foncière Euris.

The Board of Directors seeks to ensure that its membership is aligned with the principles of the Afep-Medef Corporate Governance Code. With the assistance of its specialised committees, the Board periodically assesses its size, structure and composition as well as that of its committees. Directors are selected for their experience, skills and readiness to be involved in the Group's development. The Appointments and Compensation Committee is responsible for proposing candidates for election or re-election to the Board. The aim is to maintain a diverse and complementary range of skills and experience on the Board and to achieve a balanced representation of men and women.

Based on the Governance Committee's assessment, the Board of Directors has decided that its present size is appropriate. In accordance with the recommendation of the Appointments and Compensation Committee, it has therefore submitted a number of related resolutions to the Annual General Meeting of 5 May 2017. It recommends that shareholders re-elect for a three-year term Gérald de Roquemaurel, David de Rothschild and Frédéric Saint-Geours as well as Euris and Foncière Euris, represented respectively by Jacques Dumas and Michel Savart. On the recommendation of the Appointments and Compensation Committee, it also

recommends that shareholders elect a new independent director to replace Cobivia, Christiane Féral-Schuhl, who is a lawyer and member of the Paris and Quebec bars and a former Chair of the Paris Bar (2012-2013). Her profile complements the experience and expertise of the current Board members.

As part of its delegated responsibilities, the Appointments and Compensation Committee conducted its annual review of the independence of each of the directors comprising the Board as submitted for the approval of the 5 May 2017 Annual General Meeting (if all the resolutions are approved).

Six of the Board members were deemed to be independent: Nathalie Andrieux, Sylvia Jay, Catherine Lucet, Gérald de Roquemaurel and Frédéric Saint-Geours. Christiane Féral-Schuhl also meets all the criteria of the Afep-Medef Corporate Governance Code.

On shareholder approval, the Board would also include a qualified non-independent individual from outside the Company, David de Rothschild, and the controlling shareholder would be represented by five directors – Jean-Charles Naouri, Chairman and Chief Executive Officer, Jacques Dumas, Didier Lévêque, Michel Savart and Diane Coliche.

Following the Annual General Meeting of 5 May 2017, the Board would therefore comprise 12 members, of which six independent directors (50%) and five women (42%).

Having consulted the Governance Committee and the Appointments and Compensation Committee, the Board has also decided to include an employee representative among its members, in accordance with the provisions of French Act 2015-994 of 17 August 2015 on social dialogue and employment. The amendments to the Articles of Association necessary to provide for employee representation on the Board have been submitted to the Annual General Meeting of 5 May 2017. Subject to their approval, an employee representative will be elected within six months of the Annual General Meeting. In accordance with the Afep-Medef Corporate Governance Code, this director will not be taken into account when calculating the percentage of independent directors and gender representation on the Board.

In 2012, following a proposal by the Chairman and in accordance with AMF recommendations and shareholder proxy advisors, the Board of Directors appointed a Senior Independent Director in order to ensure that the principles of good governance are upheld in the exercise of the combined roles of Chairman and Chief Executive Officer.

In the formal assessment of the Board's procedures, which was conducted by an external firm in 2016, the Directors' ratings and comments once again indicated that they were satisfied with the Board's organisation and procedures, both from an ethical standpoint and in terms of corporate governance principles.

The Board of Directors met 11 times in 2016, with an average attendance rate of 85.3%.

## Board Committees

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**In 2015, with a view to strengthening the Company's good governance process, the Board of Directors decided to create a committee dedicated to governance issues, tasked with monitoring changes in governance rules and ensuring their proper application and integration by the Group.**

The Board of Directors is therefore now assisted by three specialised committees: the Audit Committee, the Appointments and Compensation Committee and, since 7 July 2015, the Governance Committee. The Chairman and Chief Executive Officer does not sit on any committee.

### AUDIT COMMITTEE

The Audit Committee is currently comprised of three independent members: Catherine Lucet, Frédéric Saint-Geours and Gérald de Roquemaurel. Catherine Lucet is the Committee Chair.

All members of the Audit Committee hold or have held senior executive positions and therefore have the financial or accounting skills required by Article L. 823-19 of the French



Commercial Code (Code de Commerce). The Audit Committee is responsible for assisting the Board of Directors in reviewing and approving the annual and interim financial statements and in dealing with transactions or events that could have a material impact on the position of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risks. Accordingly, pursuant to Article L. 823-19 of the Commercial Code, the Committee is in charge of matters relating to the preparation and auditing of accounting and financial information. Specifically, it monitors the effectiveness of the internal control and risk management systems, the audit of the parent company and consolidated financial statements by the Statutory Auditors and the Statutory Auditors' independence. Since 2015, as part of a good governance process and in order to better identify and manage potential conflicts of interests, it has also been tasked with reviewing significant agreements with related parties prior to their conclusion.

A charter sets out the Committee's powers and duties, particularly those concerning risk management, the identification and prevention of management errors and the procedure by which agreements with related parties are reviewed.

The Audit Committee met eight times in 2016, with an attendance rate of 96.43%.

### APPOINTMENTS AND COMPENSATION COMMITTEE

The Appointments and Compensation Committee is currently comprised of three members, two of whom are independent: Gérald de Roquemaurel and Nathalie Andrieux, who are independent, and Jacques Dumas. Gérald de Roquemaurel is the Committee Chairman.

The Appointments and Compensation Committee's primary role is to assist the Board of Directors in a) reviewing candidates for appointment to Senior Management positions and for election to the Board of Directors, b) assessing directors' independence, c) setting and overseeing executive corporate officers' compensation as well as stock option and share grant policies, and d) establishing employee share ownership plans. A charter sets out its powers and duties.

The Appointments and Compensation Committee met five times in 2016, with an attendance rate of 86.67%.

### GOVERNANCE COMMITTEE

The Governance Committee is currently comprised of three members: Frédéric Saint-Geours and Sylvia Jay, who are independent members, and David de Rothschild. Frédéric Saint-Geours, Senior Independent Director, is the Committee Chairman.

In order to more effectively take into consideration the highly international dimension of the Group today as well as the several listed companies in its make-up, whether subsidiaries or parent companies, both in France and internationally, the Board of Directors felt the need to enhance its committees in order to support the good governance process.

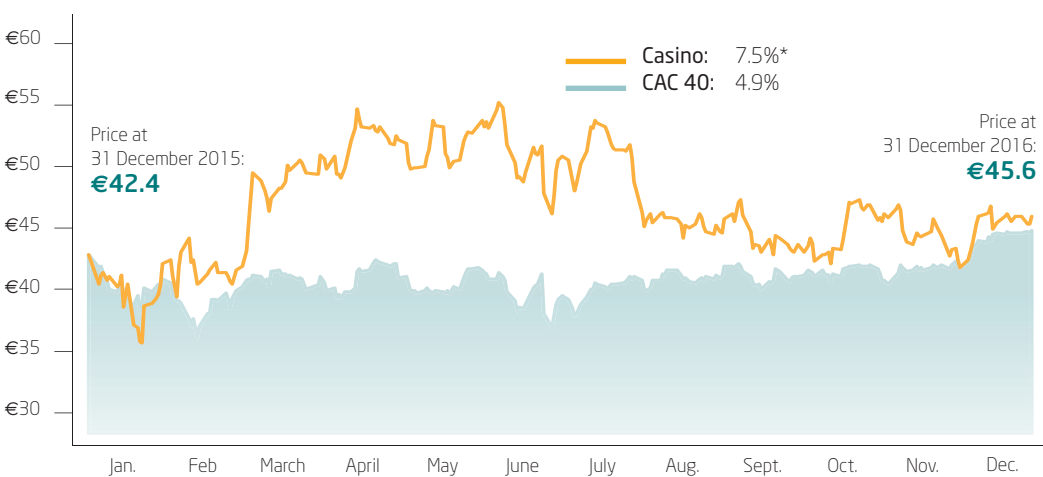
The Governance Committee was thus created in 2015 with the aim of monitoring the development of governance rules and ensuring their proper application and integration by the Group as well as proposing any appropriate changes. In addition, it is tasked with reviewing the Group's corporate social responsibility policy. Its responsibilities have been determined so as to complement those of the other two committees. The Governance Committee assists the Board in implementing and applying governance rules and best practices and monitors all ethical issues relating to the directors, the assessment of the Board of Directors' procedures and the management of conflicts of interests. It also examines the structure, size and composition of the Board on a regular basis.

The Governance Committee's organisation and procedures are described in a charter approved by the Board of Directors.

The Governance Committee met three times in 2016, with an attendance rate of 100%.

# Casino share performance and ownership

## 2016 share performance



\* Evolution of Casino's share price in 2016 : + 7.5% ; +11.2% including the interim dividend ; +18.4% including the interim dividend and dividend

### Share information

**Stock exchange**  
Euronext Paris (Compartment A)

**Symbol**  
- ISIN : FR0000125585  
- Bloomberg : CO FP  
- Reuters : CASP. PA

**Indices**  
- **Benchmark**  
CAC NEXT 20, CAC Large 60, SBF 120, SBF 250, Euronext 100  
- **Sector**  
DJ Stoxx and DJ Euro Stoxx Retail  
- **Socially responsible investing**  
FTSE4GOOD ;  
Euronext Vigeo index ; Eurozone 120, Europe 120, World 120 and France 20 ;  
Ethibel Sustainability Index (ESI) Excellence Europe ;  
MSCI Global Sustainability Indexes et MSCI Global SRI Indexes ;  
STOXX® Global ESG leaders Indices.

The Casino share price is displayed in real-time under "The Casino share" in the Finance section of the corporate website:  
<http://www.groupe-casino.fr>

**Eligible**  
for the Deferred Settlement System (SRD)  
and for the PEA share savings plan (PEA)

**Shares outstanding**  
110,996,996 at 31 December 2016

**Market capitalisation**  
€5.1 billion at 31 December 2016

**Credit rating**  
Casino has been BB+ rated (stable outlook) by Standard & Poor's since 21 March 2016 and BBB- (negative outlook) by Fitch Ratings since 14 December 2016.

**Sponsored ADR programme**  
Structure : Level I ADR  
Bloomberg ticker : CGUSY US  
CUSIP : 14758Q206  
ADR depositary bank : Deutsche Bank Trust Company Americas

## Ownership structure at 31 December 2016

	Number of shares	%	Voting rights	%
Public	53,838,179	48.5%	57,714,619	35.4%
Groupe Rallye	55,930,447	50.4%	103,146,472	63.3%
Employee mutual fund	1,126,114	1.0%	2,213,265	1.4%
Treasury shares	102,256	0.1%	0	0.0%
<b>Total</b>	<b>110,996,996</b>	<b>100%</b>	<b>163,074,356</b>	<b>100,0%</b>

## Five-year share performance

	2016	2015	2014	2013	2012
<b>Average daily trading volume</b>					
In number of shares	1,016,660	949,293	631,839	627,764	662,020
In € millions	46.3	59.3	54.1	49.1	46.2
<b>High/low</b>					
High (in €)	54.9	87.9	97.5	86.8	75.9
Low (in €)	35.2	38.7	70.0	68.5	61.7
<b>Closing price at 31 December (in €)</b>	<b>45.6</b>	<b>42.4</b>	<b>76.5</b>	<b>83.8</b>	<b>72.1</b>
<b>Dividend per share (in €)</b>	<b>3.12</b>	<b>3.12</b>	<b>3.12</b>	<b>3.12</b>	<b>3.00</b>

Several major subsidiaries are also publicly listed:

- CBD (Brazil) on the BM&F Bovespa in São Paulo and the NYSE (USA),
- Éxito (Colombia) on the BVC in Colombia,
- Cnova (Netherlands) on Euronext Paris.



# Financial highlights

## Revenue and results

In € millions	2016	2015 <sup>(1)</sup>
Net revenue	36,030	35,312
EBITDA	1,697	1,689
Trading profit	1,034	997
Consolidated net profit, Group share	2,679	-43
Underlying net profit <sup>(2)</sup> , Group share	341	357
Consolidated net debt	3,367	6,073
Casino France net debt <sup>(3)</sup>	3,200	6,081

## Per share data

In €	2016	2015
Diluted earnings per share <sup>(1)</sup>	2.56	2.31
Net dividend	3.12 <sup>(2)</sup>	3.12

<sup>(1)</sup> 2015 data have been restated from the divested operations in Asia. In addition, following the end-2016 decision to sell Via Varejo, and in accordance with IFRS 5, Via Varejo (including Cnova Brazil) has been reclassified as discontinued activity.

<sup>(2)</sup> Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expense, as defined in the "Significant Accounting Policies" section of the notes to the annual consolidated financial statements, and to non-recurring financial items and non-recurring tax credits and expenses.

<sup>(3)</sup> Scope: Casino Guichard Perrachon, the parent company, the French business activities, and the wholly-owned holding companies.

<sup>(1)</sup> Diluted earnings per share includes the dilutive effect of the Monoprix mandatory convertible bonds (ORA) and TSSDI deeply subordinated perpetual bonds.

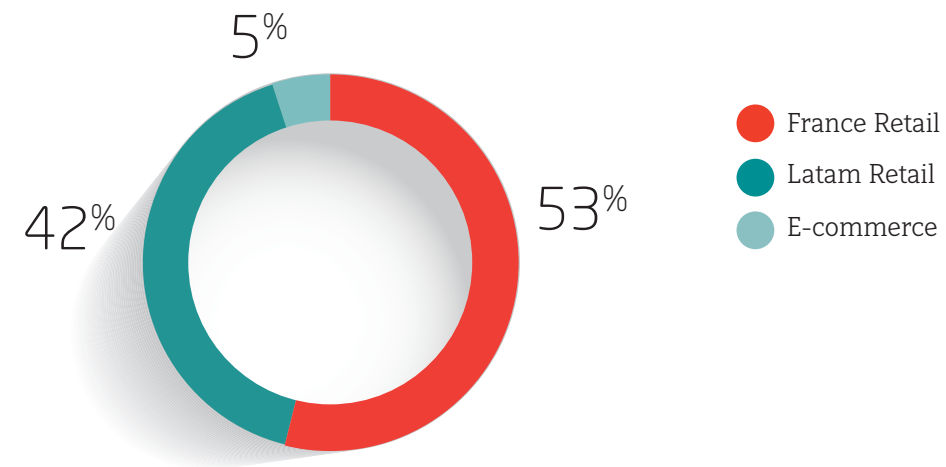
<sup>(2)</sup> Dividend subject to shareholder approval at the Annual General Meeting on 5 May 2017.

# Consolidated net revenue

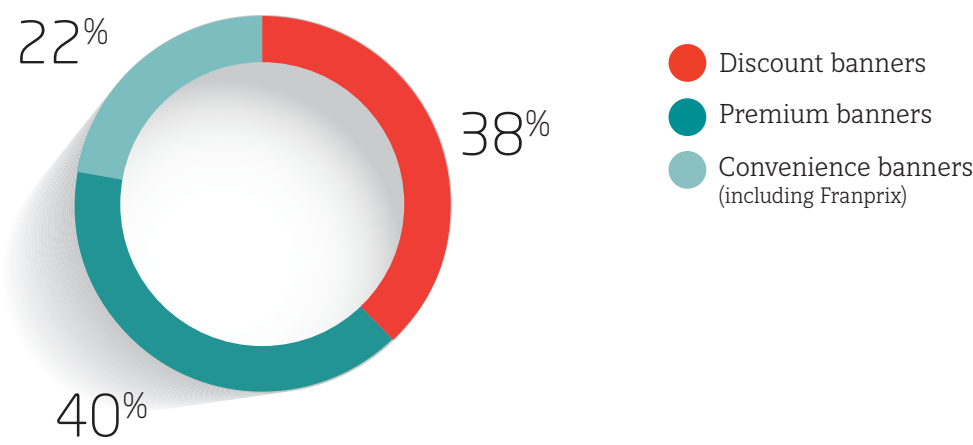
## Change in net revenue

In € millions	2016	2015	Change vs 2015	Organic change vs 2015 <sup>(1)</sup>
France Retail	18,939	18,890	0.3%	0.8%
o/w: Hypermarkets	4,722	4,703	0.4%	1.8%
o/w Géant Casino	4,432	4,423	0.2%	1.6%
Casino supermarkets	3,301	3,214	2.7%	3.8%
Monoprix	4,230	4,135	2.3%	1.6%
Franprix/Leader Price	4,111	4,238	-3.0%	-1.6%
Convenience stores & other	2,575	2,601	-1.0%	-1.3%
Latam Retail	15,247	14,714	3.6%	11.4%
Groupe Éxito (off GPA Food)	4,499	4,662	-3.5%	10.8%
GPA Food	10,749	10,052	6.9%	11.7%
Cdiscount	1,843	1,708	7.9%	8.8%
<b>Group</b>	<b>36,030</b>	<b>35,312</b>	<b>2.0%</b>	<b>5.7%</b>

## Consolidated revenue breakdown



## Revenue breakdown for France Retail



<sup>(1)</sup>Excluding petrol and the calendar effect and at constant exchange rates.



# EBITDA

## and trading profit

### Group EBITDA - 2016

In € millions	2016	2016 at CER <sup>(1)</sup>	2015 <sup>(2)</sup>
France Retail	872	872	726
Latam Retail	816	880	980
E-commerce	10	9	-17
<b>Group</b>	<b>1,697</b>	<b>1,762</b>	<b>1,689</b>

### Group trading profit - 2016

In € millions	2016	2016 at CER <sup>(1)</sup>	2015 <sup>(2)</sup>
France Retail	508	508	337
Latam Retail	538	583	698
E-commerce	-11	-12	-39
<b>Group</b>	<b>1,034</b>	<b>1,080</b>	<b>997</b>

### EBITDA margin

	2016	2015
France Retail	4.6%	3.8%
Latam Retail	5.3%	6.7%
E-commerce	0.5%	-1.0%
<b>Group</b>	<b>4.7%</b>	<b>4.8%</b>

### Trading margin

	2016	2015
France Retail	2.7%	1.8%
Latam Retail	3.5%	4.7%
E-commerce	-0.6%	-2.3%
<b>Group</b>	<b>2.9%</b>	<b>2.8%</b>

<sup>(1)</sup> CER : Constant Exchange Rates

<sup>(2)</sup> 2015 data have been restated from the divested operations in Asia. In addition, following the end-2016 decision to sell Via Varejo, and in accordance with IFRS 5, Via Varejo (including Cnova Brazil) has been reclassified as discontinued activity.

# Store network in France

## Number of stores

At 31 December	2014	2015	2016
Géant Casino hypermarkets	127	128	129
o/w French affiliates	7	7	7
International affiliates	10	11	12
Casino supermarkets	444	441	447
o/w French affiliates/franchise	63	60	83
International affiliates/franchises	32	33	33
Monoprix	632	698	745
o/w affiliates/franchises	186	197	196
Naturalia	90	126	141
Naturalia franchises	2	3	5
Franprix	860	867	858
o/w franchises	323	350	392
Leader Price	801	810	796
o/w franchises	207	263	383
<b>Total supermarkets + discount</b>	<b>2,737</b>	<b>2,816</b>	<b>2,846</b>
Convenience stores	6,825	6,916	6,065
Indian Ocean	129	146	185
Other activities (Food services, drive-through, etc.)	598	621	630
<b>TOTAL France</b>	<b>10,416</b>	<b>10,627</b>	<b>9,855</b>

## Retail space

In thousands of sq.m	2014	2015	2016
Géant Casino hypermarkets	925	926	916
Casino supermarkets	712	722	733
Monoprix	716	698	711
Franprix	371	364	356
Leader Price	648	661	664
<b>Total supermarkets + discount</b>	<b>2,447</b>	<b>2,445</b>	<b>2,464</b>
Convenience stores	858	866	783
Indian Ocean	112	114	115
<b>France total</b>	<b>4,345</b>	<b>4,350</b>	<b>4,280</b>



# International store network

## Number of stores

At 31 December	2014	2015	2016
<b>ARGENTINA</b>	<b>27</b>	<b>27</b>	<b>27</b>
Libertad hypermarkets	15	15	15
Mini Libertad convenience stores	12	12	12
<b>URUGUAY</b>	<b>54</b>	<b>65</b>	<b>79</b>
Géant hypermarkets	2	2	2
Disco supermarkets	28	29	29
Devoto supermarkets	24	24	24
Devoto Express convenience stores		10	24
<b>BRAZIL</b>	<b>1,106</b>	<b>1,167</b>	<b>1,135</b>
Extra hypermarkets	137	137	134
Pão de Açúcar supermarkets	181	185	185
Extra supermarkets	207	199	194
Assaí (discount)	84	95	107
Minimercado Extra convenience stores	256	311	284
Drugstores	158	157	155
+ service stations	83	83	76
<b>COLOMBIA</b>	<b>1,258</b>	<b>1,668</b>	<b>1,873</b>
Éxito hypermarkets	82	85	86
Éxito and Carulla supermarkets	153	163	166
Super Inter supermarkets	46	58	67
Surtimax (discount)	874	1 248	1 445
o/w Aliados	721	1 095	1 307
Éxito Express and Carulla Express	102	113	109
Other	1	1	0
<b>International total</b>	<b>2,445</b>	<b>2,927</b>	<b>3,114</b>

## Retail space

In thousands of sq.m	2014	2015	2016
<b>ARGENTINA</b>	<b>115</b>	<b>112</b>	<b>109</b>
Libertad hypermarkets	113	111	107
Mini Libertad convenience stores	2	2	2
<b>URUGUAY</b>	<b>80</b>	<b>83</b>	<b>85</b>
Géant hypermarkets	16	16	16
Disco supermarkets	31	32	31
Devoto supermarkets	33	33	33
Devoto Express convenience stores		2	4
<b>BRAZIL</b>	<b>1,752</b>	<b>1,804</b>	<b>1,814</b>
Extra hypermarkets	812	803	789
Pão de Açúcar supermarkets	233	237	237
Extra supermarkets	237	228	222
Assaí (discount)	317	373	421
Minimercado Extra convenience stores	62	79	71
Drugstores	11	12	11
+ service stations	81	73	62
<b>COLOMBIA</b>	<b>889</b>	<b>970</b>	<b>1,011</b>
Éxito hypermarkets	460	472	475
Éxito and Carulla supermarkets	205	212	214
Super Inter supermarkets	54	58	61
Surtimax (discount)	151	206	240
o/w Aliados			
Éxito Express and Carulla Express	18	21	20
Other	1	1	0
<b>International total</b>	<b>2,836</b>	<b>2,970</b>	<b>3,019</b>

## CONTACTS

### Corporate Communications

Phone: +33 (0)1 53 65 24 29

E-mail: [directiondelacommunication@groupe-casino.fr](mailto:directiondelacommunication@groupe-casino.fr)

### Financial Communications and Investor Relations

Phone: +33 (0)1 53 65 64 17

E-mail: [IR\\_casino@groupe-casino.fr](mailto:IR_casino@groupe-casino.fr)

### Corporate Social Responsibility (CSR)

Phone: +33 (0)1 53 70 51 97

### Group Website

[www.groupe-casino.fr](http://www.groupe-casino.fr)

## SHAREHOLDER RELATIONS

1, Cours Antoine Guichard  
CS 50306 - 42008 SAINT-ETIENNE Cedex 1 - France  
Website: [www.groupe-casino.fr](http://www.groupe-casino.fr)  
E-mail: [actionnaires@groupe-casino.fr](mailto:actionnaires@groupe-casino.fr)  
Toll-free number: 0800 16 18 20  
(landline calls originating in France only)

To convert bearer shares to registered shares, contact the financial intermediary handling the shares concerned, who will in turn register them with:

### BNP Paribas Securities Services - GCT

Shareholder Relations  
Grands Moulins de Pantin  
9, rue du Débarcadère F-93761 Pantin Cedex - France  
Phone: +33 (0)1 40 14 31 00  
Authorised agent for management of shareholder registration.

## CASINO, GUICHARD-PERRACHON

Share capital: €173,192,459.58

### Headquarters

1, Cours Antoine Guichard  
CS 50306 - 42008 SAINT-ETIENNE Cedex 1 - France  
Phone: +33 (0)4 77 45 31 31  
Fax: +33 (0)4 77 45 38 38

The Company is registered in Saint-Étienne Cedex 2 under no. 554 501 171 RCS.

### Paris office

148, rue de l'Université  
75007 Paris - France  
Phone: +33 (0)1 53 65 25 00

## COORDINATION

Corporate Communications Department

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**GROUPE CASINO**

1, Cours Antoine Guichard - CS 50306 - 42008 SAINT-ETIENNE Cedex 1

Tel: +33 (0)4 77 45 31 31 – Fax: +33 (0)4 77 45 38 38

[groupe-casino.fr](http://groupe-casino.fr)

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