2019 Universal Registration Document

GROUPE Casino
NOURISHING A WORLD OF DIVERSITY

Contents

AUTORITÉ DES MARCHÉS FINANCIERS AMF

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Chapter 1

Presentation of Casino Group

1.1. GROUP FINANCIAL HIGHLIGHTS

The Group's financial performance in 2019

Continuing operations *(€ millions, post-IFRS 16)*	**2019**	2018 (restated)	2019/2018 reported change	2019/2018 CER change[1]
Net sales	34,645	34,329	+0.9%	+4.2%
EBITDA[2]	2,640	2,669	-1.1%	+0.6%
Trading profit	1,292	1,364	-5.3%	-3.1%
Net profit (loss) from continuing operations (Group share)	(384)	(60)	n.m.	n.m.
Net profit (loss) from discontinued operations (Group share)	(1,048)	(57)	n.m.	n.m.
Consolidated net profit (loss) (Group share)	(1,432)	(117)	n.m.	n.m.
Underlying net profit[3] (Group share)	212	327	-35.4%	-34.9%

(1) CER: At constant exchange rates. Change in net sales is presented on an organic basis, excluding fuel and calendar effects.
(2) EBITDA = Trading profit + amortisation and depreciation expense. See Note 5 Segment information, page 81.
(3) Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expenses and the impact of non-recurring financial items as well as tax expense/benefits related to these adjustments and the application of IFRIC 23 rules. See section on alternative performance indicators on page 28.

Debt and equity

(€ millions, post-IFRS 16)	**2019**	2018 (restated)
Equity (before appropriation)	8,291	11,709
Net debt[1]	4,053	3,378
Net debt to EBITDA ratio	1.5x	1.3x

(1) See Note 11 Financial structure and finance costs, page 114.

Gross capital expenditure

(€ millions, continuing operations, excl. disposal plan, post-IFRS 16)	**2019**	2018 (restated)
Capital expenditure		
▪ of which France	(354)	(559)
▪ of which Latam Retail	(671)	(549)
▪ of which E-commerce (Cdiscount)	(83)	(80)
TOTAL	**(1,107)**	**(1,188)**

Note: Figures are presented post-IFRS 16. Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation in 2018 and from 1 January to 30 June 2019, in accordance with IFRS 5. Leader Price is presented as a discontinued operation in 2019, in accordance with IFRS 5. The 2018 financial statements have been restated to permit meaningful comparisons with 2019.

1.2. MILESTONES IN THE GROUP'S HISTORY

1898-1998
The foundations of Casino Group

The Group's origins date back to 1898, when Geoffroy Guichard created Société des Magasins du Casino and opened the first store in Veauche, in central France. In 1901, Casino created France's first private label. The network quickly expanded in the Saint-Étienne region, around Clermont-Ferrand and on the Côte d'Azur. In 1939, the Group managed 9 warehouses, 20 plants and 2,500 outlets.

From the 1950s onwards, the Group began to diversify its formats and activities. It successively opened its first self-service store, its first Casino supermarket and its first Géant hypermarket before creating the Casino cafeterias.

Starting in the 1980s, Casino Group began strengthening its operations in France and refocusing on its core business as a retailer in response to an increasingly competitive environment in retailing. In 1992, it acquired the Rallye "hypermarkets, supermarkets and cafeterias" retail activities. In 1997, the Group acquired a stake in Monoprix-Prisunic and took control of the Franprix-Leader Price banners.

1998-2015
International expansion and deployment in E-commerce

As the year 2000 approached, Casino Group was one of France's leading retailers and was poised to expand its international operations. Between 1998 and 2002, the Group acquired a number of retailers based in Latin America, South East Asia and the Indian Ocean region. In France, it consolidated its positioning in convenience and discount formats.

In 2000, the Group acquired a stake in Cdiscount, an online retailer.

At the same time, it developed complementary businesses with the creation of Banque Casino in 2001. In 2005, the Group's shopping centre properties in France were spun off through the creation and initial public offering of the Mercialys property company.

2015-2019
Structuring, simplification and consolidation of Casino Group

In 2015, Casino Group changed its organisation by merging all its businesses in Latin America and announced a plan to reduce its debt by €4 billion. In 2016, it sold its activities in Asia (Thailand and Vietnam).

As it reorganised, Casino Group entered into a set of purchasing alliances with Intermarché, followed by Conforama and Dia. Subsequently, in 2018, the Group joined forces with Auchan, Metro, the Schiever group and Dia to create a "new generation" central purchasing agency, Horizon.

In France, the Group strengthened its positioning in buoyant formats, categories and geographies. It concentrated particularly on premium and convenience banners, as well as E-commerce and the development of new value-creating businesses.

Focusing on these strategic priorities, the Group launched a vast plan in 2018 to dispose of non-strategic assets. The objective under this plan was increased in 2019. Concurrently, the Group implemented a plan at the end of 2018 to close or dispose of loss-making stores.

In 2019, the Group finalised a refinancing plan for France and completed its project to simplify the Group's structure in Latin America. It also announced the completion of the sale of Via Varejo in Brazil.

1.3. BUSINESS AND STRATEGY

Casino Group ranks as a major food retailer in France and Latin America. Multi-format, multi-brand and multi-channel, it had a total of 11,172 stores at 31 December 2019. Its model is built on five pillars: (i) a portfolio of buoyant formats in France; (ii) a leading food and non-food E-commerce offering; (iii) the development of new growth drivers; (iv) significant shareholding in major retailers in Latin America; and (v) strengthening of the Group's structure through major financial and strategic plans.

The Group reports its results in three segments: France Retail (Monoprix, Franprix, Casino Supermarkets and Géant Casino, Convenience and Other), E-commerce (Cdiscount) and Latam Retail (GPA, Éxito, Disco Uruguay and Libertad food banners).

In 2019, the Group recorded consolidated net sales of €34.6 billion, up 0.9% as reported, 4.2% on an organic basis[1] and 2.2% on a same-store basis[1]. Underlying profit attributable to equity holders of the parent came to €212 million for the year.

In 2019, the key macro indicators in the Group's main markets changed as follows:

	Change in household consumption	Change in the consumer price index
France	+1.3%	+1.3%
Brazil	+1.9%	+3.7%

Source: Bloomberg.

1.3.1. A portfolio of buoyant formats in France

In France, Casino Group stands out for its portfolio of buoyant formats encompassing a mix of premium, convenience, supermarket and hypermarket banners. At 31 December 2019, Casino Group comprised 7,946 stores.

The food retail sector in France has for several years been undergoing profound changes due to a shift in consumer habits and regional trends. Consumers nowadays have new expectations with regard to the environment, such as product traceability and animal welfare, but also to practicality, leading to major changes in their consumption habits. They tend now to prefer urban convenience formats. Economic and demographic territorial trends are highly uneven from one region to another, with major urban hubs mainly situated in the Île-de-France, Rhône-Alpes and Côte d'Azur areas of France, where the Group has a particularly strong presence.

In this context, Casino Group is concentrating on the buoyant premium and convenience formats while reducing its exposure to hypermarkets and discount stores. As part of its plan initiated in late 2018 for the disposal and closure of loss-making stores (Rocade plan), among its integrated stores the Group has sold 17 hypermarkets and 14 loss-making supermarkets, and closed 4 loss-making supermarkets. The Group also signed an agreement in March 2020 to sell 567 Leader Price stores and three Leader Price warehouses.

Casino Group is now the leader in urban convenience and premium formats through its banners Monoprix, Naturalia and Franprix. It is also a leading player in Paris, the Greater Paris region and in other major French cities.

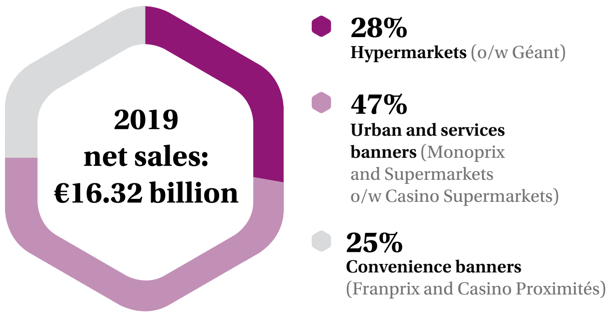
France Retail recorded net sales of €16,322 million in 2019 and trading profit of €676 million, of which €622 million derived from food retailing.

The France Retail segment accounts for 47% of the Group's net sales and 52% of its trading profit.

Casino Group has a market share of 10.8%[2] in its domestic market.

(1) Excluding fuel and calendar effects.
(2) Value of Kantar P13 2019 market share, cumulative annual average.

Breakdown of France Retail net sales [1] by format (at 31 December 2019)



PREMIUM AND CONVENIENCE FORMATS

■ Monoprix

Monoprix is the leading omni-channel city-centre retailer. Its aim is to increase everyone's accessibility to finer products by providing its customers with a differentiated offering and innovative services. It had 784 stores in France and abroad at end-2019.

The banner's expertise in city-centre retailing is reflected in the prime positioning of its stores in all French towns and cities. Monoprix stores are designed to cater to an active urban clientele. They stand out for their range of private-label products with a strong identity and a highly on-trend, quality non-food offering.

Monoprix has developed other store formats:

- Naturalia is the leading retailer specialising in natural and organic products in the Paris region, with 205 stores offering up to 10,000 organic items;
- Monop' is an ultra-convenience concept. Its highly practical stores provide a varied offering that meets basic daily needs while also providing for pleasure purchases. Monop' operates in busy urban areas and on motorways. Its 128 stores cater to an active and urban clientele;
- Monop'Daily combines fast food with ultra-fresh products. With an average selling area of 50 to 100 square metres, it offers a broad range of snacks, ready meals, dairy products, beverages, fruit and desserts, enabling customers to choose a different menu every day.

Monoprix has gained leading expertise in food E-commerce by forging partnerships with key players (see section 1.3.2). Through its partnership with Ocado, Monoprix is able to leverage disruptive technology for next-day delivery. In addition, Monoprix is positioning itself in express delivery of under two hours with Amazon in Paris, the Greater Paris region and the Côte d'Azur. The Monoprix store on Amazon Prime Now comprises more than 6,000 items, including 1,500 private-label products. The initial offering has been expanded with 2,000 new Naturalia items.

In 2019, Monoprix's net sales reached €4,548 million, driven by growth in organic products and double-digit growth in E-commerce.

■ Franprix

Mainly established in Paris and Île-de-France since 1958 and then in the heart of large French cities of the Rhone Valley and the Mediterranean basin, Franprix is a hyper-convenience urban banner featuring a strong culture of innovation. At end-2019, Franprix operated a total of 877 stores, including 459 franchises, with an average retail space of 400 square metres.

In 2015, the banner was restructured in line with the "Mandarine" concept, making the stores more friendly and practical with a wide range of organic and fresh products. Since then, the concept has evolved in step with the innovations tested by the banner to develop solutions that are increasingly tailored to new consumer trends, such as catering, healthy and responsible products (e.g., scoop-and-weigh) and a non-food offering supported by partnerships with Hema and Cdiscount.

In keeping with its culture of innovation, Franprix rolled out a store concept in 2018 focused on beauty and accessories, "... le drugstore parisien".

In 2019, Franprix's net sales totalled €1,526 million, led by growth in organic products and double-digit growth in E-commerce.

■ Casino Supermarkets

Casino Supermarkets operate in city centres and rural areas, with a network of 411 stores. They are concentrated in three main regions: south eastern France, the Rhone Valley and Greater Paris.

The banner's positioning is based on a strong commitment to fresh produce, food professionals and a wide range of products. It concentrates on a high level of customer service. Casino Supermarkets have an average selling area of around 1,500 square metres and offer mainly food products.

Innovation is also central to Casino Supermarkets' development. In 2018, the banner opened a unique store concept in Paris, "Le 4 Casino", combining physical and digital retail and a place to relax and socialise. Casino Supermarkets are rapidly developing omni-channel and E-commerce initiatives (Drive and click & collect, etc.). Furthermore, the customer experience is constantly enhanced with the roll-out of new digital solutions, particularly through the Casino Max app, which covers the Supermarkets, Hypermarkets and Convenience networks.

In 2019, Casino Supermarkets' net sales amounted to €3,142 million, driven by double-digit growth in organic products.

■ Convenience

The main Casino convenience store banners are Le Petit Casino, Casino Shop, Vival and Spar. In the heart of towns and villages, these stores take a human approach to retail. Made affordable through numerous promotional campaigns, their selection emphasises local producers, scoop-and-weigh services, organic produce and private-label products. The network comprises 5,139 convenience outlets.

(1) Leader Price is no longer included in the net sales breakdown following its reclassification as a discontinued operation, in accordance with IFRS 5.

Each banner offers a response tailored to its customers' needs:

- Le Petit Casino is the Group's historical convenience format. It projects a friendly, welcoming image and offers an extensive range of food products including high-quality fresh produce. The banner is an integral part of local life in urban and suburban areas.
- Vival operates mainly in villages and also projects a friendly, welcoming image. Alongside a food offering comprising mainly Casino-brand goods, it also offers many other useful day-to-day services (a loyalty programme, debit card payments from €1, payments by meal voucher, home delivery, parcel collection, gas canister collection, in-store postal service and fresh bread).
- Spar operates in seasonal, urban and suburban areas, offering a range of convenience food products and related services for local, tourist and international customers.

Recognised expertise in franchising is one of the key strengths of the convenience store business model. The number of franchised stores has now reached 4,321, mainly under the Spar and Vival banners, but also Casino and various service station banners. The Group has also confirmed its leadership in supplying food items to service stations.

The Convenience & Other segment(1) reported net sales of €2,547 million in 2019, while convenience retailers alone recorded €1,317 million, led by double-digit growth in organic products.

HYPERMARKETS

Géant hypermarkets

Géant Casino is a hypermarket banner on a human scale (average retail space of around 6,400 square metres), known for its traditional food sections, local fresh produce and vast organic produce range. Having reduced its retail space, particularly for non-food items, the banner has now set up shop-in-shops for specialised brands, thereby providing consumers with a new service and boosting customer traffic. The Group also disposed of 17 loss-making stores as part of its plan for the disposal and closure of loss-making stores initiated in late 2018 (Rocade plan).

Digital solutions continue to enhance consumers' purchasing experience, particularly through the Casino Max mobile app.

Géant had 109 stores at end-2019, including four affiliates in France and six affiliates abroad.

Hypermarkets(2) generated net sales of €4,560 million in 2019, of which €4,345 million from Géant.

OTHER BUSINESSES

Real estate assets

Casino Group actively manages its property assets in France and monetises some assets whose potential for future value creation is considered limited. More generally, the Group is developing a less capital-intensive, more asset-light model to give it more operational flexibility when it tests new concepts and rolls out stores. The model is based on holding less property and developing more franchises, led by the appeal of its dynamic, innovative banners.

The value of its assets in France excluding Mercialys(3) was €1.4 billion at the end of 2019, including transfer duties, compared with €2.6 billion at the end of 2018 (€1.3 billion and €2.4 billion respectively excluding transfer duties), mainly due to disposals of real estate assets by the Group (Monoprix store properties and hypermarkets sold to Apollo and Fortress, Rocade plan for the disposal and closure of loss-making stores; see section 1.3.5, Shopping centres).

In France, the vast majority of the real estate assets are held by Immobilière Groupe Casino, a wholly-owned indirect subsidiary of Casino, Guichard-Perrachon.

These assets comprise:

- store properties, including hypermarkets, supermarkets, convenience stores and restaurants, including car parks, service stations and the adjacent buildings. These assets are held directly, or through joint ventures or units of real estate investment vehicles (OPCI).
- other assets, including shopping centres adjacent to stores, headquarters, warehouses, non-operating assets.

Outside France, the Group continues to develop commercial real estate, and holds strong positions in commercial properties with more than 981,000 square metres of gross leasing area (GLA) in shopping centres and store property.

In Colombia, Viva Malls, a real estate fund created in partnership with Fondo Inmobiliario Colombia (FIC), opened two major shopping centres in 2018, Viva Envigado and Viva Tunja. Colombia has 34 shopping centres, with nearly 512,000 square metres of GLA.

(1) Includes cafeterias and the Indian Ocean region.
(2) Including Géant Casino and the business of the four Codim stores in Corsica.
(3) The valuation of the Group's assets is based on external appraisals or updated appraisals using the customary methods (discounted cash flow, yields, etc.), with specific assumptions for each country and each asset type.

Casino Group real estate portfolio in economic interests[1]

Value including transfer duties *(€ billions)*	2019	2018
France	**2.3**	**3.5**
▪ of which store properties	1.3	2.3
▪ of which Mercialys[2]	0.9	1.0
▪ of which other[4]	0.2	0.2
International[3]	**0.9**	**1.1**
Total Group assets	**3.2**	**4.6**
▪ of which store properties	1.8	3.0
▪ of which Mercialys[2]	0.9	1.0
▪ of which other[4]	0.6	0.6

(1) The valuation of the Group's assets is based on external appraisals or updated appraisals using the customary methods (discounted cash flow, yields, etc.), with specific assumptions for each country and each asset type.

(2) Mercialys' property portfolio in economic interests, including a 25.2% stake in the value of Mercialys' property assets.

(3) For international properties, valuation is calculated as a percentage interest, and therefore on a pro rata basis in controlled joint ventures.

(4) Shopping malls, warehouses and headquarters.

■ Banque Casino

Created in 2001, Banque Casino has positioned itself as a provider of consumer finance programmes and insurance products to Cdiscount and Géant hypermarket customers. Having developed extensive expertise in the Group, Banque Casino is now the leader of the French pay-later market with a 25% share and more than 100 E-commerce merchant partners.

Banque Casino also develops innovative payment and financing solutions, such as the 100% online mini-loan service Coup de Pouce, the instant mini-loan Lydia and a 10-instalment payment solution guaranteeing a reply in less than two minutes.

In 2019, Banque Casino hit the 3 million customer mark.

■ Casino Restauration

Casino Restauration was historically positioned in the fast-food segment through its chain of cafeterias (Casino cafeterias).

The Company operates in various market segments, including themed restaurants (Villa Plancha) and events catering (St Once).

As part of its strategic plan, in 2019 Casino Group sold its corporate catering business R2C to Compass Group as well as several A La Bonne Heure and Cœur de Blé restaurants to the Crescendo Restauration group.

■ Indian Ocean region

In July 2019, Casino Group announced that it had entered into an agreement with the GBH family group with a view to selling Vindémia, its subsidiary in the Indian Ocean region, for €219 million.

Vindémia holds a strong market position in Réunion and is also present in Madagascar, Mayotte and Mauritius. Vindémia has a multi-format positioning with hypermarkets (Jumbo), supermarkets (Score and Spar), discount stores (Cash), convenience stores (Supermaki, Douka Bé and SNIE), and franchised stores (Vival).

BUSINESS RECLASSIFIED AS A DISCONTINUED OPERATION

■ Leader Price

The Group announced in 2019 that it was in discussions with Aldi for the disposal of its Leader Price business. In March 2020, the Group announced that it had entered into an agreement with Aldi to sell 567 stores and three warehouses.

In light of the decision made in 2019, this business is presented as a discontinued operation in 2019, in accordance with IFRS 5. The 2018 financial statements have been restated to permit meaningful comparisons with 2019.

1.3.2. A leading food and non-food E-commerce offering

Casino Group has one of the most comprehensive E-commerce offerings among retailers in France. A pioneer in food E-commerce, the Group has forged broad partnerships with leaders in the sector, enabling it to provide the best home delivery solutions. Drawing on its unique network of 7,946 stores in France, the Group is also rolling out innovative logistics solutions. In addition, the Group is a French leader in non-food E-commerce through its subsidiary Cdiscount.

FOOD E-COMMERCE

Through its unique store network with dense urban coverage, the Group is able to develop a range of innovative logistics solutions for its customers. Casino Group recently acquired significant expertise in home delivery by entering into strategic partnerships with leading players in online food retail. These cover two different market segments: express delivery in under two hours for a select range of products, and next-day delivery for a wide range of products equivalent to those found in supermarkets.

The unique expertise in next-day delivery comes through the exclusive, pioneering partnership signed in 2017 between Monoprix and Ocado. The warehouse with Ocado technology has been operating on a test basis since 18 March 2020. It is designed to prepare and provide next-day delivery of Monoprix shopping baskets in Paris, Île-de-France, Normandy and the Hauts-de-France region. This disruptive technology, which can prepare a basket of 50 items in only six minutes, and which is sought after on an international scale, offers Monoprix.fr customers a vast assortment of food products along with the very best in service and affordability.

This next-day delivery E-commerce offering was enhanced in 2018 with the signing of a partnership with Amazon for express delivery within two hours. Amazon Prime Now customers can now access a wide offering from Monoprix comprising 6,000 items, of which 1,500 are private-label products, a 2,000-product offering from Naturalia and a wide range of Casino-brand items. The solution is up-and-running in Paris, the Greater Paris region and the Côte d'Azur (Nice and surrounding towns).

As well as home delivery, Casino Group has a pick-up service with its hypermarkets and supermarkets, known as "Drive".

NON-FOOD E-COMMERCE

Through its Cdiscount subsidiary, Casino Group is the French leader in non-food E-commerce. With more than 20 million unique visitors per month, Cdiscount has achieved critical mass, meaning it is able to gradually shift from exclusively B2C operations to a business model more oriented towards the B2B market thanks to the development of its marketplace. This transition is a key factor in developing the subsidiary's profitability.

In 2019, Cdiscount's GMV reached €3,899 million, with net sales of €2,195 million[(1)].

Cdiscount features a wide array of products in the home appliances, furniture, IT and culture categories, with a total of 64 million items available on its website. The Cdiscount marketplace now represents 38.1% of its GMV[(1)].

Cdiscount also offers an ever-expanding range of services for individuals, including holiday packages, ticketing, energy plans, as well as health and financial services.

Cdiscount has excellent international coverage spanning 25 European countries. An alliance of four European marketplaces, the International Marketplace Network (IMN) was deployed in 2019 to synchronize merchant offers and strengthen expansion abroad.

Cdiscount is a subsidiary of Casino Group's E-commerce unit Cnova. Casino holds 64.8% of its capital and the Group's Brazilian subsidiary holds 34.0%. 63.4% of Cnova's voting rights are held by Casino.

(1) Figures provided by the subsidiary company information available at www.cnova.com

1.3.3. Development of new growth drivers

Casino Group constantly adjusts its model to respond effectively to market changes and is developing new adjacent activities with strong growth prospects that complement its business as a retailer.

These activities fall into three categories: energy, through the Group's specialised subsidiary GreenYellow, Data, through its subsidiary relevanC, and Data Centers, with its subsidiary ScaleMax.

PHOTOVOLTAIC POWER AND ENERGY EFFICIENCY

■ GreenYellow

In 2007, Casino launched a new business in photovoltaic energy and energy efficiency by creating the subsidiary GreenYellow, which capitalises on the Group's expertise in the real estate sector (property development, construction and operation), as well as the favourable geographic location of its stores, mainly located in sunny regions. Initially dedicated to managing energy costs internally, particularly through the roll-out of photovoltaic systems on the rooftops and in the car parks of hypermarkets and supermarkets, the business has gradually developed an offering for external customers. It has three areas of expertise: the installation of photovoltaic plants and solar energy production, energy efficiency solutions and energy services. GreenYellow's cross-cutting expertise, from both an ecological and economic standpoint, means it is able to provide its private and public customers with a wide range of solutions to produce, manage and optimise their energy.

The photovoltaic pipeline totalled 451 MWp[1] at end-2019.

GreenYellow is positioned in France and abroad, in Latin America, Asia and Africa.

In 2018, to ramp up its development, GreenYellow opened its capital to external investors Tikehau Capital and BPI France, which now hold 24% of the capital.

Casino Group's energy subsidiary has a diversified customer portfolio of public authorities, private players and individuals, and offers a wide platform of innovative solutions (gas offering with Cdiscount, floating solar power plant in Asia, hybrid system[2] in Africa, etc.).

GreenYellow forges fruitful partnerships with leading players. In 2018, GreenYellow created a joint venture with Engie named Reservoir Sun, dedicated to solar self-consumption for businesses and municipalities in France. GreenYellow also signed a new partnership agreement with Allego to deploy France's largest network of ultra-fast electric vehicle charging stations.

GreenYellow is now a leading energy operator and intends to position itself as the energy partner of choice for companies and public authorities.

DATA AND DATA CENTERS

■ Data

Thanks to its vast network of brick-and-mortar stores in France and the dense customer traffic on the E-commerce site Cdiscount, Casino Group has access to targeted, high-quality customer data.

Casino Group has developed a consistent monetisation strategy for data, which has become a key intangible asset for retailers looking to understand consumers and their tastes and aspirations, and to anticipate upcoming changes in consumer habits. A dedicated subsidiary, 3W.relevanC, has been set up. It specialises in three areas: analysing purchasing behaviours, activating advertising campaigns, and measuring the impact of offline campaigns. The company's operations are carried out in strict compliance with the EU General Data Protection Regulation and the French law on the protection of personal data.

In February 2020, the two Casino Group entities, 3W.relevanC and Maxit, were combined to form relevanC, a key player in digital marketing. RelevanC will provide brands and retailers with customer acquisition and retention solutions, based on targeting strategies and impact measurement, via two divisions:

- relevanC advertising (formerly 3w.relevanC): media and marketing solutions, enhanced by transactional data, insights and measurement, to meet all the multi-channel marketing challenges related to target shoppers; and
- relevanC retail tech (formerly Maxit): technological solutions enabling retailers to optimise the performance of their marketing campaigns by using their data to personalise the customer relationship.

(1) MWp, Mega-Watt peak: maximum electrical power that can be supplied by a photovoltaic system under standard conditions.
(2) Hybridisation: solar power generation with a battery-powered storage system.

Data Centers

In December 2018, Casino Group positioned itself on the cloud computing market, announcing the creation of joint venture ScaleMax alongside Qarnot Computing. The aim of ScaleMax is to run new-generation "Data Centers" in unused spaces located in warehouses and storerooms. The business helps the Group generate revenue through the sale of computing power to a diversified client portfolio. In addition, the installed servers generate heat, which can be used to heat the buildings where they are housed. This green energy is managed by GreenYellow, Casino Group's energy subsidiary.

ScaleMax opened its first Data Center in the Greater Paris region (Réau, Seine-et-Marne), in a Cdiscount warehouse.

1.3.4. Significant shareholding in major retailers in Latin America

Casino Group operates in Brazil, Colombia, Argentina and Uruguay through 3,226 stores under banners that boast a long-standing presence and close relationships with their customers. The Group has leadership or co-leadership positions in countries with high growth potential, young populations and a proportion of modern retail solutions that remains low.

In 2019, Casino Group completed its project to simplify its structure in Latin America, bringing its activities in the region under the umbrella of its Brazilian subsidiary, GPA. GPA now controls 96.6% of the capital of the Colombian subsidiary, Grupo Éxito, which in turn controls the subsidiaries in Argentina and Uruguay. Casino Group directly holds 41.2% of GPA's shares and voting rights. GPA has been listed on the Novo Mercado since 2 March 2020, giving it access to a wide international investor base.

The Group's Latin American subsidiaries are combined in the Latam Retail segment (GPA, Grupo Éxito, Grupo Disco Uruguay and Libertad Argentina), which accounted for 47% of consolidated net sales and 47% of trading profit in 2019.

Food retailing net sales in Latin America came to €16,358 million in 2019, an increase of 5.0% in total, 9.7% on an organic basis[1], and 4.0% on a same-store basis[1]. Trading profit came to €612 million.

BRAZIL[2]

Casino has operated in Brazil since 1999 through its Grupo Pão de Açúcar (GPA) subsidiary. GPA is a long-standing player in the Brazilian food retail market, and over the past few years has adapted its positioning to meet changing consumer needs. GPA has significantly developed the cash & carry format with the Assaí banner in recent years. This format represented 51% of GPA's sales in 2019. The multi-format, multi-banner store portfolio allows GPA to cater to customers from all socio-economic backgrounds in Brazil. It has also been developing innovative private-label goods, which are much appreciated by consumers, including Qualità, an umbrella brand for food products, and Taeq, a health and well-being range. GPA is also ramping up the development of its digital and omni-channel solutions as part of its digital transformation, with a view to anticipating consumer needs.

In 2019, Casino Group finalised its disposal of Via Varejo, a chain specialising in the sale of electronic products and appliances, resulting from the consolidation of Ponto Frio and Casas Bahia stores (stores and online operations).

At end-2019, GPA operated a total of 881 food stores[3]. Including drugstores and service stations, it had 1,076 stores overall. GPA also manages 125 shopping malls covering a total of 282,000 square metres.

In 2019, the GPA food banners contributed €12,290 million to Casino's consolidated net sales. E-commerce delivered annual growth of over 40%[4].

GPA has been listed on the Brazilian stock exchange since 1995, the Novo Mercado since 2 March 2020 and the New York stock exchange since 1997.

Hypermarkets

Extra HM: 112 stores

Extra hypermarkets offer a vast range of food products as well as personal and household equipment, aiming to meet the demands of its customers. In 2019, the banner reorganised the segmentation of its store portfolio, setting high-performing outlets apart from stores needing to be optimised, potentially by converting them to the Assaí format.

Aside from hypermarkets, the Extra banner is present in supermarkets, drugstores and service stations.

(1) *Excluding fuel and calendar effects.*
(2) *Company information available at www.gpari.com.br.*
(3) *Excluding service stations and drugstores.*
(4) *Data published by the subsidiary GPA.*

■ Supermarkets

Pão de Açúcar: 185 stores

Pão de Açúcar premium convenience supermarkets offer a broad array of high-quality products (fresh, organic produce and healthy foods, etc.). Always at the leading edge of technology, the banner also offers a range of services to meet the specific needs of a relatively affluent clientele while leveraging the benefits of its widely used loyalty programme. The banner is rolling out new-generation stores to stay in line with its consumers' expectations.

Extra Super: 53 stores

Extra Super stores were gradually transformed into Mercado Extra and Compre Bem stores.

Mercado Extra: 100 stores

Opened in 2018, the Mercado Extra stores serve to give the Extra banner a new identity whose main strategic vectors are: better quality and service, a revised range placing greater importance on fresh produce, repositioned pricing, and increased penetration of the private label.

Compre Bem: 28 stores

Created in 2018; Compre Bem is a supermarket aimed at individuals and businesses, with a focus on serving with excellence and providing services comparable to those of regional supermarkets.

■ Convenience

Mini Extra: 152 stores

Minimercado Extra superettes are neighbourhood convenience stores with a simple, pleasant atmosphere. They offer all of the essential day-to-day products and services, with good value for money.

Minuto Pão de Açúcar: 85 stores

Launched in June 2014, Minuto Pão de Açúcar is a premium convenience format. With an average selling area of 300 square metres per store, it offers a range of differentiated products in stores combining the convenience, quality and brand image of Pão de Açúcar. The banner promotes sustainable development initiatives and provides tailored customer service.

■ Drugstores: 123 stores

The Extra format also includes pharmacies and drugstores under the Drogaria Extra banner. They are mainly located in Extra shopping malls near hypermarkets.

■ Cash & carry

Assaí: 166 stores

Assaí's cash & carry business targets two types of customers: small and medium-sized businesses on the one hand, and individuals looking for competitive prices on the other. It features a wide offering, including delicatessen products, fresh produce, drinks and personal care and cleaning items. The banner continued its stellar growth in 2019 and now accounts for 51% of GPA's sales.

CAMEROON

■ Cash & carry: 1 store

In 2018, inspired by the success of Assaí in Brazil, Casino Group inaugurated its first store in a cash & carry format in Douala. Known as BAO, it carries a range made up primarily of local products, at low prices that decrease further in line with the quantities purchased. Open to individuals, it also offers refuelling solutions for small, medium and large businesses.

COLOMBIA(1)

Casino has operated in Colombia since 1999 through its Éxito subsidiary, Colombia's leading food retailer. At 31 December 2019, Éxito had 537 points of sale (excluding Aliados affiliates). Its portfolio comprises hypermarkets and supermarkets, but it also operates in the convenience and cash & carry segments. In 2019, the Éxito group continued to focus its expansion on innovative formats such as Carulla Fresh Market, Éxito WOW and cash & carry. Omni-channel sales (E-commerce, website and last-mile applications) continued to rise, up 37%(2).

Éxito intends to continue transforming its formats and its model by stepping up its adoption of digital and omni-channel solutions.

Éxito also has a well-developed real estate business comprising 34 shopping malls covering nearly 512,000 square metres. This space is managed by the Viva Malls real estate vehicle, a joint venture with FIC operating since 2016.

Following the reorganisation of the Group's structure in Latin America, 96.6% of Éxito is now held by GPA.

In 2019, Grupo Éxito (Colombia, Uruguay and Argentina; excluding Brazil) contributed €4,052 million to Casino's consolidated net sales.

■ Hypermarkets

Éxito: 92 stores

Éxito is a hypermarket banner with a food and non-food product offering tailored to the needs of all segments of the Colombian population. Éxito stands out for the quality of its private-label apparel range, which enjoys a very good reputation with customers. The stores also provide a variety of services including the "Points Éxito" loyalty programme, mobile phones, travel deals, and financial services (credit cards and insurance). In 2019, the banner continued to develop its Éxito WOW hypermarkets, offering an even more digital customer experience in a remodelled store.

(1) Company information available at www.grupoexito.com.co.
(2) Figures provided by the subsidiary.

■ Supermarkets: 158 stores

Éxito Super and Vecino: 76 stores

The Éxito brand also includes two different supermarket banners: 28 Éxito Super stores, offering a range of primarily food products and 48 Éxito Vecino stores, offering a wider assortment of non-food products.

Carulla: 82 stores

Carulla is renowned for its high quality. It markets a premium offering featuring targeted gourmet and exclusive products as well as a range of services. The network operates mainly in Colombia's two largest cities, Bogotá and Medellín. In 2019, the banner continued to develop its new Carulla Fresh Market format, offering an expanded offering of fresh produce and more premium service counters.

■ Convenience: 95 stores

Éxito Express: 79 stores

Éxito Express is a new "minimarket" convenience format offering fast-moving consumer goods and fresh produce, as well as a selection of household cleaning and multimedia products.

Carulla Express: 16 stores

Carulla Express is Grupo Éxito's other "minimarket" format. Positioned in the premium segment, it also provides take-away products such as sandwiches, fresh fruit, cakes and pastries.

■ Low-cost stores: 1,688 stores (incl. 1,496 Aliados stores)

Surtimax: 92 proprietary stores

Surtimax is a convenience format located mostly in suburban areas. The stores offer a comprehensive range of basic products at low prices, mainly under the Surtimax private label. They are primarily food stores, but also carry some non-food lines.

Éxito also continued to develop its network of Aliados independent franchises, with a total of 1,496 franchised stores at the end of 2019.

Super Inter: 70 proprietary stores

The Super Inter supermarket chain is located in the Cali and Coffee regions and sells a highly developed line of fresh produce.

Surtimayorista: 30 stores

In 2017, in response to the rise of discounter competitors, the Éxito group decided to step up the development of the cash & carry format in Colombia.

URUGUAY

The local market leader since 2000, Casino has three store banners that enjoy high brand recognition: Disco, Devoto and Géant. These banners have been subsidiaries of Éxito since 2011.

Casino operated a total of 91 stores at end-2019.

■ Supermarkets

Disco: 29 stores

Originally a chain of family supermarkets, Disco enjoys strong recognition throughout the country and focuses on competitive pricing. Disco stores' good locations are well appreciated by consumers. These two key strengths are reflected in its signature: "With you every day".

Devoto: 24 stores

Also originally family owned, the Devoto banner has a portfolio of modern stores including some with an extensive non-food range. With its signature "Price and quality. Always", Devoto clearly states its strong positioning focused on affordability, but also on product quality and customer service.

■ Hypermarkets

Géant: 2 stores

With its signature "The lowest price", Géant hypermarkets offer a broad range of products at very low prices.

■ Convenience

Devoto Express: 36 stores

Since 2015, Devoto has been showcasing a new convenience format. With an average selling area of 180 square metres per store, the banner offers customers competitive prices.

ARGENTINA

Casino has been present in Argentina since 1998, following the acquisition of Libertad. The Group has since developed the Libertad chain of hypermarkets.

Libertad also operates two convenience formats (Mini Libertad and Petit Libertad).

In 2019, the Group had a total of 25 stores.

Libertad: 15 stores

Libertad is the leading hypermarket chain outside the capital, operating mainly in large inland cities. Each hypermarket is part of a shopping mall.

Mini Libertad/Petit Libertad: 10 stores

With an average selling area of approximately 160 square metres per store, Mini Libertad stands out as the foremost food convenience format in large cities such as Cordoba. In late 2016, Libertad also launched the premium convenience concept format, Petit Libertad.

1.3.5. Strengthening of the Group's structure through major financial and strategic plans

In line with its strategic plan, Casino Group is focusing on buoyant formats and the development of new activities to drive its growth and profitability. In this context, the Group launched a programme in 2018 for the disposal and closure of loss-making stores in France, particularly hypermarkets (Rocade plan).

At the same time, Casino Group intends to reduce its debt, both organically, by generating cash flow, and through the disposal of assets. To this end, the Group has launched a disposal plan in two phases: (i) a €1.5 billion phase launched in 2018 and increased to €2.5 billion in March 2019, running up to the end of first-quarter 2020, and (ii) a €2.0 billion phase announced in 2019 as part of a programme to identify further assets for disposal by the end of first-quarter 2021. The Group has also further strengthened its financial structure through a refinancing plan completed in November 2019.

ROCADE PLAN FOR THE DISPOSAL AND CLOSURE OF LOSS-MAKING STORES IN FRANCE

At the end of 2018, the Group initiated a plan for the disposal and closure of loss-making stores in France. These disposals and closures allow the Group to focus on its most profitable stores, mainly in its three traditional growth regions (Île-de-France, Rhône-Alpes and Côte d'Azur). In 2019, among its integrated stores, the Group sold 17 loss-making hypermarkets and 14 loss-making supermarkets, and closed 4 loss-making supermarkets.

Excluding Leader Price, these transactions had a €500 million negative full-year impact on net sales, partially offset by the independent retailers joining the franchise network with gross sales under banner of nearly €300 million. The full-year positive impact on trading profit is €50 million (€18 million in 2019). The Rocade plan was rounded off by the sale of 567 Leader Price stores and three Leader Price warehouses to Aldi as part of the asset disposal plan.

ASSET DISPOSAL PLAN

Casino Group has launched a vast asset disposal programme in France to focus on buoyant formats.

The initial €1.5 billion plan launched in June 2018 was raised to €2.5 billion in March 2019, with completion scheduled for the end of first-quarter 2020. It covers the Group's non-strategic assets, mainly store properties (Hypermarkets, Supermarkets and Monoprix), the Vindémia subsidiary in the Indian Ocean region, its catering services subsidiary R2C and part of the capital of Mercialys.

With the announcement on 20 March 2020 of an agreement with Aldi to sell 567 Leader Price stores and three Leader Price warehouses, the total impact of asset disposals represented €2.8 billion (of which €1.8 billion in payment received by the end of 2019).

As part of the second phase of its disposal plan, in August 2019 the Group identified new assets for a target amount of €2 billion. This second stage of disposals is set to be carried out by the end of first-quarter 2021.

REFINANCING PLAN

With a view to further strengthening its liquidity and financial structure, in October 2019 Casino Group initiated a refinancing plan that consisted in raising €1.8 billion in new financing through a term loan ("Term Loan B") for €1,000 million and a high-yield secured bond issue for €800 million due in January 2024, and extending confirmed credit lines in France by €2 billion in a new confirmed credit line due in October 2023.

Term Loan B and the secured high-yield bond enabled the Group to finance the tender offer on the bonds maturing in 2020, 2021 and 2022 for a total cash amount of €806 million, to repay the drawn credit lines for a total amount of €630 million, to partially repay 50% (i.e., €198 million) of the Ségisor loan, and to pay the fees and commissions related to the transaction. The remaining amount was placed in escrow to be used solely to pay down debt. On 9 March 2020 it was used to redeem a bond issue for €271 million (including interest).

The transaction extended the maturity of the Group's debt to 3.8 years from 3.3 years previously.

With the extension of the confirmed credit lines to €2 billion, Casino Group had €2.3 billion in undrawn confirmed credit lines in France at 31 December 2019. The average maturity of these lines is 3.6 years, compared to 1.6 years before the extension.

The refinancing plan was completed in November 2019.

1.4. CASINO GROUP BUSINESS MODEL

Pursuant to Article L. 225-102-1 of the French Commercial Code on the Non-Financial Information Statement, Casino Group has drawn up a summary presentation of its business model focused on its strengths, its businesses and the way the financial and non-financial value it creates is distributed among stakeholders.

A multi-format, multi-banner and multi-channel model

OUR STRENGTHS

Banners with strong and differentiated identities, positioned on the market's most buoyant formats

Geographic coverage centred on growing markets

A culture of innovation, digital and partnerships

A leading positioning in food and non-food E-commerce

Development of new growth drivers

2019 KEY FIGURES

€34.6bn in net sales

More than 120 years of history

219,132 employees

No. 2 in E-commerce in France

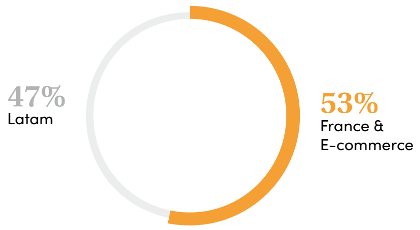
No. 1 in convenience stores in France

No. 2 retailer in Brazil

No. 1 retailer in Colombia

Rated 71/100 by non-financial rating agency Vigeo Eiris (vs. 56/100 in 2016)

Breakdown of consolidated net sales



A selection of products and services adapted to the needs of each customer

STORES

11,172 stores in France and Latin America

Premium

A superior offering, many innovative services and a high-quality shopping experience

Banners:

- France: Monoprix, Naturalia (format dedicated to organic products), Casino Supermarkets
- Latin America: Pão de Açúcar, Carulla, etc.

Monoprix, Casino Supermarkets: **47%** of sales in France

Convenience

An offering of everyday basics to meet the expectations of consumers in search of quality, authenticity and service

Banners:

- France: Franprix, Le Petit Casino, Vival, Spar, etc.
- Latin America: Carulla Express, Minuto Pão, etc.

No. 1 network of convenience stores in France, of which 85% operated as franchises

Hypermarkets

A wide range of quality products at affordable prices, with an emphasis on fresh food

Banners:

- France: Géant Casino
- Latin America: Assaí, Extra, Éxito, Surtimayorista, etc.

Cash & carry: **51%** of sales in Brazil

Increasingly DIGITALISED access to our offering through

- **applications** (e.g., Casino Max)
- the banners' **merchant websites** (e.g., www.monoprix.fr) and partners' websites (e.g., Amazon Prime Now)
- **in-store services**: shop & go, click & collect, Drives, Cdiscount counters, shop-in-shops for specialised brands, etc.
- **home** delivery

NON-FOOD E-COMMERCE

No. 2 in E-commerce in France

€3.9bn in gross merchandise volume (GMV)

64 million items available on Cdiscount

MONETISATION OF ASSETS

New businesses

Renewable energy: creation in 2007 of GreenYellow, a subsidiary specialised in photovoltaic plant installation and solar energy production (219 photovoltaic plants and 2,500 sites under energy performance contracts), energy efficiency solutions and energy services.

Data & Data Centers: Data business providing brands and retailers with customer acquisition and retention solutions, based on targeting strategies and impact measurement; Data Center business with ScaleMax.

Financial services: credit, payment facilities, new payment methods through subsidiaries Banque Casino and Puntos Colombia.

Commercial real estate: development and management of shopping centres (IGC in France and Viva Malls in Colombia).

* End-2019.

Operational excellence and improving our CSR performance are central to our business

SUPPLIES

Select quality products at the right price:

- **Buy at the right price,** thanks largely to the development of international purchasing hubs with other retailers
- **Guarantee the safety and food quality** of products
- **Develop responsible purchasing and sustainable partnerships** with producers
- **Monitor and improve** the supply chain

LOGISTICS

Optimise the economic cost and environmental impact of transport and storage:

- **Optimise transport and storage** through automation, robotisation, pooling of warehouses and partnerships with last-mile delivery experts
- **Reduce the environmental footprint of the supply chain** by using alternative modes of transport

SALES AND CUSTOMER EXPERIENCE

Guarantee a range of products and services adapted to consumer requirements:

- **Offer a wide choice of quality products,** drawing on strong private-label brands
- **Anticipate new consumer** habits
- **Promote healthier, more sustainable consumption patterns** by developing organic and responsible sectors
- **Offer a more seamless, enhanced buying experience** by developing innovative concepts
- **Digitise and enrich the customer experience** with an omni-channel model and personalised digital services
- **Make more delivery possibilities available** to customers (clean delivery, especially on foot)

...to create and share value with our stakeholders

HUMAN RESOURCES, SOCIETAL AND ENVIRONMENTAL IMPACT

REVENUE GENERATED

CUSTOMERS AND PARTNERS

€34.6bn in net sales across our banners

€665m in revenue from other activities (property, energy, etc.)

€39m in income on financial investments

Offer more responsible products

- More than 34,000 products certified as responsible
- More than 2,300 private-label organic products
- More than 200 organic stores under the Naturalia banner
- €1.1bn in sales of organic products in France

REVENUE DISTRIBUTED

SUPPLIERS

€28.5bn in purchases of goods and services

Improve the supply chain

- More than 90% of plants producing private-label brands in countries at risk are audited
- More than 1,100 supplier audits
- Buyers trained in social ethics processes
- Local production chains supported: more than 80% of the fruit and vegetables sold by Éxito in Colombia purchased directly from more than 650 local farmers

EMPLOYEES

€4.2bn in gross wages, payroll taxes and benefits paid

Support employment

- 219,132 employees
- 7,755 work/study trainees
- 94% employees on permanent contracts

Advance professional equality

- 39.5% of managers are women

Promote diversity

- 8,546 employees with recognised disabilities

LOCAL COMMUNITIES, NGOS AND NON-PROFIT ASSOCIATIONS

Nearly €80m committed to community outreach (donations and foundations)

Help the most disadvantaged

- More than 43 million meal equivalents contributed to food bank networks

STATE AND TERRITORY

€259m in taxes paid

Reduce the environmental impact

- 547 kWh of electricity consumed per square metre of retail space
- Around 2,500 sites under energy performance contracts and more than 477,000 sq.m. of solar panels installed across the Group's assets

FINANCIAL INSTITUTIONS

€617m in interest paid

SHAREHOLDERS AND INVESTORS

€169m in dividends paid to the Company's shareholders

Maintain stable governance and shareholding

- Women account for 46% of the Board of Directors
- 43,487 identified individual shareholders hold 17% of the free float

1.5. STORE NETWORK

	Number of stores at 31 December			Sales area *(in thousands of sq.m.)*		
	2017	2018	2019	2017	2018	2019
Géant Casino hypermarkets	**122**	**122**	**109**	**856**	**848**	**772**
o/w						
French franchises/affiliates	7	7	4			
International affiliates	5	5	6			
Casino Supermarkets	**433**	**442**	**411**	**715**	**726**	**667**
o/w						
French franchised affiliates	106	104	83			
International franchised affiliates	17	19	22			
Monoprix	**789**	**795**	**784**	**732**	**737**	**741**
o/w						
Franchises/affiliates	211	203	186			
Naturalia integrated stores	161	175	182			
Naturalia franchises	7	13	23			
Franprix	**893**	**894**	**877**	**367**	**364**	**352**
o/w franchises	399	433	459			
Convenience stores	**5,392**	**5,153**	**5,139**	**726**	**700**	**701**
Other businesses (Cafeterias, Drive, etc.)	**606**	**591**	**367**	**n/a**	**n/a**	**n/a**
Indian Ocean region	**209**	**239**	**259**	**117**	**118**	**122**
TOTAL FRANCE(1)	**8,444**	**8,236**	**7,946**	**3,513**	**3,493**	**3,355**
Argentina	**29**	**27**	**25**	**108**	**106**	**106**
Libertad hypermarkets	15	15	15	106	104	104
Mini Libertad and Petit Libertad mini-supermarkets	14	12	10	2	2	2
Uruguay	**88**	**89**	**91**	**89**	**90**	**90**
Géant hypermarkets	2	2	2	16	16	16
Disco supermarkets	29	29	29	33	33	33
Devoto supermarkets	24	24	24	33	34	34
Devoto Express mini-supermarkets	33	34	36	6	6	7
Brazil	**1,081**	**1,057**	**1,076**	**1,811**	**1,860**	**1,963**
Extra hypermarkets	117	112	112	717	687	683
Pão de Açúcar supermarkets	186	186	185	240	240	237
Extra and Mercado Extra supermarkets	188	173	153	215	193	172
Compre Bem supermarkets	0	13	28	0	18	33
Assaí (discount)	126	144	166	506	598	713
Mini Mercado Extra and Minuto Pão de Açúcar mini-supermarkets	265	235	237	65	58	58
Drugstores	127	123	123	10	9	9
+ Service stations	72	71	72	58	58	58
Colombia	**1,852**	**1,973**	**2,033**	**1,022**	**1,033**	**1,030**
Éxito hypermarkets	90	92	92	485	486	485
Éxito and Carulla supermarkets	162	161	158	212	212	210
Super Inter supermarkets	71	73	70	64	67	66
Surtimax (discount)	1,409	1,531	1,588	225	229	221
o/w Aliados	*1,278*	*1,419*	*1,496*			
Cash & carry	9	18	30	14	22	31
Éxito Express and Carulla Express	111	98	95	21	18	17
Cameroon	**0**	**1**	**1**	**0**	**2**	**2**
Cash & carry	0	1	1	0	2	2
TOTAL INTERNATIONAL	**3,050**	**3,147**	**3,226**	**3,030**	**3,091**	**3,191**

(1) French network: excluding Leader Price.

1.6. SIMPLIFIED ORGANISATION CHART AT 31 DECEMBER 2019

Casino, Guichard-Perrachon

% control/% interest

EUROPE

Country	Company	% control/% interest
France	Distribution Casino France	100%/100%
France	Olenydis (Casino Express)	100%/100%
France	Codim 2	100%/100%
France	Casino Carburants	100%/100%
France	Floréal	100%/100%
France	Franprix Leader Price Holding	100%/100%
France	Monoprix	100%/100%
France	Naturalia France	100%/100%
France	E-Trend (Mon Showroom)	100%/100%
France	Monoprix Online (ex-Sarenza)	100%/100%
France	Cdiscount	100%/78.98%
France	RelevanC	100%/100%
France	MaxIT	100%/100%
France	Easydis	100%/100%
France	Achats Marchandises Casino (AMC)	100%/100%
France	Horizon Achats	44%/44%
France	Mano-A	50%/50%
France	L'Immobilière Groupe Casino	100%/100%
France	Sudéco	100%/100%
France	GreenYellow	73.62%/73.62%
France	Mercialys (listed company)	25.24%/30.57%
France	Casino Restauration	100%/100%
France	St Once	100%/100%
France	Casino Agro	100%/100%
France	Geimex	100%/100%
France	Banque du Groupe Casino	50%/50%
Luxembourg	Casino Re	100%/100%
Netherlands	Cnova (listed company)	99.46%/78.91%
Poland	Mayland Real Estate	100%/100%

LATIN AND CENTRAL AMERICA

Country	Company	% control/% interest
Argentina	Libertad SA	100%/39.84%
Brazil	Compania Brasileira de Distribuiçao (listed company)	99.94%/41.26%
Brazil	GreenYellow do Brasil Energia e Servicios	100%/73.62%
Colombia	Almacenes Éxito S.A. (listed company)	96.57%/39.84%
Colombia	Didetexco SAS (formerly Cdiscount Colombia)	97.95%/39.02%
Colombia	GreenYellow Energia de Colombia	100%/73.62%
Uruguay	Devoto Hermanos SA	100%/39.84%
Uruguay	Grupo Disco del Uruguay	75.10%/24.90%

INDIAN OCEAN REGION

Country	Company	% control/% interest
Réunion	Vindémia Group	100%/100%
Mauritius	Sodimar	100%/100%
Mayotte	B.D.M.	100%/100%
Madagascar	S.2.M.	100%/100%

Listed company

1.7. STOCK MARKET VALUE OF LISTED COMPANIES

At 31 December 2019, Casino's interests in its listed companies had an aggregate value of nearly €3 billion.

Following the reorganisation of the Group's structure in Latin America, 96.6% of Éxito is now held by GPA.

Listed company	Share price at 31 Dec. 2019	Market capitalisation *(100%, € millions)*	% direct interest[(1)]	Casino's share *(€ millions)*
GPA (Brazil)	BRL 87.65	5,170	41.3%	2,133
Cnova (France)	EUR 2.48	856	64.8%	555
TOTAL (EXCLUDING MERCIALYS)				**2,688**
Mercialys	EUR 12.33	1,135	25.3%	287
TOTAL				**2,975**

(1) At 31 December 2019.

Chapter

2

Financial and accounting information

FINANCIAL HIGHLIGHTS

Casino Group's key consolidated figures for 2019 were as follows:

(€ millions, post-IFRS 16)	**2019**	2018 (restated)	Reported change	CER[1] change
Consolidated net sales	34,645	34,329	+0.9%	+4.2%
Gross margin	8,764	8,963	-2.2%	
EBITDA[2]	2,640	2,669	-1.1%	+0.6%[3]
Net depreciation and amortisation	(1,348)	(1,305)	-3.3%	
Trading profit	1,292	1,364	-5.3%	-3.1%[3]
Other operating income and expense	(719)	(402)	-78.9%	
Net financial expense, o/w:				
Net finance costs	*(356)*	*(320)*	*-11.5%*	
Other financial income and expenses	*(394)*	*(356)*	*-10.5%*	
Profit (loss) before tax	(176)	286	n.m.	
Income tax	(137)	(188)	+27.0%	
Share of profit of equity-accounted investees	46	60	-24.2%	
Net profit (loss) from continuing operations	(268)	159	n.m.	
o/w Group share	*(384)*	*(60)*	*n.m.*	
o/w attributable to non-controlling interests	*116*	*218*	*-46.9%*	
Net profit (loss) from discontinued operations	(1,054)	(32)	n.m.	
o/w Group share	*(1,048)*	*(57)*	*n.m.*	
o/w attributable to non-controlling interests	*(6)*	*25*	*n.m.*	
Consolidated net profit (loss)	(1,322)	127	n.m.	
o/w Group share	*(1,432)*	*(117)*	*n.m.*	
o/w attributable to non-controlling interests	*110*	*244*	*-55.0%*	
Underlying net profit, Group share[4]	212	327	-35.4%	-34.9%

(1) At constant exchange rates. Change in net sales is presented on an organic basis, excluding fuel and calendar effects.

(2) EBITDA = Trading profit + amortisation and depreciation expense.

(3) Based on a comparable scope of consolidation and constant exchange rates, excluding the effect of hyperinflation.

(4) Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of other operating income and expenses and non-recurring financial items, as well as income tax expense/benefits related to these adjustments, and the application of IFRIC 23 rules. See section on alternative performance indicators on page 28.

Note: Figures are presented post-IFRS 16. Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation in 2018 and from 1 January to 30 June 2019, in accordance with IFRS 5. Leader Price is presented as a discontinued operation in 2019, in accordance with IFRS 5. The 2018 financial statements have been restated to permit meaningful comparisons with 2019.

SIGNIFICANT EVENTS OF THE YEAR

Asset disposal plan in France

The Group launched a €4.5 billion asset disposal programme in France (see section on the strengthening of the Group's structure through major financial and strategic plans, on page 13).

In 2019, the Group sold assets for €1 billion, after selling €1.1 billion of assets in 2018.

On 21 January 2019, the Group announced the sale to funds managed by Fortress of 26 hypermarket and supermarket properties worth €501 million, for which it received €392 million on 11 March 2019 on completion of the transaction. Casino Group will be involved in the value creation of this transaction through a participation in the specific entity constituted by funds managed by Fortress. Depending on the entity's performance, Casino Group could receive up to an additional €150 million in the next few years.

On 14 February 2019, the Group sold its catering services subsidiary to Compass Group. The operation was finalised on 1 July 2019.

On 22 April 2019, the Group announced the sale of store properties to companies affiliated to Apollo Global Management. On 16 October 2019, the Group finalised the sale of 31 hypermarket and supermarket properties worth €465 million to companies affiliated to Apollo Global Management. On this occasion, Casino received €327 million for the transfer of 30 assets, with an additional €14 million to be received within 12 months of the effective transfer of an asset, which was postponed for technical reasons; another asset was ultimately excluded from the initial scope to be sold to a third party by the end of 2019, under the same conditions. Casino Group remains involved in the value creation of this transaction through an interest in the company formed by funds managed by Apollo. Depending on the entity's performance, Casino Group could receive up to an additional €140 million in the next few years.

On 22 July 2019, the Group announced that it had signed an agreement with GBH to sell Vindémia, its retail subsidiary in the Indian Ocean, for an enterprise value of €219 million. Vindémia will continue operating and developing within GBH's retail division.

On 19 September 2019, the Group confirmed that it had entered into talks with Aldi France for the disposal of Leader Price.

Following the signing in March 2020 of the agreement with Aldi to sell Leader Price (see Recent events on page 33), the Group has sold to date €2.8 billion worth of assets since June 2018 (for which it had received €1.8 billion at end-2019). The agreement with Aldi rounds out the Rocade plan launched at the end of 2018 to close and dispose of loss-making stores.

Rocade loss-making store closure and disposal plan in France

In order to focus on buoyant formats, at the end of 2018 the Group launched a plan for the disposal and closure of loss-making stores (Rocade plan). Of its integrated stores, the Group has sold 17 loss-making hypermarkets and 14 supermarkets, and has closed 4 loss-making supermarkets. Excluding Leader Price, these transactions had a €500 million negative full-year impact on net sales, partially offset by the independent retailers joining the franchise network with gross sales under banner of nearly €300 million. The full-year positive impact on trading profit is €50 million (€18 million in 2019).

Safeguard plan of the Group's parent companies

On 23 May 2019, Casino was informed by its reference shareholder, Rallye, of the opening of safeguard proceedings related to respectively Rallye and its subsidiaries Cobivia and HMB, as well as Foncière Euris, Finatis and Euris. These proceedings do not concern Casino Group, its businesses or employees, and have no impact on the continued implementation of the Group's current strategic plan.

On 9 December 2019, Rallye (including the subsidiaries HMB, Alpétrol and Cobivia), Foncière Euris, Finatis and Euris (the "Companies") announced that they had finalised their draft safeguard plans, drawn up with assistance from the court-appointed receivers. Proposals for the payment of their liabilities were then sent to the Companies' creditors by the judicial representatives, in order to obtain the creditors' acceptance or refusal of the proposals. On 2 March 2020, Rallye, Foncière Euris, Finatis and Euris announced that the Paris commercial court had approved their safeguard plans on 28 February 2020.

Reorganisation of the Group's structure in Latin America

In 2019, the Group reorganised its Latin American operations.

On 26 June 2019, the Board of Directors of GPA, a subsidiary of the Group in Brazil, approved the formation of an *ad hoc* committee to study a project to simplify the Group's structure in the region.

The project included i) a cash tender offer to be launched by GPA on 100% of Éxito's shares, to which Casino would tender its entire stake (55.3%), ii) the acquisition by Casino of the shares held by Éxito in Ségisor (which itself holds 99.9% of the voting rights and 37.3% of the economic rights of GPA), and iii) the migration of GPA shares to the Novo Mercado B3 listing segment, with the conversion of preferred shares into ordinary shares at an exchange ratio of 1:1.

On 24 July 2019, Casino's Board of Directors approved the decision to tender its stake in Éxito to GPA's tender offer and to acquire the shares held by Éxito in GPA through Ségisor for a price based on BRL 109 per GPA share.

On the same date, GPA's Board of Directors launched a cash tender offer on 100% of Éxito's share capital for COP 18,000 per share through a wholly-owned subsidiary.

In August 2019, Casino announced that its Board of Directors had approved a final amendment to its offer to acquire Éxito's equity interest in GPA indirectly held through the French company Ségisor. The amended offer included an improved price per GPA share of BRL 113.

On 12 September 2019, Éxito's Board of Directors and its General Meeting approved the sale of its entire stake in Ségisor to Casino, enabling: (i) Casino to acquire the shares held by Éxito in Ségisor; and (ii) GPA to launch an all-cash tender offer for Éxito.

GPA was listed on the Novo Mercado on 2 March 2020, giving it access to a broader international investor base.

Casino now holds 41.2% of the share capital of GPA, which is itself the controlling shareholder of Éxito with a 96.6% stake, and of its subsidiaries in Uruguay and Argentina.

Strengthening of the Group's financial structure

With a view to further strengthening its liquidity and financial structure, in October 2019 Casino Group initiated a refinancing plan that consisted in raising €1.8 billion in new financing through a term loan ("Term Loan B") for €1,000 million and a high-yield secured bond issue for €800 million due in January 2024, and extending confirmed credit lines in France by €2 billion in a new confirmed credit line due in October 2023.

Term Loan B and the secured high-yield bond enabled the Group to finance the tender offer on the bonds maturing in 2020, 2021 and 2022 for a total cash amount of €806 million, to partially repay the drawn credit lines for a total amount of €630 million, to repay 50% (i.e., €198 million) of the Ségisor loan, and to pay the fees and commissions related to the transaction. The remaining amount was placed in escrow to be used solely to pay down debt. On 9 March 2020 it was used to redeem a bond issue for €271 million (including interest).

The transaction extended the maturity of the Group's debt to 3.8 years from 3.3 years previously.

With the extension of the confirmed credit lines to €2 billion, Casino Group had €2.3 billion in undrawn confirmed credit lines at 31 December 2019. The average maturity of these lines is 3.6 years, compared to 1.6 years before the extension.

The refinancing plan was completed in November 2019.

Expansion of the partnership with Amazon signed in 2018

Building on the success of the Monoprix-Amazon business partnership launched in September 2018, which offers products selected by Monoprix to Amazon Prime members residing in Paris, on 23 April 2019 the Group announced that the partnership would be expanded through the following three initiatives: (i) the installation of Amazon Lockers in 1,000 Casino Group stores; (ii) Casino private-label products being made available on Amazon. On 28 August 2019, the offer was extended to Naturalia products. On 21 November 2019, this service was rolled out to Nice and 11 municipalities in the Alpes-Maritimes region.

Other significant events of the year

Horizon International Services, Casino Group's international alliance with Auchan Retail, METRO and DIA dedicated to selling services to suppliers that operate internationally, was officially launched on 6 March 2019. Horizon International Services covers the 47 countries in Europe, Asia and South America in which these companies operate.

On 5 September 2019, the Group announced that Vesa Equity Investment, an investment fund owned by Daniel Křetínský, the controlling shareholder with a 53% stake and Patrik Tkáč (47% stake), held 5,020,139 shares of the Casino, Guichard-Perrachon Group, representing 4.63% of its share capital at 3 September 2019.

2.1. BUSINESS REPORT

The comments in the Annual Financial Report reflect comparisons with 2018 results from continuing operations. The 2019 and 2018 consolidated financial statements are presented post-IFRS 16. For the majority of leases, IFRS 16 requires recognition of an asset (the right to use the leased item) and a financial liability (representing discounted future lease payments). Operating lease expense is replaced with depreciation on the right-of-use asset and interest expense relating to the lease liability. The Group elected to apply the "full retrospective" transition method, which led to the restatement of the 2018 financial statements, allowing them to be compared with the 2019 financial statements.

Via Varejo, which was sold on 14 June 2019, is presented as a discontinued operation in 2018 and from 1 January to 30 June 2019, in accordance with IFRS 5. In light of the decision made in 2019 to divest Leader Price, this business is presented as a discontinued operation in 2019, in accordance with IFRS 5. The 2018 financial statements have been restated to permit meaningful comparisons with 2019.

Organic changes are calculated based on a comparable scope of consolidation and at constant exchange rates, excluding fuel and calendar effects. Same-store changes exclude fuel and calendar effects.

MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

- Various store disposals and acquisitions during 2018 and 2019 within Franprix-Leader Price.
- Disposals and closures of loss-making stores during 2018 and 2019.
- Completion of the disposal of Via Varejo on 14 June 2019.
- Reclassification of Leader Price as a discontinued operation.

CURRENCY EFFECTS

Currency effects were unfavourable in 2019, with the Brazilian real losing an average 2.4% against the euro compared with 2018.

Continuing operations *(€ millions, post-IFRS 16)*	**2019**	2018 (restated)	Reported change	Change at CER[1]
Net sales	34,645	34,329	+0.9%	+4.2%
EBITDA	2,640	2,669	-1.1%	+0.6%
Trading profit	1,292	1,364	-5.3%	-3.1%
Underlying net profit, Group share	212	327	-35.4%	-34.9%

(1) At constant exchange rates. Change in net sales is presented on an organic basis, excluding fuel and calendar effects.

2.1.1. Casino Group 2019 highlights

In France

- **Acceleration of strategic repositioning to focus on buoyant formats** with the disposal of Leader Price, bringing the total proceeds from signed disposals under the disposal plan to €2.8 billion;
- **Gross sales under banner up 1.9% on a same-store basis;**
- **24% of the activity done through E-commerce in fourth-quarter 2019** versus 18% in 2018;
- **Retail trading margin up 0.5 points** to **3.8%**, with trading profit **up 12% to €622 million**[1];
- **Reduction in net debt to €2.3 billion** driven by the disposal plan, with recurring free cash flow (excluding the disposal and Rocade plans) of €367 million[2] **(€576 million excluding non-recurring items)**;
- **Major milestone achieved in retail business modernisation**, with faster development of **automated checkout systems** (self-scanning via smartphone, self-service checkouts, autonomous stores) and growth in **home delivery services** (Ocado warehouse launched on a test basis on 18 March 2020).

In Latin America

- **Simplified Group structure in Latin America**, with all businesses placed under the umbrella of the GPA subsidiary;
- **Assaí's excellent momentum confirmed**, with sales up 22% and margin up 20 basis points[3];
- **Success of Éxito's new formats** and margin up 20 basis points[3];
- **Digital transformation and strong growth in E-commerce**, up nearly 40%[3].

(1) Post-IFRS 16. Pre-IFRS 16, France retail trading profit was up 5% and retail trading margin up 0.2 points.
(2) Free cash flow excluding the disposal plan and the Rocade plan, before dividends paid to owners of the parent and holders of TSSDI deeply-subordinated bonds, excluding financial expenses, including rental expense (repayments of lease liabilities and interest on leases). Pre-IFRS 16: €380 million.
(3) Data published by the subsidiary.

2.1.2. France Retail

(€ millions, post-IFRS 16)	**2019**	2018 (restated)
Net sales	16,322	16,786
EBITDA	1,467	1,413
EBITDA margin	*9.0%*	*8.4%*
Trading profit	676	618
Trading margin	*4.1%*	*3.7%*

France Retail net sales totalled €16,322 million in 2019 versus €16,786 million in 2018. up 0.3% on a same-store basis excluding fuel and calendar effects. Including Cdiscount, gross sales under banner were up 1.9% on a same-store basis in 2019.

Over the full year, the following can be noted per format:

- **Organic products** made up 14% of **Monoprix's** net sales in 2019. The **E-commerce** segment was particularly strong, buoyed by the success of the partnership with **Amazon Prime Now**, which was extended during the year to cover new towns and cities as well as Naturalia products. The banner accelerated the deployment of its autonomous stores which allow extended opening hours. The **Naturalia** format dedicated to organic products saw further growth.
- **Franprix** continued to roll out its **autonomous stores,** to develop its non-food offer – primarily through its partnership with **Hema,** and to strengthen its **organic range** and **catering services,** thereby increasing **customer traffic.** Franprix picked up 50 awards in 2019, both for its ongoing innovation across the board (concepts, products, HR initiatives) and for its partnerships.
- **Casino Supermarkets** saw double-digit growth in sales of **organic products** over the year. The banner continued to develop its **autonomous stores** and its in-store digital solutions, including the highly successful **Casino Max** app. E-commerce continued to grow.
- **Convenience** continued to optimise its model, with an increasing number of stores operated on a franchise basis. The banner enhanced its own-brand and organic products, which posted double-digit growth over the year, while developing its **autonomous stores**.
- **Géant Hypermarkets** saw a positive annual trend led by **organic products, E-commerce**, the roll-out of "**shops-in-shops**", and digital initiatives such as **Casino Max**. The banner continues to deploy **autonomous stores.**

In France, **EBITDA margin** improved by 57 basis points to 9.0% of sales.

France Retail trading profit came to €676 million, up 9.4% on 2018. Retail trading profit came to €622 million, a rise of 11.6%. Trading margin for the retail business was 3.8%. Pre-IFRS 16 retail trading profit improved by 4.9% to €517 million. The effects of the Rocade plan and the cost-saving plans more than offset the €68 million increase in rental expenses related to the disposal of store properties.

2.1.3. New businesses

GREENYELLOW

GreenYellow accelerated the development of its photovoltaic business, resulting in a **threefold increase in its pipeline to 451MWp**[(1)] at end-2019. **EBITDA** for the year came to **€76 million**.

GreenYellow has achieved **strong international expansion**, with projects in Asia, Latin America, Africa and the Indian Ocean region.

It continues to **diversify its customer portfolio** alongside public authorities (city of Saint Étienne), airports (Colombia, Mauritania, Reunion Island) and manufacturers (such as Schneider Electric and STMicroElectronics).

GreenYellow is also continuing its **innovation push**, with a floating solar power plant in Thailand and the development of a hybrid system[(2)] in Africa.

The Group's energy business has forged major **strategic partnerships**. The **Reservoir Sun** joint venture launched with Engie in October 2018 is the benchmark player in France's solar self-consumption market, with contracts for 100 MWp obtained over the year. GreenYellow also signed a new partnership agreement with Allego, which intends to deploy France's largest network of ultra-fast electric vehicle charging stations.

DATA AND DATA CENTERS

The **Data and Data Centers division generated €67 million in cumulative net sales**, up 51% from 2018.

In the **Data** business, the two Casino Group entities, **3W.relevanC and Maxit, are being combined to form relevanC**, a key player in digital marketing. relevanC will provide brands and retailers with customer acquisition and retention solutions, based on targeting strategies and impact measurement, via two divisions:

- relevanC advertising (formerly 3w.relevanC): media and marketing solutions, enhanced by transactional data, insights and measurement, to meet all the multi-channel marketing challenges related to target shoppers; and
- relevanC retail tech (formerly Maxit): technological solutions enabling retailers to optimise the performance of their marketing campaigns by using their data to personalise the customer relationship.

The Group created **ScaleMax**, a major new **Data Centers** player. ScaleMax has diversified its portfolio of external customers (BNP, Natixis and McGuff) and deployed 20,000 cores in one year in the first data warehouse.

2.1.4. E-commerce (Cdiscount)

(€ millions, post-IFRS 16)	**2019**	2018 (restated)
GMV (Gross Merchandise Volume) as published by Cnova	3,899	3,646
EBITDA	69	39
o/w Cdiscount group	*68*	*41*
o/w Holding companies	*1*	*(2)*

E-commerce, gross merchandise volume ("**GMV**") came to €3.9 billion, a year-on-year increase of 9.1%[(3)] on an organic basis. The marketplace's contribution was up 3.7 points at 38.1%[(3)] of GMV. Cdiscount's B2C services contributed 3.4 points[(3)] to GMV growth.

The contribution of **mobile** solutions to GMV was 5.5 points higher, at 49.5%[(3)]. Cdiscount consolidated its status as the number two player in France in terms of **monthly unique visitors**, with around 20 million unique visitors a month.

The **international platform** continued to expand, with year-on-year growth of 85% in the fourth quarter of 2019[(3)].

E-commerce (Cdiscount) EBITDA margin improved by 153 basis points to reach EBITDA of €69 million (3.5% of net sales), an increase of €30 million driven primarily by the marketplace and by increased monetisation revenue in both B2B and B2C services.

(1) MWp, Mega-Watt peak: maximum electrical power that can be supplied by a photovoltaic system under standard conditions.
(2) Hybridisation: solar power generation with a battery-powered storage system.
(3) Data published by the subsidiary.

2.1.5. Latam Retail

(€ millions, post-IFRS 16)	2019	2018 (restated)
Net sales	16,358	15,577
EBITDA	1,104	1,217
EBITDA margin	*6.8%*	*7.8%*
Trading profit	612	758
Trading margin	*3.7%*	*4.9%*

Latam Retail net sales were €16,358 million in 2019, up 9.7% on an organic basis and 4.0% on a same-store basis excluding fuel and calendar effects.

Sales by **GPA Food in Brazil** rose 11.0% on an organic basis and 3.2% on a same-store basis, excluding fuel and calendar effects.

- Assaí (Cash & Carry) sales were up 21.9%(1) on an organic basis, buoyed by the excellent results of the 22 stores opened in the year and store expansions in previous years, as well as by a good same-store performance. Retail space increased by 20%(1). Assaí now represents over **51% of GPA's sales in Brazil**, underlining the pertinence of its business model. Over the past five years, the Company's net sales have tripled and it now has a market share of 28.5%(1), a rise of 750 basis points over the period.
- **Multivarejo continues to optimise its store portfolio**. 92 **Extra Super** stores, or 70% of the portfolio, were converted in the year, bringing the total to 100 **Mercado Extra** stores and 28 **Compre Bem** stores. 20 **Pão de Açucar** stores were renovated this year, bringing the total number of new-generation stores to 46, representing 40%(1) of the banner's sales. In the convenience format, 10 new Minuto Pao de Açucar stores were opened. Sales have now been on an uptrend for seven consecutive quarters. A new segmentation of the **Hypermarchés Extra** store portfolio has been established, separating out high-performing stores from stores to be optimised in the portfolio. These stores may be ultimately converted to the Assaí format or may be sold.

GPA continued to pursue its **omnichannel strategy**. The **food E-commerce** format reported annual growth of 40%(1), led by expansion of express delivery and click & collect services. **James Delivery** is now up and running in 19 towns and cities.

Éxito net sales were up by 6.2% on an organic basis and by 6.0% on a same-store basis, buoyed by the success of the Éxito Wow, Carulla Fresh Market and Surtimayorista formats. Growth in **E-commerce** in Colombia picked up pace, at 37%(1).

Trading profit from Latin American operations, excluding tax credits and currency effects, remained virtually stable at €612 million. At GPA, Multivarejo's trading margin was impacted by investments in promotional campaigns, while Assaí's trading margin excluding tax credits inched up by approximately 0.2 point. At Grupo Éxito, trading margin improved by around 0.2 point, led by the success of new concepts and E-commerce. Trading profit from Latin American operations including tax credits and currency effects declined by 19.3% owing to the absence of tax credits in 2019 and a negative currency impact of almost 4%.

2.1.6. Overview of the consolidated financial statements

Pursuant to European Commission Regulation 1606/2002 of 19 July 2002, the consolidated financial statements of Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 31 December 2019.

The accounting methods described in the notes to the consolidated financial statements have been applied continuously across the periods presented in the consolidated financial statements.

These standards are available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en.

NET SALES

Consolidated net sales amounted to €34,645 million in 2019, versus €34,329 million in 2018, a total rise of 0.9%, organic growth of 4.2%(2) and same-store growth of 2.2%(2).

Changes in consolidation scope had a negative impact of 0.8%. The currency effect and hyperinflation had a negative impact of 1.9%.

A more detailed review of changes in net sales can be found above in the review of each of the Group's three business segments.

(1) Data published by the subsidiary.
(2) Excluding fuel and calendar effects.

TRADING PROFIT

Consolidated trading profit came to €1,292 million in 2019 versus €1,364 million in 2018, a change of -5.3% as reported and -3.1% at constant exchange rates.

A more detailed review of changes in trading profit can be found above in the review of each of the Group's three business segments.

Other operating income and expenses amounted to a net expense of €719 million in 2019 versus a net expense of €402 million in 2018. This item decreased for the combined Latam and E-commerce segments.

In France, other operating income and expenses represented a net expense of €619 million. The increase in non-recurring costs is mainly non-cash (€200 million) and is related to the disposal plan. Cash expenses under the Rocade plan (€95 million) were funded by disposals of the Group's loss-making stores. Excluding the Rocade plan, restructuring costs fell sharply (down 50% on 2018 and 75% on 2016).

The net expense of €292 million in France in 2018 corresponded mainly to restructuring costs incurred to complete the major store transformation plans.

NET FINANCIAL EXPENSE AND PROFIT (LOSS) BEFORE TAX

Net financial expense totalled €750 million in 2018 (€676 million in 2018), reflecting:

- net finance costs of €356 million versus €320 million in 2018;
- other net financial expenses of €394 million, compared with other net financial expenses of €356 million in 2018.

Underlying net financial expense for the period came to €716 million (€448 million excluding interest expense on lease liabilities) versus €629 million in 2018 (€411 million excluding interest expense on lease liabilities). In France, the underlying net financial expense excluding interest expense on lease liabilities is stable. The underlying net financial expense in E-commerce is stable versus 2018. In Latin America, net financial expense increased in line with the financing of GPA in the context of the takeover bid on Éxito.

Profit (loss) before tax was a loss of €176 million in 2019 (versus a profit of €286 million in 2018).

NET PROFIT (LOSS), GROUP SHARE

Income tax was €137 million versus €188 million in 2018.

The **Group's share of profit of equity-accounted investees** was €46 million (€60 million in 2018).

Non-controlling interests in profit from continuing operations came to €116 million compared to €218 million in 2018. Excluding non-recurring items, underlying non-controlling interests were €157 million in 2019 versus €267 million in 2018.

Profit (loss) from continuing operations, Group share came to a loss of €384 million, compared with a loss of €60 million in 2018, reflecting an increase in non-recurring non-cash costs relating to the disposal plan.

Profit (loss) from discontinued operations, Group share was a loss of €1,048 million, compared with a loss of €57 million in 2018, mainly due to goodwill impairment.

Consolidated net profit (loss), Group share amounted to a loss of €1,432 million, versus a loss of €117 million in 2018.

Underlying net profit from continuing operations, Group share totalled €212 million, compared with €327 million in 2018 mainly due to a decrease in trading profit in Brazil related to the absence of tax credits and a change in tax expense in France due to lower activations of tax loss carryforwards than in 2018 (notably Cdiscount) and the transformation of the CICE into a taxable social expense.

Diluted **underlying earnings per share** stood at €1.62, versus €2.57 in 2018.

FINANCIAL POSITION

Casino Group consolidated net debt stood at **€4.1 billion** at 31 December 2019 versus €3.4 billion at 31 December 2018. The increase in consolidated net debt reflects the net impact of the reorganisation in Latin America (repurchase of Éxito's share in GPA by Casino, GPA's takeover bid for Éxito), while **France net debt**[1] **decreased to €2.3 billion (versus €2.7 billion at end-2018)** and E-commerce debt was close to stable.

(1) *Casino Group's holding structure, including the French activities and the wholly-owned holding companies.*

Cash flow statement for the Group's continuing operations

(€ millions, post-IFRS 16)	2019	2018 (restated)
EBITDA	**2,640**	**2,669**
Non-recurring items	*(401)*	*(257)*
Other items (head office expenses, dividends from equity-accounted investees)	*(67)*	*2*
Cash flow from continuing operations	**2,172**	**2,414**
Change in working capital	92	(117)
Income taxes	(259)	(236)
Net cash (used in) operating activities	**2,004**	**2,061**
Investments (gross capex)	(1,107)	(1,188)
Asset disposals (incl. asset disposal plan)	890	1,230
Net capex	(218)	43
Free cash flow[1]	**1,786**	**2,104**

(1) Before dividends paid to owners of the parent and holders of TSSDI deeply-subordinated bonds, before interest.

Free cash flow from continuing operations before dividends and financial expenses amounted to €1,786 million this year. The change in working capital was €92 million in 2019 versus a negative €117 million in 2018.

Consolidated equity, Group share totalled €4,767 million compared with €6,501 million at end-2018.

At 31 December 2019, Casino in France[1] had €4.0 billion in **liquidity**, composed of a **gross cash position** of **€1.7 billion** and **confirmed undrawn lines of credit** of **€2.3 billion**. The Group also had €193 million in an escrow account for the repayment of the bond that matured in early March 2020.

2.1.7. Alternative performance indicators

The definitions of key non-GAAP indicators are available on the Group's website (https://www.groupe-casino.fr/en/investors/regulated-information/), particularly the underlying net profit as shown below.

Underlying net profit corresponds to net profit from continuing operations adjusted for the impact of (i) other operating income and expenses as defined in the "Significant accounting policies" section of the notes to the 2019 consolidated financial statements, (ii) non-recurring financial items, (iii) income tax expense/benefits related to these adjustments, and (iv) the application of IFRIC 23.

Non-recurring financial items include fair value adjustments to equity derivative instruments (such as total return swaps related to GPA shares) and the effects of discounting Brazilian tax liabilities.

Underlying profit is a measure of the Group's recurring profitability.

(€ millions, post-IFRS 16)	2019	2018 (restated)	Underlying items	2019 underlying	2018 underlying	Underlying items
TRADING PROFIT	**1,292**	**1,364**	**0**	**1,292**	**1,364**	**0**
Other operating income and expense	(719)	(402)	402	0	0	719
OPERATING PROFIT	**574**	**962**	**402**	**1,292**	**1,364**	**719**
Net finance costs	(356)	(320)	0	(356)	(320)	0
Other financial income and expenses[1]	(394)	(356)	47	(360)	(310)	34
Income tax[2]	(137)	(188)	(13)	(253)	(201)	(116)
Share of profit of equity-accounted investees	46	60	0	46	60	0
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(268)**	**159**	**436**	**369**	**595**	**637**
Attributable to minority interests[3]	*116*	*218*	*49*	*157*	*267*	*41*
Group share	**(384)**	**(60)**	**387**	**212**	**327**	**596**

(1) Other financial income and expenses have been restated, primarily for the impact of discounting tax liabilities, as well as for changes in the fair value of total return swaps.
(2) Income tax has been restated for the tax impact of the restated items listed above.
(3) Non-controlling interests have been restated for the amounts relating to the restated items listed above.

(1) Casino Group's holding structure, including the French businesses and wholly-owned holding companies.

2.2. FIRST-QUARTER 2020 NET SALES

The first quarter of 2020 was marked by the Covid-19 epidemic, which impacted all geographies and businesses, **resulting in an unprecedented growth in demand directed at food retailing, and particularly for the Group's formats** (convenience, urban stores and E-commerce).

Several specific measures were introduced to meet the Group's core mission of securing food supply for people:

- **Employee protection**, including mass distribution of face masks, gloves and hydro-alcoholic gels to employees in stores and warehouses;
- **Customer protection and adaptation of service** to meet their specific needs: protective measures in stores, accelerated deployment of automated check-outs (45% in hypermarkets and 36% in supermarkets in February-March 2020), capacity uplift for home delivery, click & collect and Drive to reach 20,000 orders per day versus 6,500 at the beginning of the quarter;
- **Secured logistics organisation**, in cooperation with suppliers, to meet demand without significant shortages.

In France, urban formats, convenience and E-commerce, which constitute the core of the Group's business model, have seen particularly high levels of demand since mid-March.

In first-quarter 2020, EBITDA for the combined France and Cdiscount scope rose by €67 million from first-quarter 2019, notably driven by the additional business generated since mid-March. Over a rolling 12-month period, **EBITDA** for this scope totalled **€1,602 million (€948 million net of rent paid).**

As communicated on 20 March 2020, Casino Group has signed an agreement with Aldi France for the **sale of Leader Price stores and warehouses in mainland France, for €735 million** (including a €35 million earn-out). Preparatory work for the closing has been initiated and is ongoing.

In Latin America, the Group saw an acceleration in business in Brazil and Colombia as well as across all formats, with growth of 14.0% for the quarter.

The financial indicators defined in the bond documentation (EBITDA, gross debt and net cash at 31 March in France and Latin America) will be communicated in a dedicated press release to be published following GPA's publication of its first-quarter results.

Change in net sales

Net sales *(€ millions)*	First-quarter 2020 net sales	Total net sales growth	Organic net sales growth[1]	Same-store net sales growth[1]
France Retail	3,885	-0.6%	+3.1%	+5.8%
Cdiscount	449	-5.8%	-5.8%	-5.8%
Total France	*4,334*	*-1.2%*	*+2.0%*	*+4.0%*
Latam Retail	3,960	-0.4%	+14.0%	+8.5%
TOTAL GROUP	**8,294**	**-0.8%**	**+7.9%**	**+6.4%**
Cdiscount GMV[2]	900	-0.7%	0.0%	n.a.

(1) Excluding fuel and calendar effects.
(2) Data published by the subsidiary.

In first-quarter 2020, the currency effect was a negative 6.9% and the fuel effect a negative 0.6%. Changes in scope of consolidation had a negative impact of 1.8%. The calendar effect was a positive 0.6%.

Business review

FRANCE RETAIL

	Q4 2019/Q4 2018 change				Q1 2020/Q1 2019 change			
Net sales by banner	Q4 2019	Total growth	Organic growth[1]	Same-store growth[1]	Q1 2020	Total growth	Organic growth[1]	Same-store growth[1]
Monoprix	1,232	0.0%	+0.9%	+0.2%	1,156	+3.3%	+2.3%	+3.6%
Supermarkets	775	-2.9%	-2.5%	+0.4%	747	+3.2%	+4.9%	+7.4%
o/w Casino Supermarkets[2]	*737*	*-3.3%*	*-2.7%*	*+0.4%*	*711*	*+3.2%*	*+5.0%*	*+7.5%*
Franprix	386	-4.9%	-3.3%	+0.6%	412	+8.0%	+7.8%	+12.6%
Convenience & Other[3]	607	-9.6%	-4.8%	-1.0%	622	-1.5%	+3.0%	+9.5%
o/w Convenience[4]	*297*	*-1.3%*	*-1.4%*	*-0.3%*	*336*	*+8.8%*	*+7.8%*	*+11.5%*
Hypermarkets	1,164	-6.3%	-0.2%	-0.5%	948	-10.0%	-0.7%	+1.7%
o/w Géant[2]	*1,110*	*-6.6%*	*-0.2%*	*-0.7%*	*900*	*-10.9%*	*-1.3%*	*+1.5%*
o/w food	*720*	*-12.7%*	*n.a.*	*-0.5%*	*631*	*-9.1%*	*n.a.*	*+2.9%*
o/w non-food	*158*	*-3.4%*	*n.a.*	*-4.2%*	*97*	*-18.8%*	*n.a.*	*-8.1%*
FRANCE RETAIL	**4,164**	**-4.3%**	**-1.2%**	**0.0%**	**3,885**	**-0.6%**	**+3.1%**	**+5.8%**

(1) Excluding fuel and calendar effects.
(2) Excluding Codim stores in Corsica: eight supermarkets and four hypermarkets.
(3) Other: mainly Vindémia, Geimex and Cafeterias.
(4) Net sales on a same-store basis include the same-store performance of franchised stores.

In France, **total sales for the quarter came to €3,885 million, an increase of 5.8% on a same-store basis.** In France, **urban banners, convenience** and **E-commerce** have been in particularly high demand since the lockdown began on 17 March. The **E-commerce** business recorded same-store growth of **43% for the quarter, and a threefold increase** in activity over the last four weeks[1], particularly led by home delivery, Drive and click & collect solutions.

In the context of the Covid-19 epidemic, the banners are mobilising their resources to meet the food supply needs of communities while also protecting the health of employees and customers:

- A significant number of **hygiene measures** have been implemented in stores: distribution of face masks and hydro-alcoholic gels to employees, installation of plexiglas screens at check-outs, distancing between customers and promotion of automatic payment solutions;
- **E-commerce solutions** in particular have been strengthened, allowing the Group to address very strong customer demand;
- Lastly, **initiatives to help the most vulnerable and exposed populations** have been launched: donation of 2 million masks for the benefit of caregivers, shopping hours reserved for over-65s and healthcare professionals, toll-free telephone orders for home deliveries, ready-to-deliver baskets, and a programme for donating spare change to non-profit Secours Populaire and the AP-HP university hospital foundation.

Business review by banner:

- **Monoprix** reported **same-store sales growth of 3.6%**. The **E-commerce** segment was particularly strong, buoyed by Amazon Prime Now and a sharp increase in orders in March through Monoprix.fr, with rapid growth in click & collect solutions. The banner has developed a priority delivery service for orders by hospital professionals, which has benefited more than 1,000 people. Expansion continued with the opening of 8 new stores during the quarter (Monop' and Naturalia). The O'logistique warehouse in Fleury-Mérogis – based on Ocado's robotic technology – went into service in a test version on 18 March 2020. The service will be open to the public in the coming weeks.
- **Casino Supermarkets**, which benefit from their urban positioning, reported growth of **7.5% on a same-store basis, with an acceleration since the end of March that lifted growth to 15% over the last four weeks**[1]**.** The **E-commerce** business was boosted by an acceleration in the Drive segment, with 35 new locations opened during the quarter, the roll-out of **home delivery in more than 65 cities** (i.e., an additional 15 over the period), and a new partnership with Uber Eats. In addition, the banner continued to develop **autonomous stores**, with 142 such stores to date, of which 42 new deployments in the first quarter.
- Sales at **Franprix**, which benefits from a very dense urban network and a well-adapted offering, rose by **12.6% on a same-store basis**, accelerating to **26%** over the last four weeks[1]. The banner enhanced its E-commerce solutions with click & collect and home delivery services. A toll-free telephone number was set up to deliver baskets of basic necessities to people in difficulty.

(1) Data over the last four weeks, as at 20 April 2020.

- Sales in the **Convenience** segment, which benefits from the densest store network in France, rose by **11.5% on a same-store basis over the quarter, accelerating to 40% over the last four weeks**[1]**.** E-commerce solutions were deployed within the different networks, with a click & collect service available in 364 stores.
- **Géant Hypermarkets** sales grew by **1.5% on a same-store basis**, of which **2.9% in food**. In an environment that has been more challenging in France for large hypermarkets since the lockdown[2], the banner benefited in relative terms from stores with adapted retail space and the acceleration in the Drive segment. A home delivery solution was also developed in around 41 cities (i.e., an additional 12 over the period) and a partnership with Uber Eats was established. Lastly, the development of autonomous stores continued, with 39 such stores to date, of which 20 deployed in the first quarter.

GREENYELLOW

First-quarter 2020 confirmed GreenYellow's growth momentum in its photovoltaic and energy efficiency businesses, with further diversification of its customer portfolio in all geographies (including Groupe SEB in Colombia, Valeo in Thailand, and four new projects in Madagascar).

DATA AND DATA CENTERS

RelevanC (Data) continued to enjoy good momentum. Its gross sales under banner reached €20 million, an increase of 92% for the quarter led by advertising. The Retail Tech business notably rolled out its paperless catalogue offering.

ScaleMax (Data Center) acquired new customers during the quarter, signing contracts with startups Flying Whales and Ascendance Flight Technology. In addition, Casino took part in the €6 million fundraising of Qarnot computing, its partner in the ScaleMax joint venture and a high-performance computing specialist.

CDISCOUNT

In the current environment, **Cdiscount is fully operational** and has reported solid current trading in recent weeks:

- **The subsidiary is fully operational**: head office staff are working from home and all of the 10 warehouses are operational, with strict sanitary measures in place;
- **Cdiscount launched initiatives to quickly meet customer demand** in terms of both home delivery solutions and the product offerings, where the focus during this period has been placed on **essential products** (home-working equipment, home-based activities, non-perishable grocery items, personal & beauty care, childcare, home cleaning products, and pet products);
- **Strong business in recent weeks, with a sharp improvement in GMV and profitability lifted by growth in the marketplace and higher margin categories:**
  - Since the beginning of April[3]: **GMV grew by 40%**, of which 19% in direct sales and 69% in marketplace sales, which represent 50.7% of GMV (up 8.7 points vs. 2019). The direct sales margin is up 9.9 points, driven by product mix improvement.
- **Cdiscount launched solidarity campaigns**, with (i) the order of **60 million face masks** dedicated to **local authorities and SMEs**, (ii) the **donation of 60,000 face masks** to medical establishments and of tablets and computers to people under lockdown, and (iii) **assistance to French SMEs**, with the simplification of the marketplace sign-up procedure and six months' free membership.

In the first quarter, **Cdiscount's GMV totalled €900 million, which was stable for the quarter**[4]**. Business rebounded in March** after a difficult start to the year for the market as a whole due to the shorter winter sales season and a slowdown in the marketplace over the first two months following containment measures, first in China and then in Europe.

- Over the quarter, the **marketplace contribution continued to grow to 38.3% of GMV** (an increase of 2.4 points on 2019), led by the Fulfillment by Cdiscount service, which advanced 30% on the back of a 6.3-point increase in its GMV share.
- **GMV from services increased 2.4-fold** over the first two months of the year, led by travel (3.3-fold increase in January-February) and energy (up 50% in the first quarter), which now has more than 100,000 customers.

The **international platform continued to expand, with GMV up 57%**. Cdiscount has 73 connected websites, i.e., 26 more than at end-2019, and delivers in 25 European countries.

(1) Data over the last four weeks, as at 20 April 2020.
(2) See data from Nielsen and Kantar panelists.
(3) Data since the beginning of April, as at 20 April 2020, based on placed orders.
(4) Organic growth: the figures include showroom sales and services but exclude sales of technical goods and home category sales made in Casino Group hypermarkets and supermarkets (total exclusion impact of +0.7 points on GMV growth).

Key figures[1]	Q1 2019	Q1 2020	Reported growth[1]	Organic growth[2]
GMV total including tax[3]	**906**	**900**	*-0.7%*	*0.0%*
o/w direct sales	493	452	*-8.3%*	
o/w marketplace sales	280	285	*+1.5%*	
Marketplace contribution *(%)*	35.9%	38.3%	*+2.4 pts*	
Net sales *(€ millions)*	**527**	**493**	*-6.4%*	*-5.7%*
Traffic *(millions of visits)*	255	247	*-3.2%*	
Mobile traffic contribution *(%)*	68.4%	72.2%	*+3.8 pts*	
Active customers *(millions)*[4]	9.1	9.1	*+0.9%*	

(1) Unaudited data published by Cnova NV. The reported figures present all revenues generated by Cdiscount, including its technical goods sales in Casino Group's hypermarkets and supermarkets.

(2) Organic growth: the figures include showroom sales and services but exclude sales of technical goods and home category sales made in Casino Group hypermarkets and supermarkets (total exclusion impact of +0.7 pts on GMV growth).

(3) Gross merchandise volume (GMV) includes sales of merchandise, other revenues and the marketplace's sales volume based on confirmed and shipped orders, including tax, and the sales volume of services.

(4) Active customers at the end of March having purchased at least once through Cdiscount sites and app during the previous 12 months.

LATAM RETAIL

Sales[1] at the Group's businesses in **Latin America** (GPA Food and Éxito) rose by 8.5% on a same-store basis and **14.0%** on an organic basis this quarter, marked by an acceleration in sales in the last two weeks of March in all formats due to the Covid-19 epidemic.

In this context, the Group has implemented measures in all of its geographies and banners to **protect its customers and employees**, including at GPA the distribution of face masks and hydro-alcoholic gels to employees, and the installation of panels and distance lines at checkouts.

- Net sales in **Brazil (GPA Food)**[2] advanced **15.0%** on an organic basis this quarter:
  - **Assaí** reported strong organic growth of **23.8%** driven by the format's attractiveness and successful expansion strategy, with **40 new stores** opened during the past 24 months. The banner's same-store growth was 7.1% despite the high basis of comparison (10.7% in first-quarter 2019). Openings are set to continue, with 14 stores under construction and three hypermarkets in the process of conversion;
  - **Multivarejo**, up **6.6%** on a same-store basis, was led by renovated formats:
    - **Pão de Açúcar** benefited from 14% growth at 46 renovated stores, which represented 40% of the banner's net sales;
    - the **Compre Bem** and **Mercado Extra** banners delivered very strong same-store growth of 42% and 11%, respectively;
    - The **Convenience** formats confirmed their success with same-store growth of 22.5% despite a high basis of comparison (20% in first-quarter 2019);
  - The 70 most dynamic **Extra Hypermarkets** reported a strong performance lifted by promotional campaigns for private-label brands and the attractiveness of the Clube Extra app. The banner continued to optimise its store base with the closure of five stores, of which three for conversion to the Assaí format;
  - the subsidiary continued to pursue its digital strategy and reported **82% growth in food E-commerce** and a rising penetration rate, particularly at Pão de Açúcar.

The Covid-19 epidemic has had an impact on sales across all geographies and banners from mid-March (14 to 31 March). In-store sales increased by 16% and food E-commerce saw a 150% increase in orders over the period. Food delivery solutions **James Delivery** and **Cheftime** recorded very strong levels of business, with increases in the number of orders of 862% and 90%, respectively.

The banner reaffirmed its store expansion, renovation and conversion plan, whose schedule will be adjusted depending on the Covid-19 crisis.

Net sales of **Éxito Group**[2] rose by **12.1%** on a same-store basis this quarter:

- **Colombia: 9.7%** growth on a same-store basis, led by Éxito's anniversary campaign and an increase in business since mid-March across all banners further to lockdown;
- **Uruguay: 11.8%** growth on a same-store basis, thanks to a dynamic tourism sector and an increase in sales from mid-March due to the Covid-19 epidemic;
- **Argentina: 46.0%** growth on a same-store basis despite a difficult economic environment, with growth beating inflation in the Hyper and Convenience formats and a buoyant E-commerce segment.

(1) Consolidated net sales were impacted by a 14.5% currency effect.

(2) Data published by the subsidiary.

2.3. RECENT EVENTS

Information provided by Rallye, the Group's lead shareholder, regarding the approval of its safeguard plan and the safeguard plans of its subsidiaries

Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol, and for their parent companies, Foncière Euris, Finatis and Euris. Casino Group noted the court's decisions, which require these companies to comply with specified financial commitments as from 2023. (See section 4.5 Safeguard proceedings at the Group's parent companies for further information.)

Signing of an agreement between Casino Group and Aldi France for the sale of Leader Price stores and warehouses in mainland France for €735 million

On 20 March 2020, the Group announced that it had signed a unilateral purchase agreement with Aldi France to sell 567 Leader Price stores and 3 Leader Price warehouses in France for an enterprise value of €735 million (including an earn-out of €35 million contingent on the achievement of certain operating indicators during the transaction period). Under this agreement, the transferred Leader Price stores will develop under the Aldi banner. Casino Group retains ownership of the Leader Price brand and will continue to operate it under certain conditions agreed with Aldi, in France and internationally.

2.4. OUTLOOK

First identified in the Asia-Pacific region, the Covid-19 epidemic has spread rapidly to the rest of the world during the first few months of 2020, prompting governments to take drastic health measures to control the spread of the virus (closure of schools, lockdowns, travel and mobility restrictions, closure of public places, etc.). These measures are having a huge economic impact in every country in which the Group operates.

In this exceptional context, Casino Group is **fully committed** to secure the supply of populations, while ensuring the protection of employees and clients.

The **Group's strengths (convenience, E-commerce, automatic payment solutions)** are being deployed to **meet customers' needs** in the safest possible manner.

The Group will pursue **the accelerated adaptation of its operating processes and the development of new offers responding to the current unprecedented situation.**

Further to the release of its first-quarter 2020 net sales, Casino Group has provided the following updates on current trading:

- **In the food banners**, growth stood at **9%** and **12%** excluding hypermarkets over the last four weeks[(1)];
- **Cdiscount** has recorded a **40%** increase in GMV since 1 April[(2)], of which **19%** in **direct sales** and **69%** in **marketplace sales**, raising the **marketplace contribution to 50.7% of GMV**.

Apart from the initial stockpiling effect, this growth is attributable to a **shift in food consumption** towards home consumption, leading to **additional demand for food retailers**, more specifically towards **convenience and urban store formats**, as well as **E-commerce**.

Sales in the last four weeks[(1)] grew **24%** on average at **Franprix, Casino Supermarkets, and Convenience stores**, which have seen a **surge in new customers**, and **triple-figure growth in food E-commerce**, especially in home delivery by **Monoprix** (Monoprix.fr and Amazon Prime Now).

After a difficult start to the year for the market as a whole, **Cdiscount** has seen a **major acceleration** in its business since March, with GMV growth reaching **40%**[(2)] for April, with an assortment adapted to customer demand in the non-food segment and the development of a new basic food offering. This growth has come with **improved profitability**, driven by the **rise in the marketplace contribution to 50.7%[(2)] of GMV** in April, and an **increase in the margin on direct sales** of **9.9 points[(2)]**, driven by an improved product mix.

In these extremely volatile circumstances, no significant factors have come to light that cast doubt on the objectives previously announced by the Group. However, out of prudence and in light of the uncertain macroeconomic and social impact of Covid-19 over the next year[(3)], the Group is no longer able to define specific objectives for 2020-2021, as explained in its full-year 2019 results press release.

The Group remains focused on all of the strategic priorities already communicated to the market in terms of cost savings, the management of investments and inventories, targeted expansion (convenience and premium formats, E-commerce, new businesses), and disposal plans.

In the context of the Covid-19 pandemic, Casino Group is more focused than ever on fulfilling its core mission of ensuring that all communities have uninterrupted food supplies while taking the necessary measures to protect the health of its employees and customers in all workplaces and areas open to the public.

(1) Data over the last four weeks, as at 20 April 2020, excluding Vindémia.
(2) Data since the beginning of April, as at 20 April 2020, based on placed orders.
(3) Note in particular the postponement of INSEE and Banque de France macroeconomic projections to June.

2.5. PARENT COMPANY INFORMATION

2.5.1. Business

Casino, Guichard-Perrachon, parent company of Casino Group, is a holding company. Its activities consist of defining and implementing the Group's development strategy and coordinating the businesses of the various subsidiaries, acting jointly with their respective management teams. The Company also manages a portfolio of brands, designs and models licensed to the subsidiaries and is responsible for overseeing the proper application of Group legal and accounting rules by the subsidiaries.

The significant events of the year are presented in section 1 of the introduction to the notes to the 2019 parent company financial statements (see section 2.7 of Chapter 2).

In 2019, the Company reported net sales (excluding taxes) of €166.2 million, versus €168.0 million in 2018, corresponding mainly to trademark and banner royalties, as well as services billed to subsidiaries.

The Company does not have any branches or specific research and development activities.

2.5.2. Comments on the parent company financial statements

The parent company financial statements have been prepared in accordance with Regulation No. 2014-03 issued by the French accounting standards setter (*Autorité des normes comptables* – ANC) on French generally accepted accounting principles, updated by ANC Regulation no. 2018-01 of 20 April 2018.

The accounting policies applied for the year ended 31 December 2019 are consistent with those used for the previous year.

These principles and policies are described in the notes to the financial statements, which also include a detailed analysis of the main balance sheet and income statement items, as well as movements during the year.

At 31 December 2019, the Company had total assets of €20,457.9 million and equity of €8,489.7 million.

Non-current assets amounted to €17,853.2 million, mainly corresponding to long-term investments.

At 31 December 2018, total liabilities stood at €10,364.6 million, versus €8,324.9 million at 31 December 2018. A breakdown of loans and other borrowings as well as net debt is provided in Note 13 to the parent company financial statements. Excluding the new financing arrangements (the new revolving credit facility (RCF), Term Loan B and the high-yield bond issue, Casino, Guichard-Perrachon's debt is not secured by collateral.

At 31 December 2019, the Casino, Guichard-Perrachon's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,220 million, the entire amount of which is due in more than one year;
- available cash totalling €194 million (of which €193 million held in escrow).

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2019:

- unsecured bonds for €3,879 million;
- Term Loan B for €1,000 million.

As required by Article L. 441-6-1 of the French Commercial Code (*Code de commerce*), the following table sets out supplier and customer payment terms:

(€ thousands)		Invoices received and due but not yet settled at the year-end (Art. D. 441 L-1°)						Invoices issued and due but not yet settled at the year-end (Art. D. 441 L-2°)					
		0 days	1 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total (1 day or more)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total (1 day or more)
(A) Overdue invoices by period													
Number of invoices concerned	**Total**	**0**					**81**	**0**					**61**
	o/w Group	0					9	0					56
	o/w non-Group	0					72	0					5
Total value including taxes of the invoices concerned	**Total**	**1**	**798**	**408**	**(18)**	**78**	**1,267**	**0**	**4,420**	**2,149**	**539**	**1,072**	**8,180**
	o/w Group	1	0	0	0	0	0	0	4,409	2,149	539	1,072	8,169
	o/w non-Group	0	798	408	(18)	78	1,267	0	11	0	0	0	11
Percentage of total purchases excluding taxes for the year	**Total**	**0%**	**1%**	**1%**	**0%**	**1%**	**2%**						
	o/w Group	0%	0%	0%	0%	0%	0%						
	o/w non-Group	0%	1%	1%	0%	0%	2%						
Percentage of net sales (excluding taxes) for the year	**Total**							**0%**	**4%**	**1%**	**0%**	**1%**	**6%**
	o/w Group							0%	1%	0%	0%	0%	1%
	o/w non-Group							0%	3%	1%	0%	1%	5%
(B) Invoices excluded from (A) because they are disputed or not recognised in the financial statements													
Number of invoices excluded	**Total**	**2**						**3**					
	o/w Group	0						1					
	o/w non-Group	2						2					
Total value including taxes of the invoices excluded	**Total**	**53**						**115**					
	o/w Group	0						115					
	o/w non-Group	53						0					
(C) Benchmark contractual or statutory payment terms used – Article L. 441-6 or L. 443-1 of the French Commercial Code													
Payment terms used to determine overdue invoices		Statutory: 60 days from invoice date						Contractual: quarterly invoicing with advance payment					

(1) Of which a credit note to be issued for €205 thousand.

In 2019, the Company reported an operating profit of €3.8 million, versus an operating loss of €4.1 million in 2018.

Net financial expense came in at €465.3 million, versus net financial income of €86.8 million one year earlier. The main movements in provisions in 2019 were as follows:

- amortisation of bond redemption premiums for €24.6 million;
- impairment losses on investments in subsidiaries and associates in an amount of €1,669.5 million, including Distribution Casino France (€1,578.3 million) and Vindémia (€84.4 million);
- reversal of the provision for losses on the total return swap (TRS) on GPA shares for €3.0 million;
- reversal of the provision for losses on the total return swap (TRS) on Mercialys shares for €28.9 million.

The recurring loss before tax came in at €461.5 million, versus recurring income before tax of €82.7 million in 2018.

Non-recurring expense amounted to €214.8 million, versus non-recurring income of €1,050.6 million in 2018, mainly comprising:

- the provision for losses corresponding to the adjusted negative net worth of Casino Restauration for €90.5 million;
- costs relating to litigation and measures to defend the Group's interests for €30.9 million;
- expenses relating to the Company's refinancing for €54.6 million (see Significant events of the year);
- restructuring costs totalling €7.9 million;
- expenses relating to changes in the scope of consolidation for €24.6 million, mainly corresponding to expenses incurred in simplifying the Group's structure in Latin America (see Significant events of the year).

The loss before tax was €676.3 million, versus a profit before tax of €1,133.3 million in 2018.

The net loss for the year was €321.2 million, versus a net profit of €1,538.0 million in 2018.

2.5.3. Non-deductible expenses

In accordance with the disclosures required by Article 223 *quater* of the French General Tax Code (*Code général des impôts*), the 2019 parent company financial statements include an amount of €18,211 corresponding to non-deductible depreciation recognised against passenger vehicles pursuant to paragraph 4 of Article 39 of the French General Tax Code. Tax in respect of said expenses and charges amounted to €5,831.

2.6. SUBSIDIARIES AND ASSOCIATES

The business performance of the main subsidiaries and controlled companies is described on pages 24 to 27.

A list of consolidated companies is provided on pages 148 and 149.

Information on Casino, Guichard-Perrachon's subsidiaries and associates is provided on pages 179 and 180.

2.6.1. Investments made and control acquired in 2019

The direct interests and direct or indirect control acquired as a result of company formations, acquisitions and merger-related asset transfers in France in 2019 were as follows:

CASINO PARTICIPATIONS FRANCE GROUP

Adethur (100%), Casasam (100%), Dinaly (100%), Lyskah (100%), Moyoz (100%), Phoenix (50%) and Vianesile (100%).

■ GreenYellow sub-group

Acsol 1 (100%), Acsol 2 (100%), Irsol 1 (100%), Irsol 2 (100%), GreenYellow Antilles 1 (100%), GreenYellow Antilles 2 (100%), GreenYellow Antilles 3 (100%), GreenYellow Antilles 4 (100%), GreenYellow Antilles 5 (100%), GreenYellow Energy Supply & Services France (100%), Spv Pv 17 (100%), Spv Pv 18 (100%), Spv Pv 19 (100%), Spv Pv 20 (100%), Spv Pv 21 (100%), Spv Pv 22 (100%), Spv Pv 23 (100%), Thermique Solutions Industrie Commerce (100%), Thermique Solutions Industrie Commerce 2 (100%), Thermique Solutions Industrie Commerce 3 (100%), Thermique Solutions Industrie Commerce 4 (100%) and Thermique Solutions Industrie Commerce 5 (100%).

■ L'Immobilière Groupe Casino sub-group

Parking HM Albertville (99.02%), Parking HM Annonay (99.02%), Parking HM Larmor (99.02%), Parking HM Mandelieu (99.02%), Parking HM Marseille Valentine (99.02%), Parking HM Montpellier Celleneuve (99.02%), Parking HM Oyonnax (99.02%), Parking SM Aix en Provence St Jérôme (99.02%), Parking SM Antibes Badine (99.02%), Parking SM Canet en Roussillon (99.02%), Parking SM Cannes La Bocca (99.02%), Parking SM Cannes Pont des Gabres (99.02%), Parking SM Crest (99.02%), Parking SM Le Pradet (99.02%), Parking SM Le Rouret (99.02%), Parking SM Marseille Delprat (99.02%), Parking SM Marseille Michelet (99.02%), Parking SM Mouans Sartoux (99.02%), Parking SM St Raphaël (99.02%), SE HM Amiens (99.02%), SE HM Annonay (99.02%), SE HM Aurillac (99.02%), SE HM Auxerre (99.02%), SE HM Bordeaux Villenave (99.02%), SE HM Larmor (99.02%), SE HM Mandelieu (99.02%), SE HM Montpellier Celleneuve (99.02%), SE HM Oyonnax (99.02%), SE HM Villefranche-sur-Saône (99.02%), SE HM Villeneuve Loubet (99.02%), SE SM Aix en Provence St-Jérôme (99.02%), SE SM Antibes Badine (99.02%), SE SM Canet en Roussillon (99.02%), SE SM Crest (99.02%), SE SM Le Rouret (99.02%), SE SM Marseille Michelet (99.02%) and SE SM Mouans Sartoux (99.02%).

CDISCOUNT GROUP

C-Tech (100%), C-Payment (100%) and Maas (100%).

DISTRIBUTION CASINO FRANCE GROUP

Biot Distribution (100%), Sumacas La Tour Bas Elne (100%) and Sumacas Sarlat la Caneda (100%).

■ Franprix-Leader Price Holding sub-group

Bas Rhin Distribution (100%), Distrileader Macon (100%), Distrivisy (100%), Elnedis Hard Discount (100%), Estedis (100%), Établissements Mesnil (100%), Finadis (100%), Formadine (100%), Fresnes Distribution (100%), Goussaindis (100%), Holdevmag (100%), Kembs Distribution (100%), Lauradis (100%), Leader Creusot (100%), Leader Créancey (100%), Leader Distribution Charente Maritime (100%), Leader Distribution Chenove (100%), Leader Distribution Fontaine (100%), Leader Distribution Niepce (100%), Leader Les Ulis (100%), Leader Price Avranches (100%), Leader Price Belleville (100%), Leader Price Blois (100%), Leader Price Champagnole (100%), Leader Price Coromain (100%), Leader Price Denisens (100%), Leader Price Doubs (100%), Leader Price Essey (100%), Leader Price Feves (100%), Leader Price Gercor (100%), Leader Price Hirson (100%), Leader Price Issoudun (100%), Leader Price Laval (100%), Leader Price Loiret (100%), Leader Price Longuyon (100%), Leader Price Magenta (100%), Leader Price Montbizot (100%), Leader Price Montmorot (100%), Leader Price Mormant (100%), Leader Price Mourière (100%), Leader Price Mulatière (100%), Leader Price Neuves Maisons (100%), Leader Price Orge (100%), Leader Price Ramberviller (100%), Leader Price Raon (100%), Leader Price Rémy (100%), Leader Price Revin (100%), Leader Price Roinville (100%), Leader Price Rotrou (100%), Leader Price Schweighouse (100%), Leader Price Seine Maritime (100%), Leader Price Sens (100%), Leader Price Thionville (100%), Leader Price Vaucelles (100%), Leader Price Vverdun (100%), Leader Price Villers (100%), Leadfi (100%), Leamag (100%), LP Béziers (100%), LPCazouls (100%), LPNarbonne Nord (100%), LPNarbonne Ouest (100%), LPNarbonne Sud (100%), LPSauvian (100%), Maffidis (100%), Mini LP 44 (100%), Mini LP 70 (100%), Minimarché Magasin 3 (100%), Montbéliard Distribution (100%), Nano Boutique 1 (100%), Natdis (100%), NewFPmag 18 (100%), Ononys (100%), Papedis (100%), Pouzadis (100%), RLPG Châteauroux (100%), RLPG Tours (100%), Saint Thibault Distribution (100%), Socharles Hard Discount (100%), Sodias (100%), Sodiboulou (100%), Sogebezons (100%), Soultz Distribution (100%) and Vaillant Dis (100%).

CASINO RESTAURATION GROUP

DG Restauration Traiteur (100%).

2.6.2. Shareholder agreements

The Company is party to several shareholder agreements. Details of the most significant agreements are as follows:

FRANPRIX-LEADER PRICE

Call and/or put options have been granted on shares in a number of companies that are not wholly-owned by the Group. The options, certain of which are associated with shareholder agreements, are exercisable for varying periods up to 2032 at a price based on the operating profits of the companies concerned (see Note 3.4 to the consolidated financial statements).

ALMACENES ÉXITO (COLOMBIA)

Casino obtained a controlling interest in Almacenes Éxito SA in May 2007 and has been party to a shareholder agreement since 17 December 2007. The agreement sets out voting rules for electing Directors and for certain other decisions, the rules on selling shares and other customary clauses.

On 29 June 2011, Almacenes Éxito SA acquired control of the Group's Uruguay operations under the Disco and Devoto banners and took a seat on their boards. In December 2011, Almacenes Éxito SA and Casino exchanged call and put options on the minority interests in Grupo Disco del Uruguay and Devoto Hermanos SA, expiring on 31 August 2021, which are themselves subject to a put option granted by Casino to the founding Uruguayan families, and expiring on 21 June 2021 (see below).

DISCO URUGUAY GROUP (URUGUAY)

Casino signed a shareholder agreement with Grupo Disco del Uruguay's founding families when it acquired a stake in the company in September 1998. The agreement expired in September 2008 but the family shareholders continue to benefit from put options granted by Casino, exercisable until 21 June 2021. These put options are described in Note 16 to the parent company financial statements and Note 3.4 to the consolidated financial statements.

Casino sold its majority interests in Grupo Disco del Uruguay and Devoto Hermanos SA to Almacenes Éxito SA on 29 September 2011, giving Almacenes Éxito SA joint control. Under the terms described above, Casino and Almacenes Éxito SA exchanged call and put options on the minority interests in Grupo Disco del Uruguay held by the Uruguayan founding families.

Spice Investments Mercosur SA (wholly-owned subsidiary of Almacenes Éxito SA) is party to a shareholder agreement with the minority shareholders of Disco who under its terms agree not to pursue activities that could compete with Disco's food retail business.

As part of this commitment, the minority shareholders gave a guarantee to Spice Investments Mercosur SA, pledging their shares in Disco.

The shareholder agreement was valid up until 31 December 2016 and was renewed until 30 June 2019, when it expired.

PÃO DE AÇÚCAR GROUP (BRAZIL)

Further to the reorganisation of the ownership structure of Casino Group's South American assets from 12 September to 27 November 2019, the shareholder agreement between Almacenes Éxito SA ("Exito") and Casino, which had governed the control of Brazilian subsidiary GPA since the summer of 2015 through Ségisor, is no longer valid and has been terminated, since Casino now holds the entire share capital of Ségisor. The put option on the shares held by Éxito in GPA and the entities that make up GPA's former chain of ownership and control has also been terminated further to the acquisition of the shares subject to the put by Casino.

2.6.3. Pledged assets

Assets pledged by the Company or companies in the Group do not represent a material percentage of the Group's assets (1% of non-current assets or €206 million). The amount of €206 million does not include the guarantees given in connection with the Group's refinancing transaction in November 2019 (see Note 11.5.4 to the consolidated financial statements).

2.6.4. Related-party transactions

The Company maintains normal relations with all its subsidiaries in its day-to-day management of the Group, as described on page 35.

Due to the Group's legal and operational organisation structure, all or some of the Group companies may also engage in business relations or provide services to each other.

The Company also receives strategic support from Euris, the ultimate holding company, which is chaired by its majority shareholder Jean-Charles Naouri. Euris provides strategy and development consultancy services on a permanent basis under an agreement signed in 2003 and the amendments thereto. The annual amount paid by the Company for these services in 2019 was €870,000 excluding taxes, versus €760,000 excluding taxes in 2018.

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board of Directors has reviewed the agreements entered into and authorised in previous years which remained in force during the past financial year, and concluded that they required no particular observations.

No agreements were entered into in 2019, directly or through an intermediary, between a Company subsidiary and (i) the Chief Executive Officer, (ii) a Director or (iii) a shareholder holding more than 10% of the Company's voting rights, other than those pertaining to ordinary business operations and concluded under arms' length terms.

Detailed information on related-party transactions is provided in Notes 3.3.6 and 14 to the consolidated financial statements (see Chapter 2, section 2.6 of this document).

To strengthen the Company's good governance practices specifically concerning related-party agreements, in February 2015 the Board of Directors introduced a formal internal review procedure to be led by the Audit Committee or by a special-purpose committee concerning certain agreements and transactions between the Company or one of its wholly-owned subsidiaries, on the one hand, and a related party on the other. The procedure, which concerns related-party agreements in particular, aims to guarantee balanced related-party transactions and thereby protect minority interests. Further details are provided in the section Prior review of agreements between related parties by the Audit Committee, on page 348 of this document.

Further to changes in the legal provisions governing related-party agreements pursuant to the Pacte Law of 22 May 2019 (Article L. 225-39, paragraph 2 of the French Commercial Code), at its meeting of 12 December 2019 the Board of Directors, on the unanimous recommendation of the Governance and Social Responsibility Committee, tasked the Audit Committee with regularly reviewing the "arm's length" agreements entered into by the Company, and also approved, on the Audit Committee's recommendation, the terms of the dedicated charter on identifying and reviewing arm's length agreements. This charter sets out the methodology to be used to classify agreements into arm's length and related-party agreements referred to in Article L. 225.38 of the French Commercial Code. Further details are provided in the section Regular review by the Audit Committee of arm's length agreements entered into by the Company pursuant to Article L. 225-39, second paragraph, of the French Commercial Code, on page 349 of this document.

2.7. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.7.1 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 31 December 2019

To the General Meeting of Shareholders of Casino, Guichard-Perrachon,

OPINION

In compliance with the engagement entrusted to us by the general meeting of shareholders, we have audited the accompanying consolidated financial statements of Casino, Guichard-Perrachon for the year ended 31 December 2019. These consolidated financial statements were approved by the Board of Directors on 25 March 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

EMPHASIS OF MATTER

We draw attention to the following matter described in Note 1.3 "Changes in accounting methods and restatement of comparative information" to the consolidated financial statements relating to the methods of application and the impacts of the first-time application of standard IFRS 16 "Leases", the impacts of the entry into force of interpretation IFRIC 23 "Uncertainty over income tax treatments", and the change of presentation of the costs of obtaining a contract. Our opinion is not modified in respect of this matter.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of assets and liabilities held for sale and of the result of the discontinued Leader Price operations

Risk identified	Our response
See Note 2 "Significant events of the year" and Note 3.5 "Assets held for sale and discontinued operations" to the consolidated financial statements	
As at 31 December 2019, the Leader Price assets and liabilities held for sale amount to €1,362 million and €706 million respectively, representing net assets amounting to €656 million (approximately 8% of consolidated shareholders' equity), and are measured at the lower of their net carrying amount and their fair value less costs to sell. The result of the discontinued Leader Price operations in respect of financial year 2019 is a loss of €1,047 million. Taking into account the contribution represented by the Leader Price operations in the consolidated financial statements and the significance of Management's estimates underlying the determination of: ▪ (i) The Leader Price assets and liabilities to be presented as assets and liabilities held for sale, including in particular the allocation of the goodwill of the Franprix Leader Price group of cash generating units to the Leader Price operations; ▪ (ii) The fair value less costs to sell used by the Group's Management for the net assets attributable to the Leader Price operations within the context of the sale process in progress and the proposed conditions. The fair value used led the Group to recognise impairment in the amount of €704 million for financial year 2019; we considered the measurement of the Leader Price net assets held for sale and the result of the corresponding discontinued operations to be a key audit matter.	Within the scope of our audit: ▪ We gained an understanding of the method of allocation of the Franprix Leader Price goodwill to the activities of Franprix, Leader Price and Geimex, which is based on the relative values of each of these activities, and we assessed the compliance of this method with IAS 36. We assessed the bases on which these relative values were established and verified the arithmetical accuracy of the calculations made; ▪ We analysed the conditions of allocation of other assets and liabilities and the result of the Franprix Leader Price operations to the Leader Price activities, as well as the underlying agreements used by Management to perform certain allocations, in particular those concerning the shared services between Franprix and Leader Price; ▪ We assessed Management's estimates necessary for determining the fair value less expected costs to sell based on (i) the information available at this stage of the sale process and (ii) the conditions envisaged by Management, together with the buyer, for the implementation of the sale; ▪ We verified the methodology of calculation of the impairment loss. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Impairment tests of goodwill and brands

Risk identified	Our response
See Note 3 "Scope of consolidation", Note 10.1 "Goodwill", Note 10.2 "Other intangible assets" and Note 10.5 "Impairment of non-current assets" to the consolidated financial statements	
As at 31 December 2019, the net carrying amounts of goodwill and brands with an indefinite useful life recorded in the consolidated statement of financial position amount to €7,489 million and €1,509 million respectively, i.e. approximately 26% of total consolidated assets. Within the context of the valuation of these assets, the Group allocates its goodwill and brands to the groups of cash generating units (CGUs) as described in Note 10.1.1 to the consolidated financial statements for the implementation of impairment tests. In 2019, these CGUs take into account the reorganisation performed by the Group in France, which led to dividing the Franprix-Leader Price group of CGUs into three groups of CGUs: Franprix, Leader Price and Geimex. The impairment tests are performed at least once a year and whenever a trigger for impairment is identified, according to the conditions described in Notes 10.1, 10.2 and 10.5 to the consolidated financial statements. We considered the valuation of goodwill and brands to be a key audit matter due to the following: ▪ Their materiality in the consolidated financial statements; ▪ The significance of the estimates notably used as a basis for the determination of their recoverable amount, including turnover and margin rate forecasts for these activities, the perpetual growth rates used to determine terminal value, and discount rates; ▪ The sensitivity of the valuation of these recoverable amounts to certain assumptions.	We assessed the compliance of the methodology implemented by Management with the accounting standards in force. We also assessed the main estimates used, analysing the following in particular: ▪ The consistency of cash flow projections with the budgets and medium-term business plans prepared by Management, as well as the consistency of the turnover and margin rates with the Group's historical performance, in the economic context in which the Group operates; ▪ The methods and parameters used to determine the discount rates and perpetual growth rates applied to estimated cash flows. With the assistance of the valuation specialists included in our audit team, we recalculated these discount rates using the most recent market data available and compared the results obtained with (i) the rates used by Management and (ii) the rates observed for several players operating in the same business sector as the Group; ▪ The sensitivity scenarios adopted by Management, of which we verified the arithmetical accuracy. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, in particular that relating to sensitivity tests.

First-time application of IFRS 16 "Leases"

Risk identified	Our response
See Note 1.3 "Changes in accounting methods and restatement of comparative information" and Note 7 "Leases" to the consolidated financial statements	
The Group applies IFRS 16 "Leases" as from 1 January 2019, retrospectively for each prior period for which it presents financial information. The comparative information relating to the previous financial year has thus been restated and the cumulative effect has been recognised as at 1 January 2018. The first-time application of the standard has led to presenting, as at 1 January 2018, right-of-use assets for a net value of €4,491 million and lease liabilities amounting to €4,150 million. As stated in Note 7 "Leases" to the consolidated financial statements, these leases mainly concern real estate assets. We considered the first-time application of IFRS 16, particularly to real estate assets, to be a key audit matter due to the following: ▪ The significance of the accounting impacts related to the first-time application of the standard to these leases in the consolidated accounts; ▪ The volume of the leases to be identified and analysed within the Group, taking into account the exemptions applied by Management; ▪ The considerable use by Management of estimates, judgements and assumptions, especially in respect of the determination of the non-cancellable period and the discount rate to determine the value of the right-of-use assets and lease liabilities related to the real estate leases based at the date of the start of the lease on the discounted future payments.	Within the scope of our audit: ▪ We gained an understanding of the internal control procedures including in relation to the information system, and tested the key application and manual controls set up by Management to ensure (i) the completeness and accuracy of the contractual data relating to the leases and (ii) the correct valuation of the right-of-use assets and lease liabilities that we considered the most relevant; ▪ We analysed and assessed the relevance of the main assumptions used by the Group, especially the discount rate and the lease term, in particular for leases with an extension or termination option, on which the value of the right-of-use assets and lease liabilities of the real estate is based; ▪ We tested the completeness of the real estate databases used, by analysing the residual lease costs based, notably, on the exemptions offered by the standard and applied by the Group: leases with a lease term of 12 months or less and leases where the underlying asset has a low value; ▪ We reconciled, for a sample of leases, the information used to determine the right-of-use assets and lease liabilities with the underlying contractual documents; ▪ We recalculated, for a sample of leases, the value of the right-of-use assets and corresponding lease liabilities, and compared our results with those of the Group. In addition, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Compliance with bank covenants

Risk identified	Our response
See Note 2 "Significant events" and Note 11.5 "Financial risk management objectives and policies" to the consolidated financial statements	
Certain loan and credit line agreements, as stated in Note 11.5.4 "Liquidity risk" to the consolidated financial statements, provide for the obligation for the Group to comply with bank ratios in respect of the bank covenants as at 31 December 2019. In addition, during the fourth quarter of 2019, the Group finalised its refinancing plan, resulting in the raising of secured funding in the amount of €1.8 billion maturing in January 2024 and the extension of confirmed credit lines in France for €2 billion as a new confirmed revolving credit facility maturing in October 2023, the latter being subject to bank covenants applicable as from 31 March 2020. Any non-compliance with the bank covenants is liable to result in all or part of the debts concerned being immediately payable. We considered compliance with the bank covenants to be a key audit matter, as any failure to comply with these ratios could have impacts on the availability of the group's confirmed credit lines as described in the notes to the consolidated financial statements, the presentation of financial liabilities as current/non-current in the consolidated financial statements and, if relevant, the continuation of the company as a going concern.	Within the scope of our audit: ▪ We analysed the Group's bond and bank documentation, including in particular the covenants, in order to understand the definition of the ratios; ▪ We gained an understanding of the internal control procedures relating to the monitoring of the Group's liquidity and net financial debt, including the processes for (i) establishing cash flow forecasts, (ii) monitoring net financial debt and (iii) calculating the ratios and complying with the bank covenants; ▪ We verified the arithmetical accuracy of the calculation of the ratios produced by Management as at 31 December 2019. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, notably the information concerning compliance with the covenants relating to the financing concerned.

Recognition of tax credits and monitoring of contingent tax liabilities at GPA

Risk identified	Our response
See Note 5.1 "Key indicators by reportable sector", Note 6.8 "Other current assets", Note 6.9.1 "Breakdown of other non-current assets" and Note 13.3 "Contingent assets and liabilities" to the consolidated financial statements	
Within the scope of its retail activities at GPA, the Group recognises ICMS tax credits. The balance of the credits recognised amounts to €580 million as at 31 December 2019. These tax credits were recognised insofar as GPA considers their recoverability to be probable. In addition, as described in Note 13.3 to the consolidated financial statements, the Group estimates contingent PIS and COFINS tax credits related to the exclusion of ICMS from the calculation basis of these two taxes to amount to €262 million. GPA is also involved in various administrative and legal proceedings in Brazil arising, notably, from tax claims filed by the Brazilian tax authorities. A part of these tax risks, estimated at €2,165 million as at 31 December 2019, were analysed as contingent liabilities and no provisions were recognised as at 31 December 2019, as stated in Note 13.3 to the consolidated financial statements. We considered the recognition and recoverability of both the tax credits and the valuation and monitoring of contingent tax liabilities in Brazil to be key audit matters for the following reasons: (i) the significance in the accounts of the tax credit balance, the contingent asset relating to PIS and COFINS tax credits and the amount of contingent tax liabilities as at 31 December 2019, (ii) the complexity of the Brazilian tax legislation related to taxes and (iii) the use of judgements and estimates by Management in connection with the recognition of tax credits and the valuation of the contingent tax liabilities.	We interviewed the various persons who hold responsibilities in the GPA organisation to identify and gain an understanding of the tax credits and existing disputes, as well as the judgements relating thereto. Concerning the tax credits to be received, we analysed the following items with the assistance of the specialists in Brazilian indirect taxes included in our audit team: ▪ The internal control environment relating to the processes set up by Management to monitor the tax credits and ensure their recoverability, and we tested the related key controls; ▪ The assumptions used by Management to draw up the tax credits recovery plan; ▪ The documentation that evidences either the recognition of ICMS tax over the year, or the characterisation of the PIS and COFINS tax credits as contingent assets. Concerning the contingent liabilities, with the assistance of our specialists in Brazilian taxation included in our audit team: ▪ We gained an understanding of the internal control environment relating to the processes for the identification, monitoring and estimation of the level of risk associated with the various disputes, and we tested the related key controls; ▪ We reconciled the list of identified disputes with the information provided by the Brazilian subsidiaries' main law firms that we contacted in order to assess the existence, completeness and amounts of the disputes; ▪ We examined the information on the legal or technical proceedings and/or opinions provided by the law firms or external experts chosen by Management, in order to assess the correct recognition of the various disputes or their characterisation as contingent liabilities; ▪ We reconciled the risk estimates prepared by the Group with the figures relating to contingent tax liabilities disclosed in the notes to the consolidated financial statements. Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements.

Valuation of rebates to be received from suppliers at year-end

Risk identified	Our response
See Note 6.2 "Cost of goods sold" and Note 6.8 "Other current assets" to the consolidated financial statements	
Within the scope of its retail activities, the Group receives rebates from its suppliers in the form of discounts and commercial cooperation fees. These rebates, generally paid on the basis of a percentage defined contractually according to purchase volumes and applied to purchases made from suppliers, are recorded as a deduction from cost of goods sold. Considering the material impact of these rebates on net profit for the year, the large number of contracts involved and the necessity for Management to estimate the final rebate percentage determined according to the volume of related purchases for each supplier, we considered the valuation of rebates to be received from suppliers at year-end to be a key audit matter.	Within the scope of our audit: ▪ We gained an understanding of the internal control environment relating to the processes for the monitoring of these rebates in the Group's various significant subsidiaries and we carried out tests on the key controls set up by Management; ▪ We reconciled, on a sampling basis, the contractual terms relating to rebates to be received from suppliers with their valuation; ▪ We assessed, on a sampling basis, the estimates used by Management to determine these year-end rebates, in particular the estimation of the volumes of purchases at year-end used to determine the final rebate percentage for each supplier and the amounts of the invoices to be issued; ▪ We reconciled the receivables recognised in the balance sheet with the amounts collected subsequent to year-end.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report, as approved on 25 March 2020. Regarding any events that occurred and facts that became known after the date of the approval of the management report, relating to the effects of the Covid-19 crisis, Management has informed us that such events and facts will be communicated to the general meeting of shareholders called to approve the financial statements.

We have no matters to report as to the fair presentation of the information contained in the management report and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Casino, Guichard-Perrachon by the general meeting of shareholders held on 29 April 2010.

As at 31 December 2019, our audit firms were both in their 10th year of uninterrupted engagement. Previously, ERNST & YOUNG Audit had been Statutory Auditor since 1978.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 27 March 2020

The Statutory Auditors

French original signed by

ERNST & YOUNG et Autres		DELOITTE & ASSOCIÉS	
Yvon Salaün	Alexis Hurtrel	Frédéric Moulin	Patrice Choquet

2.7.2. Consolidated financial statements

2.7.2.1. CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	**2019**	2018 (restated)[1]
CONTINUING OPERATIONS			
Net sales	5/6.1	34,645	34,329
Other revenue	6.1	665	533
Total revenue	**6.1**	**35,310**	**34,862**
Cost of goods sold	6.2	(26,547)	(25,899)
Gross margin	**5.1**	**8,764**	**8,963**
Selling expenses	6.3	(6,100)	(6,244)
General and administrative expenses	6.3	(1,371)	(1,355)
Trading profit	**5.1**	**1,292**	**1,364**
As a % of net sales		*3.7%*	*4.0%*
Other operating income	6.5	61	350
Other operating expenses	6.5	(779)	(751)
Operating profit		**574**	**962**
As a % of net sales		*1.7%*	*2.8%*
Income from cash and cash equivalents	11.3.1	39	37
Finance costs	11.3.1	(396)	(356)
Net finance costs	**11.3.1**	**(356)**	**(320)**
Other financial income	11.3.2	265	122
Other financial expenses	11.3.2	(659)	(478)
Profit (loss) before tax		**(176)**	**286**
As a % of net sales		*-0.5%*	*0.8%*
Income tax expense	9.1	(137)	(188)
Share of profit of equity-accounted investees	3.3.3	46	60
Net profit (loss) from continuing operations		**(268)**	**159**
As a % of net sales		*-0.8%*	*0.5%*
Attributable to owners of the parent		(384)	(60)
Attributable to non-controlling interests		116	218
DISCONTINUED OPERATIONS			
Net profit (loss) from discontinued operations	**3.5.2**	**(1,054)**	**(32)**
Attributable to owners of the parent	3.5.2	(1,048)	(57)
Attributable to non-controlling interests	3.5.2	(6)	25
CONTINUING AND DISCONTINUED OPERATIONS			
Consolidated net profit (loss)		**(1,322)**	**127**
Attributable to owners of the parent		(1,432)	(117)
Attributable to non-controlling interests	12.8	110	244

Earnings per share

(€)	Notes	**2019**	2018 (restated)[1]
From continuing operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		(3.90)	(1.00)
▪ Diluted		(3.90)	(1.00)
From continuing and discontinued operations, attributable to owners of the parent	**12.10.2**		
▪ Basic		(13.61)	(1.52)
▪ Diluted		(13.61)	(1.52)

(1) Previously published comparative information has been restated to reflect changes in accounting methods (relating mainly to IFRS 16 – Leases) and the reclassification of Leader Price within discontinued operations (Note 1.3).

2.7.2.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	**2019**	2018 (restated)[1]
Consolidated net profit (loss)	**(1,322)**	**127**
Items that may subsequently be reclassified to profit or loss	**(128)**	**(775)**
Cash flow hedges and cash flow hedge reserve[2]	(27)	19
Foreign currency translation adjustments[3]	(110)	(779)
Debt instruments at fair value through other comprehensive income (OCI)	6	2
Share of items of equity-accounted investees that may be subsequently reclassified to profit or loss	(4)	(10)
Income tax effects	6	(6)
Items that will never be reclassified to profit or loss	**(14)**	**(13)**
Equity instruments at fair value through other comprehensive income	(1)	(2)
Actuarial gains and losses	(18)	(15)
Share of items of equity-accounted investees that will never be subsequently reclassified to profit or loss	(1)	(2)
Income tax effects	6	6
Other comprehensive income (loss) for the year, net of tax	**(142)**	**(788)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**(1,464)**	**(661)**
Attributable to owners of the parent	*(1,526)*	*(449)*
Attributable to non-controlling interests	*61*	*(211)*

(1) Previously published comparative information has been restated to reflect changes in accounting methods, relating mainly to IFRS 16 – Leases (Note 1.3).

(2) The change in the cash flow hedge reserve was not material in either 2019 or 2018.

(3) The €110 million negative net translation adjustment in 2019 arose primarily from the depreciation of the Brazilian, Argentine and Uruguayan currencies, for €70 million, €57 million and €54 million respectively, partially offset by the appreciation of the Colombian peso for €68 million. The €779 million negative net translation adjustment in 2018 mainly concerned the depreciation of the Brazilian and Colombian currencies, for €678 million and €43 million, respectively.

Changes in other comprehensive income are presented in Note 12.7.2.

2.7.2.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)[1]	1 January 2018 (restated)[1]
Goodwill	10.1	7,489	8,682	9,092
Intangible assets	10.2	2,296	2,265	2,266
Property, plant and equipment	10.3	5,113	5,843	7,325
Investment property	10.4	493	497	494
Right-of-use assets	7.1.1	4,837	4,592	4,491
Investments in equity-accounted investees	3.3.3	341	500	563
Other non-current assets	6.9	1,183	1,151	1,091
Deferred tax assets	9.2.1	772	667	619
Total non-current assets		**22,524**	**24,197**	**25,942**
Inventories	6.6	3,775	3,834	3,806
Trade receivables	6.7	836	905	888
Other current assets	6.8	1,536	1,383	1,231
Current tax assets		111	165	138
Cash and cash equivalents	11.1	3,572	3,730	3,391
Assets held for sale	3.5.1	2,491	8,433	7,549
Total current assets		**12,320**	**18,450**	**17,003**
TOTAL ASSETS		**34,844**	**42,647**	**42,945**

Equity and liabilities

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)[1]	1 January 2018 (restated)[1]
Share capital	12.2	166	168	170
Additional paid-in capital, treasury shares, retained earnings and consolidated net profit (loss)		4,602	6,333	7,227
Equity attributable to owners of the parent		**4,767**	**6,501**	**7,397**
Non-controlling interests	**12.8**	**3,523**	**5,208**	**5,373**
Total equity	**12**	**8,291**	**11,709**	**12,770**
Non-current provisions for employee benefits	8.2	357	366	358
Other non-current provisions	13.1	458	481	514
Non-current borrowings and debt, gross	11.2	8,100	6,782	7,202
Non-current lease liabilities	7.1.1	3,937	3,560	3,485
Non-current put options granted to owners of non-controlling interests	3.4.1	61	63	28
Other non-current liabilities	6.10	181	464	478
Deferred tax liabilities	9.2.2	566	667	740
Total non-current liabilities		**13,661**	**12,384**	**12,806**
Current provisions for employee benefits	8.2	11	11	11
Other current provisions	13.1	153	160	167
Trade payables		6,580	6,668	6,644
Current borrowings and debt, gross	11.2	1,549	2,199	1,475
Current lease liabilities	7.1.1	740	677	665
Current put options granted to owners of non-controlling interests	3.4.1	105	126	143
Current tax liabilities		48	124	88
Other current liabilities	6.10	2,839	2,613	2,483
Liabilities associated with assets held for sale	3.5.1	867	5,977	5,693
Total current liabilities		**12,892**	**18,554**	**17,369**
TOTAL EQUITY AND LIABILITIES		**34,844**	**42,647**	**42,945**

(1) Previously published comparative information has been restated to reflect changes in accounting methods, relating mainly to IFRS 16 – Leases *(Note 1.3).*

2.7.2.4. CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	2019	2018 (restated)[1]
Profit before tax from continuing operations		(176)	286
Profit (loss) before tax from discontinued operations	3.5.2	(979)	27
Consolidated profit (loss) before tax		**(1,156)**	**314**
Depreciation and amortisation expense	6.4	1,348	1,305
Provision and impairment expense	4.1	241	266
Losses (gains) arising from changes in fair value	11.3.2	40	45
Expenses (income) on share-based payment plans	8.3.1	13	21
Other non-cash items		(58)	61
(Gains) losses on disposals of non-current assets	4.4	9	(232)
(Gains) losses due to changes in percentage ownership of subsidiaries resulting in acquisition/loss of control		11	(12)
Dividends received from equity-accounted investees	3.3.1/3.3.2	43	55
Net finance costs	11.3.1	356	320
Interest paid on leases, net	11.3.2	268	218
Non-recourse factoring and associated transaction costs	11.3.2	77	81
Gain on disposal of discontinued operations	3.5.2	121	(17)
Adjustments related to discontinued operations		856	316
Net cash from operating activities before change in working capital, net finance costs and income tax		**2,169**	**2,740**
Income tax paid		(259)	(236)
Change in operating working capital	4.2	92	(117)
Income tax paid and change in operating working capital: discontinued operations		(882)	214
Net cash from operating activities		**1,120**	**2,601**
of which continuing operations		*2,004*	*2,061*
Cash outflows related to acquisitions of:			
▪ Property, plant and equipment, intangible assets and investment property	4.3	(1,107)	(1,188)
▪ Non-current financial assets	4.11	(440)	(48)
Cash inflows related to disposals of:			
▪ Property, plant and equipment, intangible assets and investment property	4.4	890	1,230
▪ Non-current financial assets		68	26
Effect of changes in scope of consolidation resulting in acquisition or loss of control	4.5	218	(66)
Effect of changes in scope of consolidation related to equity-accounted investees	4.6	(39)	170
Change in loans and advances granted		(42)	(21)
Net cash from (used in) investing activities of discontinued operations		422	(203)
Net cash used in investing activities		**(32)**	**(99)**
of which continuing operations		*(453)*	*104*

(€ millions)	Notes	2019	2018 (restated)[1]
Dividends paid:			
▪ to owners of the parent	12.9	(169)	(338)
▪ to non-controlling interests	4.7	(83)	(104)
▪ to holders of deeply-subordinated perpetual bonds	12.9	(46)	(48)
Increase (decrease) in the parent's share capital		-	-
Transactions between the Group and owners of non-controlling interests	4.8	(971)	231
(Purchases) sales of treasury shares	12.4	(40)	(103)
Additions to loans and borrowings	4.9	4,542	1,543
Repayments of loans and borrowings	4.9	(3,694)	(1,330)
Repayments of lease liabilities		(701)	(614)
Interest paid, net	4.10	(617)	(629)
Other repayments		(12)	(3)
Net cash used in financing activities of discontinued operations		(297)	(400)
Net cash used in financing activities		**(2,088)**	**(1,796)**
of which continuing operations		*(1,792)*	*(1,396)*
Effect of changes in exchange rates on cash and cash equivalents of continuing operations		(3)	(232)
Effect of changes in exchange rates on cash and cash equivalents of discontinued operations		19	(96)
CHANGE IN CASH AND CASH EQUIVALENTS	**4.9**	**(984)**	**377**
Net cash and cash equivalents at beginning of period		**4,514**	**4,137**
▪ of which net cash and cash equivalents of continuing operations	11.1	3,592	3,236
▪ of which net cash and cash equivalents of discontinued operations		922	901
Net cash and cash equivalents at end of period		**3,530**	**4,514**
▪ of which net cash and cash equivalents of continuing operations	11.1	3,471	3,592
▪ of which net cash and cash equivalents of discontinued operations		59	922

(1) Previously published comparative information has been restated to reflect changes in accounting methods (relating mainly to IFRS 16 – Leases) and the reclassification of Leader Price within discontinued operations (Note 1.3).

2.7.2.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ millions) (before allocation of profit)	Share capital	Additional paid-in capital[(1)]	Treasury shares
AT 1 JANUARY 2018 (REPORTED)	**170**	**3,992**	**(5)**
Effects of applying IFRS 16 (Note 1.3)	-	-	-
Other (Note 1.3)	-	-	-
AT 1 JANUARY 2018 (RESTATED)[(*)]	**170**	**3,992**	**(5)**
Other comprehensive income (loss) for the year (restated)[(*)]	-	-	-
Net profit (loss) for the year (restated)[(*)]	-	-	-
Consolidated comprehensive income (loss) for the year (restated)[(*)]	**-**	**-**	**-**
Issue of share capital	-	-	-
Purchases and sales of treasury shares	(2)	(53)	(28)
Dividends paid/payable to shareholders[(6)]	-	-	-
Dividends paid/payable to holders of deeply-subordinated perpetual bonds[(6)]	-	-	-
Share-based payments	-	-	-
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries	-	-	-
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[(7)]	-	-	-
Other movements	-	-	-
AT 31 DECEMBER 2018 (RESTATED)[(*)]	**168**	**3,939**	**(33)**
Effects of applying IFRIC 23 (Note 1.3)	-	-	-
AT 1 JANUARY 2019	**168**	**3,939**	**(33)**
Other comprehensive income (loss) for the year	-	-	-
Net profit (loss) for the year	-	-	-
Consolidated comprehensive income (loss) for the year	**-**	**-**	**-**
Issue of share capital	-	-	-
Purchases and sales of treasury shares[(5)]	(2)	(38)	5
Dividends paid/payable to shareholders[(6)]	-	-	-
Dividends paid/payable to holders of deeply-subordinated perpetual bonds[(6)]	-	-	-
Share-based payments	-	-	-
Changes in percentage interest resulting in the acquisition/loss of control of subsidiaries[(7)]	-	-	-
Changes in percentage interest not resulting in the acquisition/loss of control of subsidiaries[(8)]	-	-	-
Other movements	-	-	-
AT 31 DECEMBER 2019	**166**	**3,901**	**(28)**

(*) Previously published comparative information has been restated to reflect changes in accounting methods, relating mainly to IFRS 16 – Leases (Note 1.3).

(1) Additional paid-in capital includes (a) premiums on shares issued for cash or for contributions in kind, or in connection with mergers or acquisitions, and (b) legal reserves.

(2) See Note 12.6.

(3) Attributable to the shareholders of Casino, Guichard-Perrachon.

(4) See Note 12.8.

(5) See Note 12.4 for information about treasury share transactions.

(6) See Note 12.9 for dividends paid and payable to holders of ordinary shares and deeply-subordinated perpetual bonds. Dividends paid and payable to non-controlling interests during the year primarily concern GPA for €44 million, Éxito for €24 million and Franprix-Leader Price for €19 million (2018: GPA for €46 million, Franprix-Leader Price for €24 million and Éxito for €19 million).

(7) The negative amount of €725 million mainly corresponds to the loss of control in Via Varejo (Note 2).

(8) The negative amount of €959 million mainly corresponds to the project to simplify the Group's structure in Latin America, representing a €931 million negative impact (Note 2). In 2018, the €206 million positive impact corresponded for the most part to (a) the acquisition by Tikehau Capital and Bpifrance of shares in GreenYellow for €142 million and (b) the additional contribution of €85 million made by the private equity fund Fondo Inmobiliaro Colombia to the Viva Malls real estate trust created by Éxito in 2016.

Deeply-subordinated perpetual bonds (TSSDI)	Retained earnings and profit for the year	Other reserves[(2)]	Equity attributable to owners of the parent[(3)]	Non-controlling interests[(4)]	Total equity
1,350	**4,177**	**(2,114)**	**7,570**	**5,493**	**13,063**
-	(163)	-	(163)	(120)	(282)
-	(10)	-	(10)	-	(10)
1,350	**4,004**	**(2,114)**	**7,397**	**5,373**	**12,770**
-	-	(333)	(333)	(455)	(788)
-	(117)	-	(117)	244	127
-	**(117)**	**(333)**	**(449)**	**(211)**	**(661)**
-	-	-	-	-	-
-	(17)	-	(100)	-	(100)
-	(338)	-	(338)	(103)	(441)
-	(48)	-	(48)		(48)
-	8	-	8	11	19
-	-	-	-	(35)	(35)
-	32	-	32	174	206
-	-	-	-	(2)	(2)
1,350	**3,524**	**(2,446)**	**6,501**	**5,208**	**11,709**
-	(7)	-	(7)	-	(7)
1,350	**3,516**	**(2,446)**	**6,494**	**5,208**	**11,702**
-	-	(94)	(94)	(48)	(142)
-	(1,432)	-	(1,432)	110	(1,322)
-	**(1,432)**	**(94)**	**(1,526)**	**61**	**(1,464)**
-	-	-	-	-	-
-	(5)	-	(40)	-	(40)
-	(169)	-	(169)	(92)	(261)
-	(37)	-	(37)	-	(37)
-	6	-	6	16	22
-	-	-	-	(725)	(725)
-	21	-	21	(980)	(959)
-	19	-	19	35	54
1,350	**1,918**	**(2,540)**	**4,767**	**3,524**	**8,291**

2.7.3. Notes to the consolidated financial statements

DETAILED SUMMARY OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Information about the Casino, Guichard-Perrachon Group

Casino, Guichard-Perrachon ("the Company") is a French *société anonyme* listed in compartment A of Euronext Paris. The Company and its subsidiaries are hereinafter referred to as "the Group" or "Casino Group". The Company's registered office is at 1, Cours Antoine Guichard, 42008 Saint-Étienne, France.

The consolidated financial statements for the year ended 31 December 2019 reflect the accounting situation of the Company and its subsidiaries, as well as the Group's interests in associates and joint ventures.

The 2019 consolidated financial statements of Casino, Guichard-Perrachon were approved for publication by the Board of Directors on 25 March 2020.

Note 1 Significant accounting policies

1.1. ACCOUNTING STANDARDS

Pursuant to European Commission Regulation 1606/2002 of 19 July 2002, the consolidated financial statements of Casino Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union as of the date of approval of the financial statements by the Board of Directors and applicable at 31 December 2019.

These standards are available on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en.

The accounting policies set out below have been applied consistently in all periods presented, after taking account of the new standards, amendments to existing standards and interpretations listed below.

■ Standards, amendments to standards, and interpretations adopted by the European Union and mandatory for financial years beginning on or after 1 January 2019

The European Union has adopted the following standards, amendments and interpretations which must be applied by the Group for its financial year beginning on 1 January 2019:

- IFRS 16 – *Leases*
- IFRIC 23 – *Uncertainty over Income Tax Treatments*

The effects of applying IFRS 16 and IFRIC 23 are presented in Note 1.3.

The following texts had no material impact on the Group's consolidated financial statements:

- Amendments to IFRS 9 – *Prepayment Features with Negative Compensation*

  These amendments are applicable on a retrospective basis. The amendments expand the classification of financial assets at amortised cost or at fair value through other comprehensive income and clarify the application of the "solely a payment of principal and interest" test to certain debt instruments with a prepayment feature where the effect of exercising this clause would reasonably lead to repayments that are lower than the amount of principal and interest due.

- Amendments to IAS 19 – *Plan Amendment, Curtailment or Settlement*

  These amendments will be applicable on a prospective basis. to plan amendments, curtailments and settlements of defined benefit plans. They require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement.

- Amendments to IAS 28 – *Long-term Interests in Associates and Joint Ventures*

  These amendments are applicable on a retrospective basis. They clarify that IFRS 9 (including the impairment rules) applies to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

- IFRS Annual Improvements – 2015-2017 Cycle

The main standards concerned are:

- IAS 12 – *Income Taxes:* these amendments clarify that the tax consequences of dividend payments (i.e., distributions of profits) should be recognised when the distribution liability is recognised, in profit or loss, equity or other comprehensive income according to where the transactions that generated the distributed profits were presented. They will be applicable on a retrospective basis as from the first comparative period presented.
- IAS 23 – *Borrowing Costs:* these amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally. These amendments will be applicable on a prospective basis.

■ Standards, amendments to standards, and interpretations adopted by the European Union and early adopted by the Group

- Amendments to IFRS 9, IAS 39 and IFRS 7 – *Interest Rate Benchmark Reform*

  The first phase of this project, focusing on the presumed continuity of hedge effectiveness, mandatory for financial years beginning on or after 1 January 2020, was early adopted by the Group as of 1 January 2019.

  These amendments, designed to enable entities to provide useful financial information during the period of uncertainty related to the IBOR reform, modify certain hedge accounting provisions. The amendments also require entities to provide investors with specific disclosures about their hedging relationships which are directly affected by these uncertainties. The adoption of these amendments did not have a material impact on the consolidated financial statements.

1.2. BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.2.1. Basis of measurement

The consolidated financial statements have been prepared using the historical cost convention, with the exception of the following:

- assets and liabilities acquired in a business combination, which are measured at fair value in accordance with IFRS 3;
- derivative financial instruments and financial assets, which are measured at fair value. The carrying amounts of assets and liabilities hedged by a fair value hedge which would otherwise be measured at cost are adjusted for changes in fair value attributable to the hedged risk.

The consolidated financial statements are presented in millions of euros. The figures in the tables have been rounded to the nearest million euros and include individually rounded data. Consequently, the totals and sub-totals shown may not correspond exactly to the sum of the reported amounts.

1.2.2. Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the consolidated financial statements. Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The main judgements, estimates and assumptions are based on the information available when the financial statements are drawn up and concern the following:

- classification and measurement of Leader Price's net assets, as well as assets of the France segment, in accordance with IFRS 5 (Note 3.5);
- valuation of non-current assets and goodwill (Note 10.5);
- measurement of deferred tax assets (Note 9);
- recognition, presentation and measurement of the recoverable amounts of tax credits or taxes (mainly ICMS, PIS and COFINS in Brazil) (Notes 5.1, 6.9 and 13);
- IFRS 16 transition method, notably the determination of discount rates and the lease term for the purpose of measuring the lease liability for leases with renewal or termination options (Note 1.3);
- provisions for risks (Note 13), particularly tax and employee-related risks in Brazil.

1.3. CHANGES IN ACCOUNTING METHODS AND RESTATEMENT OF COMPARATIVE INFORMATION

1.3.1. Impact on the consolidated financial statements

The tables below show the impact on the previously published consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows, resulting mainly from the retrospective application of IFRS 16 – *Leases* (Note 1.3.2) and the reclassification of Leader Price within discontinued operations in accordance with IFRS 5 (discontinued operations include Leader Price and Via Varejo for the two financial years presented).

Two other impacts reflected in the "Other" column essentially relate to:

- the finalisation of the purchase price allocation for Sarenza, acquired in 2018, which primarily led to the recognition of the Sarenza trademark;
- the change in the method of presenting costs to obtain contracts.

  In 2019, the Group reviewed the presentation of these costs in its statement of financial position. Costs to obtain contracts, previously included in other current and non-current assets are now included in "Other intangible assets". The Group believes that this voluntary change of presentation improves the quality of its financial disclosures, as it reflects the way in which this investment – related to the management of its franchise – is itself managed, i.e., as though the Group had acquired an intangible asset (customer relationship). In the income statement, costs to obtain contracts are now recognised over the term of the contract as an amortisation expense within selling expenses and no longer as an expense within cost of goods sold. The amortisation expense for 2018 amounted to €39 million (including the portion relating to Leader Price as a discontinued operation). The reclassification qualifies as a change of method and has therefore been applied retrospectively to 2018 as if the new presentation had been adopted at the beginning of that year.

The introduction of IFRIC 23 – *Uncertainty over Income Tax Treatments* did not result in any significant changes to the measurement of uncertain tax balances in the financial statements at 31 December 2018. The Group also reclassified a number of statement of financial position items from "Provisions for risks and expenses" to "Current tax liabilities" and/or "Deferred taxes". These changes in presentation did not have a material impact. IFRIC 23 was applied using the modified retrospective method, i.e., with no restatement of comparative information (Note 9).

Impact on the main consolidated income statement indicators in 2018

(€ millions)	**2018 (reported)[1]**	IFRS 16 restatements	Discontinued operations (Leader Price)	Other[2]	**2018 (restated)**
Net sales	36,604	-	(2,275)	-	34,329
Other revenue	532	-	(8)	9	533
TOTAL REVENUE	**37,136**	**-**	**(2,283)**	**9**	**34,862**
Cost of goods sold	(27,831)	25	1,867	39	(25,899)
Selling expenses	(6,679)	149	335	(50)	(6,244)
General and administrative expenses	(1,416)	4	65	(7)	(1,355)
Trading profit	**1,209**	**179**	**(16)**	**(8)**	**1,364**
Operating profit	**834**	**121**	**20**	**(13)**	**962**
Net finance costs	(327)	7	1	-	(320)
Other financial income and expenses	(138)	(220)	1	-	(356)
Profit before tax	**369**	**(93)**	**23**	**(13)**	**286**
Income tax (expense) benefit	(204)	18	(5)	4	(188)
Share of profit of equity-accounted investees	17	-	43	-	60
Net profit (loss) from continuing operations	**182**	**(75)**	**60**	**(9)**	**159**
attributable to owners of the parent	*(45)*	*(59)*	*53*	*(9)*	*(60)*
attributable to non-controlling interests	*227*	*(16)*	*8*	-	*218*
Net profit (loss) from discontinued operations	**(21)**	**49**	**(60)**	**-**	**(32)**
attributable to owners of the parent	*(9)*	*5*	*(53)*	-	*(57)*
attributable to non-controlling interests	*(11)*	*44*	*(8)*	-	*25*
CONSOLIDATED NET PROFIT (LOSS)	**161**	**(25)**	**-**	**(9)**	**127**
attributable to owners of the parent	*(54)*	*(54)*	-	*(9)*	*(117)*
attributable to non-controlling interests	*215*	*28*	-	-	*244*

(1) Via Varejo was classified within discontinued operations in 2018.
(2) Mainly the change in the method of presenting costs to obtain contracts.

Impact on the main consolidated statement of cash flow indicators in 2018

(€ millions)	**2018 (reported)**	IFRS 16 restatements	Discontinued operations (Leader Price)	Other	**2018 (restated)**
Net cash from operating activities	**1,492**	**1,040**	**-**	**69**	**2,601**
of which consolidated profit (loss) before tax	*323*	*3*	*-*	*(13)*	*314*
of which other components of cash flow	*1,336*	*1,047*	*-*	*44*	*2,427*
of which change in operating working capital and income tax paid	*(433)*	*(9)*	*52*	*37*	*(353)*
of which income taxes paid and change in operating working capital: discontinued operations	*266*	*-*	*(52)*	*-*	*214*
Net cash from (used in) investing activities	**(30)**	**-**	**-**	**(69)**	**(99)**
of which net cash related to acquisitions and disposals of non-current assets	*57*	*-*	*55*	*(69)*	*43*
of which effect of changes in scope of consolidation resulting in acquisition or loss of control	*(95)*	*-*	*29*	*-*	*(66)*
of which cash from (used in) discontinued operations	*(119)*	*-*	*(84)*	*-*	*(203)*
Net cash from (used in) financing activities	**(756)**	**(1,041)**	**-**	**-**	**(1,796)**
of which repayments of lease liabilities	*-*	*(659)*	*44*	*-*	*(614)*
of which interest paid, net	*(424)*	*(209)*	*4*	*-*	*(629)*
of which cash from (used in) discontinued operations	*(167)*	*(184)*	*(48)*	*-*	*(400)*
Effect of changes in exchange rates on cash and cash equivalents	(328)	-	-	-	(328)
Change in cash and cash equivalents	**377**	**-**	**-**	**-**	**377**
Net cash and cash equivalents at beginning of period	4,137	-	-	-	4,137
Net cash and cash equivalents at end of period	4,514	-	-	-	4,514

Impact on the main consolidated statement of financial position indicators at 1 January 2018

(€ millions)	1 January 2018 (reported)	IFRS 16 restatements	Other[1]	1 January 2018 (restated)
Goodwill	9,092	-	-	9,092
Intangible assets, property, plant and equipment, and investment property	10,732	(776)	128	10,085
Right-of-use assets	-	4,491	-	4,491
Investments in equity-accounted investees	563	-	-	563
Other non-current assets	1,199	(10)	(98)	1,091
Deferred tax assets	523	91	5	619
Total non-current assets	**22,110**	**3,796**	**36**	**25,942**
Inventories	3,815	(1)	(8)	3,806
Trade receivables	888	-	-	888
Other current assets	1,282	(18)	(33)	1,231
Current tax assets	138	-	-	138
Cash and cash equivalents	3,391	-	-	3,391
Assets held for sale	6,551	998	-	7,549
Total current assets	**16,064**	**979**	**(40)**	**17,003**
TOTAL ASSETS	**38,174**	**4,776**	**(5)**	**42,945**
Equity attributable to owners of the parent	7,570	(163)	(10)	7,397
Non-controlling interests	5,493	(120)	-	5,373
Total equity	**13,063**	**(282)**	**(10)**	**12,770**
Non-current provisions for employee benefits	358	-	-	358
Other non-current provisions	514	-	-	514
Non-current borrowings and debt, gross	7,249	(47)	-	7,202
Non-current lease liabilities	-	3,485	-	3,485
Non-current put options granted to owners of non-controlling interests	28	-	-	28
Other non-current liabilities	486	(8)	-	478
Deferred tax liabilities	725	16	-	740
Total non-current liabilities	**9,360**	**3,446**	**-**	**12,806**
Current provisions for employee benefits	11	-	-	11
Other current provisions	162	-	5	167
Trade payables	6,664	(20)	-	6,644
Current borrowings and debt, gross	1,493	(17)	-	1,475
Current lease liabilities	-	665	-	665
Current put options granted to owners of non-controlling interests	143	-	-	143
Current tax liabilities	88	-	-	88
Other current liabilities	2,513	(30)	-	2,483
Liabilities associated with assets held for sale	4,678	1,015	-	5,693
Total current liabilities	**15,751**	**1,612**	**5**	**17,369**
TOTAL EQUITY AND LIABILITIES	**38,174**	**4,776**	**(5)**	**42,945**

(1) Mainly the change in the method of presenting costs to obtain contracts.

Impact on the main consolidated statement of financial position indicators at 31 December 2018 and 1 January 2019

(€ millions)	31 December 2018 (reported)	IFRS 16 impact	Other[1]	31 December 2018 (restated)	IFRIC 23 impact	1 January 2019 (restated)
Goodwill	8,690	-	(8)	8,682	-	8,682
Intangible assets, property, plant and equipment, and investment property	9,281	(835)	158	8,605	-	8,605
Right-of-use assets	-	4,592	-	4,592	-	4,592
Investments in equity-accounted investees	500	-	-	500	-	500
Other non-current assets	1,275	(13)	(111)	1,151	-	1,151
Deferred tax assets	553	105	9	667	(7)	659
Total non-current assets	**20,299**	**3,849**	**49**	**24,197**	**(7)**	**24,189**
Inventories	3,843	(1)	(9)	3,834	-	3,834
Trade receivables	905	-	-	905	-	905
Other current assets	1,437	(12)	(41)	1,383	-	1,383
Current tax assets	165	-	-	165	-	165
Cash and cash equivalents	3,730	-	-	3,730	-	3,730
Assets held for sale	7,061	1,372	-	8,433	-	8,433
Total current assets	**17,141**	**1,359**	**(50)**	**18,450**	**-**	**18,450**
TOTAL ASSETS	**37,440**	**5,208**	**(1)**	**42,647**	**(7)**	**42,639**
Equity attributable to owners of the parent	6,731	(211)	(19)	6,501	(7)	6,494
Non-controlling interests	5,288	(80)	-	5,208	-	5,208
Total equity	**12,019**	**(291)**	**(19)**	**11,709**	**(7)**	**11,702**
Non-current provisions for employee benefits	366	-	-	366	-	366
Other non-current provisions	483	(2)	-	481	(6)	475
Non-current borrowings and debt, gross	6,817	(35)	-	6,782	-	6,782
Non-current lease liabilities	-	3,560	-	3,560	-	3,560
Non-current put options granted to owners of non-controlling interests	63	-	-	63	-	63
Other non-current liabilities	472	(13)	4	464	6	469
Deferred tax liabilities	636	28	3	667	-	667
Total non-current liabilities	**8,837**	**3,539**	**7**	**12,384**	**-**	**12,384**
Current provisions for employee benefits	11	-	-	11	-	11
Other current provisions	154	(3)	10	160	(3)	157
Trade payables	6,688	(20)	-	6,668	-	6,668
Current borrowings and debt, gross	2,211	(12)	-	2,199	-	2,199
Current lease liabilities	-	677	-	677	-	677
Current put options granted to owners of non-controlling interests	126	-	-	126	-	126
Current tax liabilities	124	-	-	124	3	127
Other current liabilities	2,643	(31)	1	2,613	-	2,613
Liabilities associated with assets held for sale	4,628	1,349	-	5,977	-	5,977
Total current liabilities	**16,584**	**1,959**	**10**	**18,554**	**-**	**18,554**
TOTAL EQUITY AND LIABILITIES	**37,440**	**5,208**	**(1)**	**42,647**	**(7)**	**42,639**

(1) Mainly the change in the method of presenting costs to obtain contracts and the allocation of the Sarenza purchase price.

1.3.2. Impact of the first-time adoption of IFRS 16 – *Leases*

IFRS 16 supersedes IAS 17 and the related interpretations as from 1 January 2019 and removes the distinction between operating and finance leases, introducing a single lessee accounting model and requiring lessees to recognise assets (right to use the underlying leased asset for the estimated term of the lease) and liabilities (lease liability representing the obligation to make lease payments) for substantially all leases. Operating lease expense in the consolidated income statement is replaced by depreciation of the right-of-use asset presented in "Cost of goods sold" or "Selling expenses", and interest expense on the financial liability presented in "Other financial expenses". Previously, the Group classified most of its leases as operating leases and recognised rental expense on a straight-line basis over the lease term; no asset or liability was recognised except to reflect any timing difference between the rental payment period and the period in which the related expense is recognised.

Compared to IAS 17, applying IFRS 16 has a positive impact on EBITDA (as defined in Note 5.1) as well as, to a lesser extent, on trading profit, and a negative impact on finance costs.

Consolidated net profit may be reduced progressively over successive periods because total rental expense is generally higher at the beginning of the lease and decreases over time, unlike the straight-line charge recognised under the previous standard (IAS 17). Additionally, net cash from operating activities is higher as cash outflows corresponding to the repayment of the principal amount of the lease liability and related interest payments as classified within cash flows from financing activities.

Right-of-use assets and lease liabilities are presented on separate lines of the consolidated statement of financial position. Lease liabilities are not included in the calculation of net debt, the definition of which remains unchanged. Accordingly, applying IFRS 16 has the effect of decreasing net debt due to the restatement of finance lease liabilities, which were included within "Loans and borrowings" under IAS 17.

The Group has decided to apply IFRS 16 from 1 January 2019 using the retrospective transition approach, by restating all comparative information presented in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors.*

The Group has chosen to apply the recognition exemptions in IFRS 16 concerning:

- short-term leases (less than 12 months); and
- leases for which the underlying asset is of low value (value of underlying leased asset less than €5,000).

Lease payments not included in the initial measurement of the financial liability (for example, variable lease payments) are recorded in operating expense, together with payments for short-term leases and leases for which the underlying asset is of low value.

The assets and finance lease liabilities previously classified under IAS 17 within property, plant and equipment and borrowings have been reclassified to right-of-use assets and lease liabilities, respectively, except for those related to short-term leases and leases for which the underlying asset is of low value.

Lease premiums previously classified within intangible assets have been reclassified to "Right-of-use assets". Right-of-use assets relating to lease premiums are not generally amortised and are tested for impairment whenever there is an indication that they may be impaired.

Sale-and-leaseback transactions prior to 1 January 2019 have not been restated, in accordance with IFRS 16.

A net deferred tax effect has been recorded for the difference between the right-of-use assets and the lease liabilities within the scope of IFRS 16, as was previously the case for finance lease liabilities.

The discount rate used to calculate the value of right-of-use assets and the lease liabilities is determined on a country-by-country basis, depending on the lease term. It is calculated for each asset according to the duration of the lease, using the incremental borrowing rate at inception of the lease.

The lease term reflects the non-cancellable period of the lease, plus (or minus) periods covered by an option to extend (terminate) the lease when that option is reasonably certain to be exercised. For property leases, the Group determined whether it was reasonably certain to exercise any options to extend (terminate) the leases based mainly on the characteristics of the various leased assets (store formats, warehouses and administrative buildings) and the countries concerned by the leases. For "3-6-9"-type commercial leases in France, French law grants lessees the right to extend the lease upon expiry of the lease contract, or the right to eviction compensation (*indemnité d'éviction*). If the lessor is required to pay the lessee more-than-insignificant compensation in the event it refuses to extend the lease, questions arise as to whether or not the lessee effectively has an extension option. In this respect, the Group has applied the position set out by the French accounting standards-setter (*Autorité des normes comptables* – ANC) in its 16 February 2018 statement of conclusions. The enforceable term of such leases is therefore nine years; beyond this, the lease term adopted in accordance with IFRS 16 for automatically renewable leases corresponds to the notice period (generally six months).

On 16 December 2019, the IFRS IC published its decision on a request for clarification regarding the following issues:

- determining the enforceable period of an automatically renewable lease, or an indefinite-term lease that can be terminated by one of the parties subject to a specified notice period. The question related to the notion of penalties used as a basis to define the enforceable period;
- the link between the useful life of non-removable leasehold improvements and the IFRS 16 lease term.

The IFRS IC:

- concluded that the broader economics of the lease, and not only its contractual provisions, should be considered in determining the enforceable period of the lease;
- provided a number of clarifications regarding the link between the IFRS 16 lease term and the useful life of non-removable leasehold improvements.

In light of the IFRS IC's final decision, the Group has begun a further analysis of its leases in order to identify contracts whose initial accounting under IFRS 16 could be affected. In view of the large number of leases and the publication of this decision late in the year, Casino did not apply the decision when preparing its consolidated financial statements at 31 December 2019, since the potential impact of the guidance is still being analysed.

The Group's analyses are focusing particularly on:

- automatically renewable leases or leases that can be terminated at any time;
- assets under lease (stores, warehouses), including non-removable leasehold improvements, whose residual net carrying amount at the end of the IFRS 16 lease term could give rise to a significant penalty (within the meaning of the IFRS IC decision) for the Group. These cases could lead the Group to adopt a longer IFRS 16 lease term and/or to re-estimate the useful life of the related non-removable leasehold improvements.

Following certain industry discussions and on completion of these analyses, which are expected to be finalised ahead of the 2020 interim financial statements, the Group will be able to decide whether or not this IFRS IC decision significantly modifies its current application of IFRS 16 and/or whether the useful life of the related non-removable leasehold improvements should be re-estimated. In particular, these analyses could call into question the IFRS 16 lease term adopted for "3-6-9"-type leases in France (several thousand contracts concerned), which are currently recognised in accordance with the position published by the ANC in February 2018.

It should be noted that the 2019 published financial statements of Group subsidiary GPA applied this IFRS IC decision. In light of the principle whereby the consolidated financial statements are prepared using consistent accounting methods from one year to the next, and pending the findings of the analyses currently in progress for the Group as a whole, the impact of this decision is not reflected in the Group's financial statements. This impact is essentially limited to an increase in lease liabilities and in right-of-use assets of €188 million and €170 million, respectively, at 31 December 2019.

The table below provides a summary of the impact of applying IFRS 16 on the 2019 and 2018 consolidated income statement and consolidated statement of financial position:

	31 December 2019				31 December 2018			
(€ millions)	Total	France Retail	Latam Retail	E-commerce	Total	France Retail	Latam Retail	E-commerce
EBITDA	916	590	302	25	818	513	285	19
Trading profit	221	104	116	2	179	64	114	1
Other financial income and expenses	(270)	(108)	(156)	(6)	(220)	(60)	(156)	(4)
Right-of-use assets	4,837	2,866	1,804	167	4,592	2,776	1,659	157
Lease liabilities	4,676	2,807	1,680	189	4,238	2,575	1,490	173

Note 2 Significant events of the year

Significant events of the year are the following:

DISPOSAL PLAN FOR NON-STRATEGIC ASSETS

On 11 June 2018, the Group announced that it was launching a non-strategic asset disposal plan to support ongoing transformation of its business model to focus on fast-growing store formats and geographies, and to accelerate the deleveraging process in France. The initial scope of the plan, i.e., €1.5 billion, was increased in March and then in August 2019, and now stands at €4.5 billion.

On 31 December 2019, transactions carried out under the plan amounted to €2,100 million, of which €1,105 million in 2018 (the sale of 15% of Mercialys through an equity swap for €213 million, the acquisition by Tikehau Capital and Bpifrance of shares in GreenYellow for €150 million and the sale-leaseback of Monoprix real estate assets for €742 million). The main transactions in 2019 included:

- the sale-leaseback on 8 March 2019 of 13 Géant Casino, 3 Hyper Casino and 10 Casino Supermarkets store properties to funds managed by Fortress for a consideration of €392 million; a variable component was recognised in the consolidated financial statements in this respect for €33 million. The transaction includes a variable component whereby Casino Group could receive up to an additional €120 million depending mainly on the future yield on the properties sold. The Group will continue to operate the stores under leases representing annual rent of €32 million;
- the sale-leaseback on 15 October 2019 of 31 store properties (12 Géant Casino and 19 Monoprix and Casino Supermarkets stores) valued at €465 million, to funds managed by companies affiliated with Apollo Global Management. The consideration for the transfer of 30 assets totals €327 million and includes a variable component whereby Casino Group could receive up to an additional €120 million. The Group will continue to operate these 31 stores under leases representing annual rent of €27 million.

These two sale-leaseback transactions generated a capital loss before tax of €25 million (after adjusting for the impact of IFRS 16), presented in "Other operating expenses".

Casino sold its contract catering services subsidiary R2C at the end of June 2019. This transaction had no material impact on the financial statements.

On 22 July 2019 Casino Group announced the signing of an agreement to sell Vindémia for an enterprise value of €219 million.

On 20 March 2020, Casino announced the signing of an agreement with Aldi to sell Leader Price in France for an enterprise value of €735 million, including a €35 million earn-out contingent (see below and Note 15).

PLANNED SALE OF LEADER PRICE

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* (Notes 3.5.1 and 3.5.2):

- the assets and liabilities held for sale have been reclassified in the consolidated statement of financial position under "Assets held for sale" for €1,362 million and "Liabilities associated with assets held for sale" for €706 million. The €656 million net asset value at 31 December 2019 includes an impairment loss of €704 million recorded to reduce the carrying amount of the disposal group to its fair value less costs to sell, as estimated in the context of the sale transaction in progress with Aldi;
- Leader Price's post-tax net profit and cash flows for the years ended 31 December 2019 and 2018 are reported on a separate line in the consolidated income statement under "Net profit (loss) from discontinued operations".

SAFEGUARD PROCEEDINGS CONCERNING CASINO GROUP'S LEAD SHAREHOLDERS RALLYE AND FONCIÈRE EURIS, FINATIS AND EURIS

On 23 May 2019, Casino Group's lead shareholder Rallye and its parent companies announced that they had each requested and obtained the initiation of safeguard proceedings *(procédure de sauvegarde)* for a six-month period which may be extended by 6-12 months by decision of the relevant commercial court. The proceedings were initiated after the court acknowledged the financial difficulties experienced by the holding companies. They have the effect of freezing these companies' financial liabilities.

Each proceeding only concerns the entity for which it was initiated and none of them applies to either Casino, Guichard-Perrachon or its subsidiaries. Therefore, Casino Group continues to run its operations as usual and remains focused on executing the strategic plan announced to the market in June 2018, including the €4.5 billion disposal plan of non-strategic assets, a sharp reduction in the Group's debt in France and the achievement of the business objectives communicated to the market.

The initiation of safeguard proceedings for Rallye has had notably two impacts at the level of Casino, Guichard-Perrachon:

- rating downgrades by Standard & Poor's and Moody's. On 28 May 2019, Standard & Poor's downgraded the Group's credit rating to B/negative watch (from BB/negative outlook). On 31 May 2019, Moody's downgraded Casino's credit rating to B1/negative outlook (from Ba3/negative outlook);
- a reduction in the outstanding amount under the Negotiable European commercial paper ("NEU CP") programme.

On 25 November 2019, Rallye, Foncière Euris, Finatis and Euris announced that the safeguard period was to be extended for a further six months with the aim of obtaining court approval for their plans by the end of first-quarter 2020 at the latest.

On 2 March 2020, Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol, and for their parent companies, Foncière Euris, Finatis and Euris (Note 15).

REFINANCING AND USES OF FUNDS

On 22 October 2019, the Group announced a plan to strengthen its liquidity and financial structure in a transaction that was finalised on 21 November 2019. The refinancing plan included two transactions:

- raising €1.8 billion of secured financing via (i) a €1.0 billion term loan ("Term Loan B") bearing interest at Euribor (floored at 0) plus 5.5%, and (ii) a high-yield 5.875% bond issue for €800 million, with both borrowings falling due in January 2024;
- extending €2.0 billion of confirmed credit lines in France as a new confirmed revolving credit facility ("RCF") maturing in October 2023, or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date. The interest on this facility varies depending on the ratio of loans and borrowings to EBITDA (Note 11.5.4). This facility covers the France Retail and E-commerce segments and is subject to maintenance covenants tested quarterly as from 31 March 2020 (Note 11.5.4).

Term Loan B and the secured high-yield bond enabled the Group to finance the tender offer on the bonds maturing in 2020, 2021 and 2022 for a total cash amount of €806 million, to repay the drawn credit lines to date for a total amount of €630 million, to partially repay 50% (i.e., €198 million) of the Ségisor loan, and to pay the fees and commissions related to the transaction. The remaining amount was placed in escrow (Note 6.8.1) to be used solely to pay down loans and borrowings. On 9 March 2020 it was used to redeem a bond issue for €271 million (including interest).

On 22 October 2019, Standard & Poor's decided to maintain its B rating for Casino and for the bonds issued under its EMTN program, and to upgrade its negative watch rating to a negative outlook. S&P's also decided to maintain its CCC rating for deeply-subordinated perpetual bonds (TSSDI) and to assign a B+/negative outlook rating to the secured high-yield bond issue and Term Loan B.

On 23 October 2019, Moody's decided to downgrade its rating for Casino, Guichard-Perrachon from B1/negative outlook to B2/negative outlook, and to downgrade its ratings for the bonds issued under its EMTN programme from B1/negative outlook to B3/negative outlook and for its deeply-subordinated perpetual bonds (TSSDI) from B3 to Caa1/negative outlook.

CLOSURE AND DISPOSALS OF LOSS-MAKING STORES

The Group continues to implement the plan announced in 2018 to close or dispose of loss-making stores. In 2019, agreements were signed to sell 31 integrated stores (including 17 hypermarkets) for a combined consideration of €281 million; as of 31 December 2019, the Group had completed the sale of 28 stores (including 15 hypermarkets) and received consideration of €165 million.

Also, 36 loss-making integrated stores have been closed since 2018.

Together, these stores represented net sales of around €483 million in 2018 for a trading loss of €39 million. The gain in trading profit on these stores on a full-year basis including the associated structural costs will therefore be around €50 million.

All of these streamlining transactions gave rise to the recognition of a €151 million expense in "Other operating expenses" for the year ended 31 December 2019 (Note 6.5).

SIMPLIFIED STRUCTURE OF CASINO GROUP IN LATIN AMERICA

In the second half of 2019, the Group completed its project to simplify its structure in Latin America. This involved:

- an all-cash tender offer launched by GPA for 100% of Éxito's shares, to which Casino tendered all of its stake (55%);
- the acquisition by Casino of the shares held by Éxito in Ségisor (which itself held 99.9% of the voting rights and 37% of the economic rights of GPA);
- the migration of GPA shares to the *Novo Mercado* B3 listing segment, with the conversion of preferred shares (PN) into ordinary shares (ON) at an exchange ratio of 1:1, bringing an end to the existence of two classes of shares and giving GPA access to a broader base of international investors. The migration was completed at the beginning of March 2020.

The operation was accounted for as an internal reorganisation and for the purposes of the consolidated financial statements, as a transaction between non-controlling interests. The impact on the consolidated financial statements can be summarised as follows:

- changes in the shareholdings in the different subsidiaries (GPA, Éxito, Libertad and Disco/Devoto) are recognised in equity and represented a negative €931 million impact, including a negative €25 million impact arising from transaction fees (see the consolidated statement of changes in equity);
- transaction fees are included in "Other operating expenses" for €36 million (Note 6.5) and in equity for the portion directly attributable to the acquisition of non-controlling interests in Éxito through the public tender offer by GPA, representing €25 million net of tax;
- in cash flow terms, the transaction led to a cash outflow of €917 million relating to the acquisition of non-controlling interests (41%) in Éxito (Note 4.8); the transaction also enabled the Group to repay the Ségisor loan in an amount of €198 million (Note 11.2.2). The transaction increased GAP's debt and decreased Éxito's debt (Note 11.2.2, points (1) and (2)).

Upon completion of this transaction, Casino held 41% of the share capital and voting rights of GPA, which in turn held 97% of Éxito's share capital. Éxito remains the majority shareholder of the Group's subsidiaries in Argentina (mainly Libertad with a 100% interest) and Uruguay (mainly Disco and Devoto in which it holds 62.5% and 100%, respectively, of the economic rights). GPA has been listed on the Novo Mercado since 2 March 2020, giving it access to a wide international investor base.

SALE OF VIA VAREJO

On 14 June 2019 GPA completed the process begun on 23 November 2016 to sell its entire stake in its subsidiary, Via Varejo. The transaction was carried out through a block sale on the market at the price of BRL 4.90 per share, representing a total sale price of BRL 2.3 billion (€517 million). Taking into account the two total return swaps (TRS) entered into during the first half of 2019, the total proceeds received from the sale of the stake in Via Varejo amounted to BRL 2.7 billion (€615 million). These transactions led to the recognition of a capital gain after tax of BRL 21 million (€6 million), presented under "Net profit (loss) from discontinued operations" (Note 3.5.2). The sale decreased non-controlling interests by €742 million (see note (7) to the consolidated statement of changes in equity).

Via Varejo's contribution to profit (loss) from discontinued operations was estimated based on the information available at the date of the sale by GPA of its entire stake in Via Varejo, i.e., 14 June 2019. Since that date, Via Varejo has announced that it would be opening an investigation into allegations of fraud that may have resulted from a correction made to its financial statements for the period prior to the date of the sale. At the date of this report, the Group is not aware of any information that would lead to a material change in the financial statements.

Note 3 Scope of consolidation

Accounting principles

Basis of consolidation

The consolidated financial statements include the financial statements of all material subsidiaries, joint ventures and associates over which the parent company exercises control, joint control or significant influence, either directly or indirectly (see list of consolidated companies in Note 17).

Subsidiaries

Subsidiaries are companies controlled by the Group. Control exists when the Group (i) has power over the entity, (ii) is exposed or has rights to variable returns from its involvement with the entity, and (iii) has the ability to affect those returns through its power over the entity.

The consolidated financial statements include the financial statements of subsidiaries from the date when control is acquired to the date at which the Group no longer exercises control. All controlled companies are fully consolidated in the Group's statement of financial position, regardless of the percentage interest held.

Potential voting rights

Control is assessed by taking potential voting rights into account, but only if they are substantive; that is, if the entity has the practical ability to exercise its rights with respect to the exercise price, date and terms.

The Group may own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares or other similar instruments that have the potential, if exercised or converted, to give the Group voting power or reduce another party's voting power over the financial and operational policies of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

Joint ventures

A joint venture is a joint arrangement in which the parties that exercise joint control over an entity have rights to its net assets. Joint control involves the contractually agreed sharing of control over an entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

Associates are companies in which the Group exercises significant influence over financial and operational policies without having control. They are accounted for in the consolidated financial statements using the equity method.

Equity method of accounting

The equity method provides that an investment in an associate or a joint venture be recognised initially at acquisition cost and subsequently adjusted by the Group's share in profit or loss and, where appropriate, in other comprehensive income of the associate or joint venture. Goodwill related to these entities is included in the carrying amount of the investment. Any impairment losses and gains or losses on disposal of investments in equity-accounted entities are recognised in "Other operating income and expenses".

Profits/losses from internal acquisitions or disposals with equity-accounted associates are eliminated to the extent of the Group's percentage interest in these companies. In the absence of any guidance in IFRS concerning cases where the amount to be eliminated is greater than the carrying amount of the investment in the equity-accounted company, the Group has elected to cap the amount eliminated from the accounts in the transaction year and to deduct the uneliminated portion from its share of the equity-accounted company's profits in subsequent years. The Group follows a transparent approach to accounting for associates under the equity method and takes into account, if relevant, its final percentage interest in the associate for the purpose of determining the proportion of profit (loss) to be eliminated.

In the absence of any standard or interpretation covering dilution of the Group's interest in a subsidiary of an equity-accounted company, the dilution impact is recognised in the Group's share of the profit (loss) of the equity-accounted investee.

Business combinations

As required by IFRS 3 revised, the consideration transferred (acquisition price) in a business combination is measured at the fair value of the assets transferred, equity interests issued and liabilities incurred on the date of the transaction. Identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Acquisition-related costs are recognised in "Other operating expenses", except for those related to the issue of equity instruments.

Any excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill. At the date when control is acquired and for each business combination, the Group may elect to apply either the partial goodwill method (in which case, the amount of goodwill is limited to the portion acquired by the Group) or the full goodwill method. Under the full goodwill method, non-controlling interests are measured at fair value and goodwill is recognised on the full amount of the identifiable assets acquired and liabilities assumed.

Business combinations completed prior to 1 January 2010 were accounted for using the partial goodwill method, which was the only method applicable prior to publication of the revised version of IFRS 3.

In the case of an acquisition achieved in stages (step acquisition), the previously-held interest is remeasured at fair value at the date control is acquired. The difference between the fair value and carrying amount of the previously-held interest is recognised directly in profit or loss (under "Other operating income" or "Other operating expenses").

The provisional amounts recognised on the acquisition date may be adjusted retrospectively if the information needed to revalue the assets acquired and the liabilities assumed corresponds to new information obtained by the buyer and concerns facts and circumstances that existed as of the acquisition date. Goodwill may not be adjusted after the measurement period (not exceeding 12 months from the date when control is acquired). Any subsequent acquisitions of non-controlling interests do not give rise to the recognition of additional goodwill.

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value, whatever the probability that it will become due. Subsequent changes in the fair value of contingent consideration due to facts and circumstances that existed as of the acquisition date are recorded by adjusting goodwill if they occur during the measurement period or directly in profit or loss for the period under "Other operating income" or "Other operating expenses" if they arise after the measurement period, unless the obligation is settled in equity instruments. In that case, the contingent consideration is not remeasured subsequently.

Intra-group transfers of shares in consolidated companies

In the absence of any guidance in IFRS on the accounting treatment of intra-group transfers of shares in consolidated companies leading to a change in percentage interest, the Group applies the following principle:

- the transferred shares are maintained at historical cost and the gain or loss on the transfer is eliminated in full from the accounts of the acquirer;
- non-controlling interests are adjusted to reflect the change in their share of equity, and a corresponding adjustment is made to consolidated reserves, without affecting profit or total equity.

Costs and expenses related to intra-group transfers of shares and to internal restructuring in general are included in "Other operating expenses".

Foreign currency translation

The consolidated financial statements are presented in euros, which is the functional currency of the Group's parent company. Each Group entity determines its own functional currency and all of their financial transactions are measured in that currency.

The financial statements of subsidiaries that use a different functional currency from that of the parent company are translated using the closing rate method, as follows:

- assets and liabilities, including goodwill and fair value adjustments, are translated into euros at the closing rate, corresponding to the spot exchange rate at the reporting date;
- income statement and cash flow items are translated into euros using the average rate of the period unless significant variances occur.

The resulting translation differences are recognised directly within a separate component of equity. When a foreign operation is disposed of, the cumulative differences recognised in equity on translation of the net investment in the operation concerned at successive reporting dates are reclassified to profit or loss. Because the Group applies the step-by-step method of consolidation, the cumulative translation differences are not reclassified to profit or loss if the foreign operation disposed is part of a sub-group. This reclassification will occur only at the disposal of the sub group.

Foreign currency transactions are translated into euros using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting translation differences are recognised in the income statement under "Foreign currency exchange gains" or "Foreign currency exchange losses". Non-monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable on the transaction date.

Exchange differences arising on translation of the net investment in a foreign operation are recognised in the consolidated financial statements as a separate component of equity and reclassified to profit or loss on disposal of the net investment.

Exchange differences arising on translation of (i) foreign currency borrowings hedging a net investment denominated in a foreign currency or (ii) permanent advances made to subsidiaries are also recognised in equity and reclassified to profit or loss on disposal of the net investment.

In accordance with IAS 29, the statements of financial position and income statements of subsidiaries operating in hyperinflationary economies are (i) restated to take account of changes in the general purchasing power of the local currency, using official price indices applicable on the reporting date, and (ii) converted into euros at the exchange rate on the reporting date. The Group has qualified Argentina as a hyperinflationary economy since 2018.

3.1. TRANSACTIONS AFFECTING THE SCOPE OF CONSOLIDATION IN 2019

3.1.1. Mercialys TRS

On 26 July 2018, in connection with the announced asset disposal plan, the Group reduced its stake in Mercialys from 40.3% of the voting rights to 25.3%, through the block sale to a bank of shares representing 15% of the capital under a total return swap (TRS). Under the terms of the transaction, the Group received immediate proceeds amounting to €213 million before disposal costs (€209 million after disposal costs).

Under IFRS 9, the block sale is only effective once the shares are actually sold on the market by the bank. Consequently, the shares were not derecognised at 31 December 2018 and a liability was recorded for €198 million corresponding to the value of the shares not yet sold on the market (at the price sold to the bank). The sale of the shares and the related capital gains or losses are recognised when the bank sells the shares on the market. The 1% of shares sold by the bank and recognised in the income statement was not material.

As of 31 December 2019, 64.6% of the shares underlying the TRS had been sold. A corresponding capital loss of €20 million was recorded in "Other operating expenses" and the liability now stands at €102 million.

The consolidated financial statements include the Group's 30.6% interest in Mercialys at 31 December 2019 (39.2% at 31 December 2018) on an equity-accounted basis, of which 5.3% corresponds to the shares not sold on the market at that date by the bank.

In addition, the remaining portion of the shares unsold under the TRS continues to be classified as "Assets held for sale" in accordance with IFRS 5, recognised at their carrying amount for €46 million at 31 December 2019 (€114 million at 31 December 2018).

3.2. TRANSACTIONS AFFECTING THE SCOPE OF CONSOLIDATION IN 2018

3.2.1. Acquisition of Sarenza

On 30 April 2018, Monoprix acquired Sarenza, a leading online footwear retailer. The price paid for 100% of the shares was €22 million (Note 4.5). Sarenza has been consolidated at net book value, leading to the recognition of goodwill of €16 million (corresponding to the difference between the book value of the acquired net assets and the consideration transferred), which has been allocated to the Monoprix CGU.

Sarenza's contribution to consolidated net sales for the period from 30 April 2018 to 31 December 2018 was €97 million. If control of Sarenza had been acquired on 1 January 2018, it would have increased consolidated net sales by €43 million. Its contribution to pre-tax profit for the period was not material.

3.2.2. Changes in scope relating to the Franprix-Leader Price sub-group

On 28 February 2018, Franprix-Leader Price sold control of 105 Franprix and Leader Price stores to a master franchisee. The sale proceeds amounted to €33 million (Note 4.5). The transactions generated a loss of €15 million which is recognised in "Other operating expenses". If the transactions had been completed on 1 January 2018, the impact on the Group's consolidated net sales, trading profit and net profit would not have been material.

The same master franchisee acquired a 40% stake in another group of Franprix-Leader Price stores. The investment was accounted for as a transaction between owners. The master franchisee has a put option on its 40% stake and Franprix-Leader Price has a call option. A debt of €17 million was recognised on the date of the transaction. This transaction had no material impact on consolidated equity.

In addition, Franprix-Leader Price acquired control of 126 stores during the year, at a total cost of €79 million. These transactions generated €76 million in goodwill.

If the acquisitions had been completed on 1 January 2018, the impact on the Group's consolidated net sales, trading profit and net profit would not have been material.

3.2.3. Sale of a group of Casino supermarkets without loss of control

During first-half 2018, Distribution Casino France sold a 40% stake in five Casino supermarkets to a master franchisee. This sale without loss of control was accounted for as a transaction between owners. The master franchisee has a put option on its 40% stake – recognised in an amount of €19 million on the date of the transaction – and Distribution Casino France has a call option.

This transaction had no material impact on consolidated equity.

3.3. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

3.3.1. Significant associates and joint ventures

The following table presents the condensed financial statements (on a 100% basis) for the four main equity-accounted investees on a continuing-operations basis. These condensed financial statements prepared in accordance with IFRS correspond to the investees' published financial statements, as restated where appropriate for the adjustments made by the Group, for example fair value adjustments on the date control is acquired or lost, adjustments to bring the investee's accounting policies into line with Group policies, or adjustments to eliminate gains and losses on intra-group acquisitions and disposals for the portion corresponding to the Group's percentage interest in the investee:

	2019				2018			
(€ millions)	Mercialys	Tuya[2]	Banque du groupe Casino	FIC[3]	Mercialys[1]	Tuya[2]	Banque du groupe Casino	FIC[3]
Country	France	Colombia	France	Brazil	France	Colombia	France	Brazil
Business	Real estate	Banking	Banking	Banking	Real estate	Banking	Banking	Banking
Type of relationship	Associate	Joint venture	Joint venture	Associate	Associate	Joint venture	Joint venture	Associate
% interests and voting rights[4]	31%[1]	50%	50%	36%	39%[1]	50%	50%	50%
Total revenue	252	321	195	273	258	314	164	225
Net profit (loss) from continuing operations	104	(3)	11	60	85	24	7	50
Other comprehensive income		-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	**104**	**(3)**	**11**	**60**	**85**	**24**	**7**	**50**
Non-current assets	2,855	22	33	11	2,869	23	24	13
Current assets[5]	130	878	1,411	1,569	468	747	1,193	1,339
Non-current liabilities	(1,280)	(473)	(35)	(4)	(1,236)	(329)	(34)	(2)
Current liabilities	(315)	(314)	(1,241)	(1,370)	(746)	(332)	(1,051)	(1,188)
of which credit activities related liabilities	-	*(675)*	*(1,236)*	*(470)*	-	*(544)*	*(1,051)*	*(453)*
Net assets	**1,389**	**113**	**168**	**206**	**1,355**	**109**	**132**	**162**
Dividends received from associates or joint ventures	**34**	**-**	**-**	**6**	**43**	**6**[6]	**-**	**6**[7]

(1) At 31 December 2019, the Group held 25% of the capital of Mercialys (Note 3.1.1). The Group considers that it exercises significant influence over the financial and operating policies of the Mercialys group. This position is based on (a) the absence of a majority vote on strategic decisions at meetings of the company's Board of Directors, which is mostly made up of independent Directors, (b) the governance rules stipulating that Casino's representatives on the Mercialys Board may not take part in decisions concerning transactions carried out with the Group, (c) business contracts entered into between the Group and Mercialys on an arm's length basis, and (d) an analysis of the votes cast at recent shareholders' meetings of Mercialys (showing that Casino and its related parties do not control shareholder decisions at shareholders' meetings). The percentage interest is 31% and 39% respectively at 31 December 2019 and 2018.

(2) Tuya was set up in partnership with Éxito and Bancolombia to manage the banking services offered to customers of the stores in Colombia, primarily the possibility of signing up for credit cards in the stores. The partnership structure changed in October 2016 when Éxito became a 50% shareholder of Tuya.

(3) FIC was set up by GPA in partnership with Banco Itaú Unibanco SA ("Itaú Unibanco") to finance purchases by GPA's customers. It is accounted for using the equity method as GPA exercises significant influence over its operating and financial policies.

(4) The percentage interest corresponds to that held by Casino, except in the case of Tuya (interest held by the Éxito sub-group) and FIC (interest held by GPA). Following the sale of Via Varejo, GPA now holds 36% of FIC's share capital and voting rights (42% and 50%, respectively, at end-2018).

(5) The current assets of Banque du Groupe Casino, Tuya and FIC primarily concern their credit business.

(6) Stock dividends worth COP 20 billion (€6 million) paid to the joint venture partners.

(7) In 2018, this amount only concerns GPA's direct interest and does not include €2 million in dividends received by Via Varejo.

3.3.2. Other investments in associates and joint ventures

The aggregate amounts of key financial statement items for other associates and joint ventures are not material. Dividends received from these associates and joint ventures amounted to €3 million in 2019 (2018: €5 million)

3.3.3. Changes in investments in equity-accounted investees

(€ millions)	
At 1 January 2018 (restated)	**563**
Impairment losses	-
Share of profit for the year(1)	17
Dividends	(55)
Other movements	(26)
At 31 December 2018 (restated)	**500**
Impairment losses	-
Share of profit for the year(1)	(18)
Retail	(43)
Other movements	(99)
AT 31 DECEMBER 2019	**341**

(1) Including a negative €63 million and a negative €43 million relating to the share of profit (loss) from the discontinued operations of Leader Price in 2019 and 2018, respectively (Note 2).

3.3.4. Impairment losses on investments in equity-accounted investees

With the exception of Mercialys, associates and joint ventures are privately-held companies for which no quoted market prices are available to estimate their fair value. The impairment tests carried out at 31 December 2019 and 31 December 2018 did not result in the recognition of any impairment loss.

The fair value of the investment in Mercialys at the reporting date was €346 million for 30.6% of net assets, determined using the share price on 31 December 2019 (31 December 2018: €432 million for 39.2%). This did not result in the recognition of any impairment loss. Mercialys' EPRA NNNAV at 31 December 2019 amounted to €1,837 million on a 100% basis, of which the Group's share was €562 million.

3.3.5. Share of contingent liabilities of equity-accounted investees

At 31 December 2019 and 31 December 2018, none of the Group's associates and joint ventures had any material contingent liabilities.

3.3.6. Related-party transactions (equity-accounted investees)

The related-party transactions shown below mainly concern transactions carried out in the normal course of business with companies over which the Group exercises significant influence (associates) or joint control (joint ventures) that are accounted for in the consolidated financial statements using the equity method. These transactions are carried out on arm's length terms.

	2019		2018 (restated)	
(€ millions)	Associates	Joint ventures	Associates	Joint ventures
Loans	35	11	28	11
o/w impairment	*(42)*	-	*(44)*	-
Receivables	190	44	139	48
o/w impairment	-	-	-	-
Payables	15	283	30	549
Expenses	10(1)	1,520(2)	13(1)	2,323(2)
Income	760(3)	51	1,051(3)	38

(1) Following the application of IFRS 16, the above amounts do not include the lease payments associated with the 63 leases signed with Mercialys. These payments represented €49 million in 2019 (2018: 70 leases for €53 million).
At 31 December 2019, lease liabilities in favour of Mercialys for property assets amounted to €169 million, of which €41 million due within one year.

(2) Including €1,234 million in fuel purchases from Distridyn and €235 million in goods purchases from CD Supply Innovation in 2019 (2018: €1,164 million and €1,127 million respectively).

(3) Income of €760 million in 2019 (2018: €1,051 million) includes sales of goods by Franprix-Leader Price and Distribution Casino France to master franchisees accounted for by the equity method, for €593 million (2018: €899 million). It also includes income related to property development transactions with Mercialys reported under "Other revenue" for €95 million (2018: €33 million).

Transactions with Mercialys

Casino has entered into various agreements with Mercialys:

- Leases: Casino leases units in certain shopping centres from Mercialys, for which the lease payments are disclosed above.
- Asset management agreement: Casino provides rental management services for nearly all Mercialys properties. In both 2019 and 2018, the related management fees amounted to €6 million.
- Partnership agreement: this agreement was approved by Casino's Board of Directors on 19 June 2012 and an addendum was signed on 12 November 2014. The partnership's fundamental principle whereby Casino develops and manages a pipeline of projects that Mercialys acquires to feed its business growth has been maintained in the new agreement. The original agreement concerned a pipeline of projects offering satisfactory visibility. The new agreement enables Mercialys to propose new projects that will be examined by Casino and tracked during monitoring committee meetings.

  Casino will not undertake any work until the order is reconfirmed by Mercialys once the necessary permits have been obtained and leases have been signed on units representing at least 60% of projected rental revenues.

  The acquisition price of projects developed by Casino was calculated under the original agreement on the basis of (i) a rent capitalisation rate determined using a grid that is updated twice a year by reference to the rates used to value Mercialys' portfolio and (ii) projected rental revenues from the project. Under the new agreement, the projected internal rate of return (IRR) – within the range of 8% to 10% – may also be taken into account for pricing purposes.

  The principle whereby the upside and downside are shared equally between Casino and Mercialys has been maintained to take into account the actual conditions in which the assets will be marketed. For example, the price will be increased or reduced by 50% of any positive (upside) or negative (downside) difference between the actual rents negotiated during the marketing process and the rents projected at the outset. The contracts require the parties to meet during the pre-acquisition process.

  In exchange for the exclusive partnership, Mercialys has undertaken not to invest in any operations that could lead to a material increase in competition in the catchment area of any of Casino Group's food stores. At the end of January 2017, the partnership agreement was extended by three years, until end-2020.
- Support services agreement: the Group provides administrative, finance/accounting, IT and real estate support services to Mercialys. In 2019, the related fees amounted to €2 million (2018: €2 million).
- Consulting services agreement: Mercialys makes available to Casino the services of its team of real estate portfolio enhancement specialists. This agreement had no material impact in 2019 or 2018.

  The parties decided to terminate the agreement on 31 December 2018. A new fixed-term agreement has been signed with an initial term of six months (1 January to 30 June 2019), covering asset management services provided by Mercialys' teams on projects managed on Casino's behalf. The agreement is automatically renewable for successive six-month terms up to a maximum of 48 months in total.
- Sale mandate: Casino seeks buyers for real estate assets on behalf of Mercialys.
- Current account agreement: on 8 September 2005, Mercialys entered into a current account and cash management agreement with Casino. Under this agreement, Mercialys and Casino set up a shareholder current account for all eligible payments, withdrawals or advances of funds between the two companies. Following the reduction in Casino's interest in Mercialys' share capital in 2012, the two parties decided to terminate the existing current account and cash management agreement and to enter into a new current account agreement. This agreement maintained Mercialys' current account with Casino, enabling it to benefit from cash advances of up to €50 million from Casino.

  The term of the agreement was extended on several occasions and expired on 31 December 2019. An addendum to the agreement was signed in December 2019, reducing the cash advance limit to €35 million. This amended agreement will expire on 31 December 2021.
- The Annual General Meeting of 25 April 2019 approved a related-party agreement between Mercialys and Casino, Guichard-Perrachon, pursuant to which Casino agreed to bear the specific costs incurred by Mercialys in connection with the sale by Casino, Guichard-Perrachon of all or some of its shares in Mercialys.

3.3.7. Commitments to joint ventures

The Group has given guarantees to joint ventures (also presented in Note 6.11.1) for an amount of €68 million at 31 December 2019, corresponding solely to its commitment to Distridyn (31 December 2018: €93 million, including €68 million on behalf of Distridyn and €25 million on behalf of CD Supply Innovation).

3.4. COMMITMENTS RELATED TO THE SCOPE OF CONSOLIDATION

3.4.1. Put options granted to owners of non-controlling interests – "NCI puts"

Accounting principle

The Group has granted put options to the owners of non-controlling interests in some of its subsidiaries. The exercise price may be fixed or based on a predetermined formula. The options may be exercisable at any time or on a specified date. In accordance with IAS 32, obligations under these NCI puts are recognised as "Financial liabilities"; fixed price options are recognised at their discounted present value and variable price options at fair value. NCI puts are presented on a separate line of the consolidated statement of financial position, "Put options granted to owners of non-controlling interests".

IAS 27 revised, which was effective for annual periods beginning on or after 1 January 2010, and subsequently IFRS 10, effective for annual periods beginning on or after 1 January 2014, describe the accounting treatment of acquisitions of additional shares in subsidiaries. The Group has decided to apply two different accounting methods for these NCI puts, depending on whether they were granted before or after 1 January 2010, as recommended by France's securities regulator (*Autorité des marchés financiers*):

- NCI puts granted before the effective date of IAS 27 revised are accounted for using the goodwill method whereby the difference between the financial liability and the carrying amount of the non-controlling interests is recognised in goodwill. In subsequent years, this liability is remeasured and any changes adjust goodwill.
- NCI puts granted since IAS 27 revised came into effect are accounted for as transactions between shareholders, with the difference between the financial liability and the carrying amount of the non-controlling interests recognised as a deduction from equity. In subsequent years, this liability is remeasured and any changes adjust equity.

"NCI puts" can be analysed as follows at 31 December 2019:

(€ millions)	% Group interest	Commitment to non-controlling interests	Fixed or variable exercise price	Non-current liabilities(4)	Current liabilities(4)
Franprix(1)	58.67% to 70.00%	30.00% to 41.33%	F/V	40	-
Éxito (Disco)(2)	62.49%	29.82%	V	-	104
Distribution Casino France(3)	60.00%	40.00%	V	19	-
Other				2	1
TOTAL NCI PUT LIABILITIES				**61**	**105**

(1) The value of NCI puts on subsidiaries of the Franprix sub-group is generally based on net profit or a multiple of net sales. A 10% increase or decrease in these indicators would not have a material impact. The options expire between 2020 and 2031.

(2) This option is exercisable at any time until 21 June 2021. The exercise price is the highest amount obtained using different calculation formulas or a minimum price. At 31 December 2019, the exercise price represents the minimum price.

(3) The value of the puts is based on a multiple of net sales generated by the five underlying Casino supermarkets. A 10% increase or decrease in the indicator would not have a material impact. The option is exercisable between 1 April and 30 June 2023.

(4) At 31 December 2018, NCI put liabilities amounted to €188 million, including current liabilities of €126 million.

3.4.2. Off-balance sheet commitments

Accounting principle

Puts and calls relating to non-controlling interests are generally accounted for as derivative instruments. The exercise price of these options generally reflects the fair value of the underlying assets.

Under the terms of the option contracts, the exercise price of written put and call options may be determined using earnings multiples of the companies concerned. In this case, the options are valued based on the latest published earnings for options exercisable at any time and earnings forecasts or projections for options exercisable as of a given future date. In many cases, the put option written by the Group is matched by a call written by the other party; in these cases, the value shown corresponds to that of the written put.

Written put options on shares in non-controlled companies stood at €5 million at 31 December 2019 and concerned entities within the Monoprix sub-group (31 December 2018: €15 million, concerning entities within the Monoprix and Franprix-Leader Price sub-groups).

Call options granted to the Group on shares in non-controlled companies stood at €339 million at 31 December 2019 (31 December 2018: €348 million), and mainly concerned:

- The following call options in connection with transactions carried out with Mercialys:
  - call option on 100% of the assets or 100% of the shares of Hyperthetis Participations, exercisable from 31 December 2020 and until 31 March 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
  - call option on a property asset previously sold to Immosiris, exercisable between 31 March 2021 and 30 September 2022 at the higher of the fair value of the underlying and a guaranteed minimum IRR;
- Lastly, in connection with the transactions carried out with master franchisees in 2018 and 2017, the Group has call options on stores that are exercisable between 2020 and 2023 at prices based on a percentage of the improvement in EBITDA or a multiple of net sales.

3.5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Accounting principle

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this condition to be met, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to a plan to sell the asset which, in accounting terms, should result in the conclusion of a sale within one year of the date of this classification. Considering these characteristics, net assets held for sale attributable to owners of the parent of the selling subsidiary are presented as a deduction from net debt (Note 11).

Property, plant and equipment and intangible assets classified as held for sale are no longer depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs when the operation is disposed of or on a prior date when it fulfils the criteria for classification as held for sale.

When an operation is classified as discontinued, the comparative income statement and statement of cash flows are restated as if the operation had fulfilled the criteria for classification as discontinued as from the first day of the comparative period. Discontinued operations are presented on a separate line of the consolidated income statement, "Profit from discontinued operations", which includes the net profit or loss of the discontinued operation up to the date of disposal, and if appropriate, any impairment loss recognised to write down the net assets held for sale to their fair value less costs to sell and/or any after-tax disposal gains or losses.

3.5.1. Assets held for sale and liabilities associated with assets held for sale

		2019		2018 (restated)	
(€ millions)	Notes	Assets	Liabilities	Assets	Liabilities
Leader Price sub-group	2/3.5.2	1,362	706	-	-
Via Varejo sub-group	2/3.5.2	-	-	6,812	5,493
Other France Retail(1)		1,077	161	1,601	484
Other Latam Retail		51	-	20	
TOTAL		**2,491**	**867**	**8,433**	**5,977**
Net assets		1,623		2,456	
of which attributable to owners of the parent of the selling subsidiary	*11.2*	*1,604*		*1,686*	

(1) At 31 December 2019, this line corresponds mainly to stores and property assets for approximately €507 million (attributable to owners of the parent) relating to asset disposal plans and optimisation of the store base. At 31 December 2018, this line corresponded primarily to stores and property assets for €874 million (attributable to owners of the parent) relating to asset disposal plans and optimisation of the store base.

3.5.2. Discontinued operations

Net profit (loss) from discontinued operations primarily reflects (i) the contribution of the Via Varejo group (including Cnova Brazil) to the Group's earnings up to the date of its sale, along with the gain on its disposal, and (ii) the contribution of Leader Price to the Group's earnings included in the France Retail reportable segment (Note 2). Net profit (loss) from discontinued operations can be analysed as follows:

(€ millions)	**2019**	2018 (restated)
Net sales	4,376	8,528
Expenses	(4,681)	(8,500)
Gain on disposal of Via Varejo on 14 June 2019	29	-
Disposal proceeds	*615*	-
Disposal costs	*(39)*	-
Carrying amount of net assets sold	*(543)*	-
Other items of comprehensive income (loss) reclassified to profit or loss, net of tax[(1)]	*(4)*	-
Impairment loss resulting from the measurement of Leader Price at fair value less costs to sell[(2)]	(704)	-
NET PROFIT (LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS	**(979)**	**27**
Income tax expense	(16)	(25)
Share of profit (loss) of equity-accounted investees	(60)	(34)
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS[(3)]	**(1,054)**	**(32)**
Attributable to owners of the parent	*(1,048)*	*(57)*
Attributable to non-controlling interests	*(6)*	*25*

(1) The reclassification of Via Varejo in "Discontinued operations" had no impact on other comprehensive income in 2018 or 2017. The sale of Via Varejo in 2019 did not lead to any related foreign currency translation adjustments being reclassified to profit or loss.

(2) When the Franprix-Leader Price operating segment was separated in two in 2019, the breakdown of goodwill between the Leader Price, Franprix and Geimex businesses was measured based on the relative values of each of the businesses (value in use from the impairment test). The fair value of Leader Price is estimated based on an enterprise value of €735 million (including a €35 million earn-out contingent on the achievement of certain operating indicators during the transition period), less the estimated cost of the put options held by master franchisees and independent operators, and less the estimated future cash flow usage of the sub-group up to the effective date of the disposal.

(3) Of which a loss of €1,047 million for Leader Price in 2019 including the impact on master franchisees of completed and ongoing changes in the scope of consolidation.

Earnings per share of discontinued operations are presented in Note 12.10.

Note 4 Additional cash flow disclosures

Accounting principle

The statement of cash flows is prepared using the indirect method starting from consolidated net profit (loss) and is organised in three sections:

- Cash flows from operating activities, including taxes, transaction costs for acquisitions of subsidiaries, dividends received from associates and joint ventures and payments received in respect of government grants.
- Cash flows from (used in) investing activities, including acquisitions of subsidiaries (excluding transaction costs), proceeds from disposals of subsidiaries (including transaction costs), acquisitions and disposals of investments in non-consolidated companies, associates and joint ventures (including transaction costs), contingent consideration paid for business combinations during the measurement period and up to the amount of the identified liability, and acquisitions and disposals of intangible assets and property plant and equipment (including transaction costs and deferred payments).
- Cash flows from (used in) financing activities, including new borrowings and repayments of borrowings, issues of equity instruments, transactions between shareholders (including transaction costs and any deferred payments), repayments of lease liabilities, net interest paid (cash flows related to finance costs, non-recourse factoring and associated transaction costs, and interest on leases), treasury share transactions and dividend payments. This category also includes cash flows from trade payables requalified as debt.

4.1. RECONCILIATION OF PROVISION EXPENSE

(€ millions)	Notes	2019	2018 (restated)
Goodwill impairment	10.1.2	(17)	(1)
Impairment of intangible assets	10.2.2	(8)	(14)
Impairment of property, plant and equipment	10.3.2	(70)	(59)
Impairment of investment property	10.4.2	(4)	(1)
Impairment of right-of-use assets	7.1.1	(11)	(35)
Impairment of other assets		(142)	(172)
Net (additions to)/reversals of provisions for risks and charges		5	(11)
TOTAL PROVISION EXPENSE		**(248)**	**(292)**
Provision expense reported within discontinued operations		6	25
PROVISION EXPENSE ADJUSTMENT IN THE STATEMENT OF CASH FLOWS		**(241)**	**(266)**

4.2. RECONCILIATION OF CHANGES IN WORKING CAPITAL TO THE STATEMENT OF FINANCIAL POSITION

(€ millions)	Notes	31 December 2018 (restated)	Cash flows from operating activities	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	IFRS 5 reclass.	Reclass. and other	31 December 2019
Goods inventories	6.6	(3,655)	1	(35)	-	(13)	37	180	-	(3,485)
Property development work in progress	6.6	(179)	(100)	1	-	(2)	-	(1)	(9)	(290)
Trade payables	B/S	6,668	328	(83)	-	33	(46)	(310)	(11)	6,580
Trade receivables	6.7	(905)	(64)	(134)	-	62	11	221	(26)	(836)
Other (receivables)/payables	6.8.1/6.9.1/6.10	542	(74)	(2)	(463)(1)	134	5	27	134	302
TOTAL		**2,471**	**92**	**(254)**	**(463)**	**213**	**8**	**117**	**88**	**2,272**

(€ millions)	Notes	1 January 2018 (restated)	Cash flows from operating activities	Cash flows from operating activities, discontinued operations	Other cash flows	Changes in scope of consolidation	Effect of movements in exchange rates	IFRS 5 reclass.	Reclass. and other	31 December 2018 (restated)
Goods inventories	6.6	(3,681)	(196)	-	-	(58)	177	124	(22)	(3,655)
Property development work in progress	6.6	(126)	(45)	4	-	(2)	4	12	(26)	(179)
Trade payables	B/S	6,644	374	(45)	-	47	(284)	(113)	45	6,668
Trade receivables	6.7	(888)	(90)	(31)	-	10	37	40	17	(905)
Other (receivables)/payables	6.8.1/6.9.1/6.10	639	(159)	24	(56)	57	(8)	(41)	86	542
TOTAL		**2,588**	**(117)**	**(48)**	**(56)**	**54**	**(74)**	**22**	**101**	**2,471**

(1) In 2019, this amount mainly reflected the cash outflows related to financial assets (Note 4.11).

4.3. RECONCILIATION OF ACQUISITIONS OF NON-CURRENT ASSETS

(€ millions)	Notes	2019	2018 (restated)
Additions to and acquisitions of intangible assets	10.2.2	(269)	(271)
Additions to and acquisitions of property, plant and equipment	10.3.2	(868)	(879)
Additions to and acquisitions of investment property	10.4.2	(14)	(59)
Additions to and acquisitions of lease premiums included in right-of-use assets	7.1.1	(8)	(10)
Changes in amounts due to suppliers of non-current assets		21	(46)
Capitalised borrowing costs (IAS 23)[(1)]	10.3.3	5	11
Effect of discontinued operations		26	67
CASH USED IN ACQUISITIONS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY		**(1,107)**	**(1,188)**

(1) Non-cash movements.

4.4. RECONCILIATION OF DISPOSALS OF NON-CURRENT ASSETS

(€ millions)	Notes	2019	2018 (restated)
Disposals of intangible assets	10.2.2	7	3
Disposals of property, plant and equipment	10.3.2	188	326
Disposals of investment property	10.4.2	-	1
Disposals of lease premiums included in right-of-use assets	7.1.1	8	13
Gains on disposals of non-current assets[(1)]		61	232
Changes in receivables related to non-current assets		(32)	(26)
Reclassification of non-current assets as "Assets held for sale"		664	693
Effect of discontinued operations		(7)	(12)
CASH FROM DISPOSALS OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY		**890**	**1,230**

(1) Prior to the restatement of sale-and-leaseback transactions in accordance with IFRS 16.

4.5. EFFECT ON CASH AND CASH EQUIVALENTS OF CHANGES IN SCOPE OF CONSOLIDATION RESULTING IN ACQUISITION OR LOSS OF CONTROL

(€ millions)	2019	2018 (restated)
Amount paid for acquisitions of control	(12)	(62)
Cash acquired/(bank overdrafts assumed) in acquisitions of control	6	(18)
Proceeds from losses of control	227	13
(Cash sold)/bank overdrafts transferred in losses of control	(4)	-
EFFECT OF CHANGES IN SCOPE OF CONSOLIDATION RESULTING IN ACQUISITION OR LOSS OF CONTROL	**218**	**(66)**

In 2019, the net impact of these transactions on the Group's cash and cash equivalents mainly comprised:

- the loss of control of loss-making stores in connection with the plan to optimise the store base, for €166 million (Note 2);
- the sale of the contract catering services business and of restaurants.

In 2018, the net impact of these transactions on the Group's cash and cash equivalents mainly comprised:

- an outflow of €43 million for the acquisition of Sarenza (Note 3.2.1), including the €20 million negative cash acquired and the €22 million sale price paid;
- an outflow of €29 million for the acquisition of various controlling interests in the Franprix sub-group for €28 million;
- an inflow of €6 million in connection with the loss of control of the Franprix sub-group.

4.6. EFFECT OF CHANGES IN SCOPE OF CONSOLIDATION RELATED TO EQUITY-ACCOUNTED INVESTEES

(€ millions)	2019	2018
Amount paid for the acquisition of shares in equity-accounted investees	(35)	(39)
Amount received from the sale of shares in equity-accounted investees	(4)	209
EFFECT OF CHANGES IN SCOPE OF CONSOLIDATION RELATED TO EQUITY-ACCOUNTED INVESTEES	**(39)**	**170**

In 2018, the net impact of these transactions resulted for the most part from the block sale of Mercialys shares representing 15% of the capital (Note 3.1.1).

4.7. RECONCILIATION OF DIVIDENDS PAID TO NON-CONTROLLING INTERESTS

(€ millions)	Notes	2019	2018 (restated)
Dividends paid and payable to non-controlling interests	12.8	(92)	(103)
Payment during the year of dividends accrued at the prior year-end		9	(2)
Effect of movements in exchange rates		(1)	(2)
Effect of discontinued operations		-	2
DIVIDENDS PAID TO NON-CONTROLLING INTERESTS AS PRESENTED IN THE STATEMENT OF CASH FLOWS		**(83)**	**(104)**

4.8. EFFECT ON CASH AND CASH EQUIVALENTS OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(€ millions)	Note	2019	2018 (restated)
GPA – acquisition of 41.27% of Éxito shares	2	(917)	-
Vindémia – purchase of the non-controlling interests in the Mayotte subsidiary		(18)	-
GreenYellow – disposal without loss of control (2018)		(12)	149
Distribution Casino France – Disposal without loss of control		-	20
Éxito - transactions with property companies[1]		(11)	77
Public tender offer for Cnova N.V. shares		-	(3)
Other		(12)	(13)
EFFECT ON CASH AND CASH EQUIVALENTS OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS		**(971)**	**231**

(1) See footnote (8) of the 2018 consolidated statement of changes in equity.

4.9. RECONCILIATION BETWEEN CHANGE IN CASH AND CASH EQUIVALENTS AND CHANGE IN NET DEBT

(€ millions)	Notes	2019	2018 (restated)
Change in cash and cash equivalents		**(984)**	**377**
Additions to loans and borrowings[1]		(4,542)	(1,543)
Repayments of loans and borrowings[1]		3,694	1,330
Non-cash changes in debt[1]		129	449
Change in net assets held for sale attributable to owners of the parent		*(160)*	*628*
Change in other financial assets		*274*	*48*
Effect of changes in scope of consolidation		*95*	*(225)*
Change in fair value hedges		*(85)*	*(60)*
Change in accrued interest		*(26)*	*25*
Other		*31*	*32*
Effect of movements in exchange rates[1]		55	158
Change in loans and borrowings of discontinued operations		974	(61)
CHANGE IN NET DEBT		**(675)**	**711**
Net debt at beginning of period[2]		3,378	4,088
Net debt at end of period	11.2	4,053	3,378

(1) These impacts relate exclusively to continuing operations.
(2) Taking into account the impact of IFRS 16 for a negative €57 million at 1 January 2018 and a negative €44 million at 1 January 2019.

4.10. RECONCILIATION OF NET INTEREST PAID

(€ millions)	Notes	2019	2018 (restated)
Net finance costs reported in the income statement	**11.3.1**	**(356)**	**(320)**
Neutralisation of unrealised exchange gains and losses		13	4
Neutralisation of amortisation of debt issuance/redemption costs and premiums		41	27
Capitalised borrowing costs	10.3.3	(5)	(11)
Change in accrued interest and in fair value hedges of borrowings[1]		23	(35)
Interest paid on lease liabilities	11.3.2	(256)	(214)
Non-recourse factoring and associated transaction costs	11.3.2	(77)	(81)
INTEREST PAID, NET AS PRESENTED IN THE STATEMENT OF CASH FLOWS		**(617)**	**(629)**

(1) In 2018, the item includes the impact of unwinding interest rate swaps in France for €59 million.

4.11. CASH OUTFLOWS RELATED TO ACQUISITIONS OF FINANCIAL ASSETS

In 2019, cash outflows related to acquisitions of financial assets amounted to €440 million, mainly breaking down as (i) a payment of €291 million relating to the refinancing transactions into an escrow account, which had a balance of €193 million at 31 December 2019 (Note 6.8.1), and (ii) a cash outflow of €109 million arising on unwinding the forward contract on GPA shares (Note 11.3.2).

Note 5 Segment information

Accounting principle

In accordance with IFRS 8 – Operating Segments, segment information is disclosed on the same basis as the Group's internal reporting system used by the chief operating decision maker (the Chairman and Chief Executive Officer) in deciding how to allocate resources and in assessing performance.

The Group's reportable segments are as follows:

- France Retail: reportable segment comprising retail operating segments (mainly the Casino, Monoprix, Franprix and Vindémia sub-group banners);
- Latam Retail: reportable segment comprising food retailing operating segments in Latin America (mainly the GPA food banners and the Éxito, Disco-Devoto and Libertad sub-group banners);
- E-commerce: reportable segment comprising Cdiscount and the Cnova N.V. holding company.

During the year, the Franprix-Leader Price operating segment was separated into Franprix, Leader Price and Geimex.

The operating segments included in France Retail and Latam Retail have similar businesses in terms of product type, assets and human resources required for operations, customer profile, distribution methods, marketing offer and long-term financial performance.

These reportable segments reflect pure retail activities and retail-related activities. Given the dual strategy and the interconnection between retail and real estate, the operating segments include real estate asset management activities, property development activities and energy-related activities.

Management assesses the performance of these segments on the basis of net sales, trading profit (which includes the allocation of holding company costs to all of the Group's business units) and EBITDA. EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined as trading profit plus recurring depreciation and amortisation expense.

Segment assets and liabilities are not specifically reported internally for management purposes and are therefore not disclosed in the Group's IFRS 8 segment information.

Segment information is determined on the same basis as the consolidated financial statements.

5.1. KEY INDICATORS BY REPORTABLE SEGMENT

(€ millions)	France Retail	Latam Retail	E-commerce	**2019**
External net sales (Note 6.1)	16,322	16,358	1,966	34,645
EBITDA	1,467[(1)]	1,104	69	2,640
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	(791)	(492)	(65)	(1,348)
Trading profit	676[(1)]	612	4	1,292

(1) Of which €56 million for property development transactions carried out in France, corresponding in 2019 to the recognition of previously eliminated margins on property development transactions involving Casino and Mercialys following the decrease in Casino's stake in Mercialys (Note 3.3.3).

(€ millions)	France Retail	Latam Retail	E-commerce	2018 (restated)
External net sales (Note 6.1)	16,786	15,577	1,965	34,329
EBITDA	1,413[(1)]	1,217[(2)]	39	2,669
Recurring depreciation and amortisation (Notes 6.3 and 6.4)	(795)	(459)	(51)	(1,305)
Trading profit (loss)	618[(1)]	758[(2)]	(12)	1,364
Including effect of applying IFRS 16 on EBITDA	*513*	*285*	*19*	*818*
Including effect of applying IFRS 16 on trading profit (loss)	*64*	*114*	*1*	*179*

(1) Of which €63 million for property development transactions carried out in France.
(2) Of which BRL 481 million (€111 million) in respect of tax credits recognised by GPA during the period (mainly reversal of the valuation allowance on Assaí's ICMS-ST tax credit following a change in the law).

5.2. KEY INDICATORS BY GEOGRAPHICAL AREA

(€ millions)	France	Latin America	Other regions	**Total**
External net sales for 2019	**18,285**	**16,343**	**17**	**34,645**
External net sales for 2018 (restated)	18,747	15,568	13	34,329

(€ millions)	France	Latin America	Other regions	**Total**
Non-current assets at 31 December 2019(1)	**10,628**	**9,897**	**59**	**20,584**
Non-current assets at 31 December 2018 (restated)(1)	12,648	9,687	60	22,395

(1) Non-current assets include goodwill, intangible assets and property, plant, and equipment, investment property, right-of-use assets, investments in equity-accounted investees, contract assets and prepaid expenses beyond one year.

Note 6 Activity data

6.1. TOTAL REVENUE

Accounting principle

Total revenue

Total revenue is analysed between "Net sales" and "Other revenue".

"Net sales" include sales by the Group's stores, service stations, e-commerce sites and restaurants, franchise fees, revenues from business leases and financial services revenues.

Most of the amount reported under Group "Net sales" corresponds to revenue included in the scope of IFRS 15.

"Other revenue" consists of revenue from the property development and property trading businesses, rental revenues, miscellaneous service revenues, incidental revenues and revenues from secondary activities, and revenues from the energy business.

The majority of amounts reported under "Other revenue" are included in the scope of IFRS 15, while rental revenues are included in the scope of IFRS 16.

Revenue is measured at the contract price, corresponding to the consideration to which the Group expects to be entitled in exchange for the supply of goods or services. The transaction price is allocated to the performance obligations in the contract, which represent the units of account for revenue recognition purposes. Revenue is recognised when the performance obligation is satisfied, i.e., when control of the good or service passes to the customer. Revenue may therefore be recognised at a specific point in time or over time based on the stage of completion.

The Group's main sources of revenue are as follows:

- Sales of goods (including through the property trading business): in this case, the Group generally has only one performance obligation, that of delivering the good to the customer. Revenue from these sales is recognised when control of the good is transferred to the customer upon delivery, i.e., generally:
  - at the checkout for in-store sales,
  - on receipt of the goods by the franchisee or affiliated store;
  - on receipt of the goods by the customer for e-commerce sales.
- Sales of services, for example sales of subscriptions, franchising fees, logistics services, rental revenue and property management services: in this case, for operations included in the scope of IFRS 15, the Group generally has only one performance obligation, to supply the service, and the related revenues are recognised over the period in which the services are performed.
- Property development revenues: in this case, the Group generally has several performance obligations, some of which may be satisfied at a given point in time and others over time based on the project's percentage of completion. Profit from property development activities is generally calculated on a percentage-of-completion basis by reference to the projected margin on completion weighted by the percentage of completion determined by the inputs method.
- Revenues from the energy business, for which the Group generally identifies a performance obligation when the solar power plant is delivered (in exchange for variable consideration in some cases) or when the energy performance contracts are sold. The Group also sells energy services for which the related revenue is recognised when the service is performed.

The vast majority of revenues are recognised at a given point in time.

If settlement of the consideration is deferred for an unusually long time and no promise of financing is explicitly stated in the contract or implied by the payment terms, revenue is recognised by adjusting the consideration for the effects of the time value of money. If significant, the difference between this price and the unadjusted transaction price is recognised in “Other financial income” over the payment deferral period, determined using the effective interest method.

The Group operates loyalty programmes that enable customers to obtain discounts or award credits on their future purchases. Award credits granted to customers under loyalty programmes represent a performance obligation that is separately identifiable from the initial sales transaction. This performance obligation gives rise to the recognition of a contract liability. The corresponding revenue is deferred until the award credits are used by the customer.

Contract assets and liabilities, incremental costs to obtain a contract and costs to fulfil a contract

- A contract asset corresponds to an entity’s right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Based on this definition, a receivable does not constitute a contract asset.

  The Group recognises a contract asset when it has fulfilled all or part of its performance obligation but does not have an unconditional right to payment (i.e., the Group does not yet have the right to invoice the customer). In light of its business, contract assets recognised by the Group are not material.
- A contract liability corresponds to an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

  The Group recognises contract liabilities mainly for award credits granted under its loyalty programmes, advances received and sales for which all or part of the performance obligation has not yet been fulfilled (e.g., sales of subscriptions and gift cards, and future performance obligations of the property development business for which the customer has already been invoiced followed by payment of consideration).
- The incremental costs to obtain a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained and which it expects to recover.

  The costs to fulfil a contract are costs related directly to a contract that generate or enhance the resources that will be used by the Group in satisfying its performance obligations and which it expects to recover.

  For the Group, the costs to obtain and fulfil contracts correspond primarily to the costs incurred in connection with its franchising and affiliation business. These costs are capitalised and amortised over the life of the franchise or affiliation contract. The capitalised amounts are tested regularly for impairment (Note 1.3).

Contract assets and the costs to obtain and fulfil contracts are tested for impairment under IFRS 9.

6.1.1. Breakdown of total revenue

(€ millions)	France Retail	Latam Retail	E-commerce	**2019**
Net sales	16,322	16,358	1,966	34,645
Other revenue	494	171	-	665
TOTAL REVENUE	**16,816**	**16,528**	**1,966**	**35,310**

(€ millions)	France Retail	Latam Retail	E-commerce	2018 (restated)
Net sales	16,786	15,577	1,965	34,329
Other revenue	382	151	-	533
TOTAL REVENUE	**17,169**	**15,728**	**1,965**	**34,862**

6.1.2. Incremental costs of obtaining and fulfilling contracts, contract assets and liabilities

(€ millions)	Notes	**2019**	2018 (restated)
Costs to obtain contracts included in “Intangible assets”	10.2	113	152
Contract assets	6.8/6.9	11	10
Right-of return assets included in inventories	6.6	2	3
Contract liabilities	6:10	150	119

In 2019, the Group reviewed the presentation of costs to obtain contracts (Note 1.3).

6.2. COST OF GOODS SOLD

Accounting principle

Gross margin

Gross margin corresponds to the difference between "Net sales" and the "Cost of goods sold".

"Cost of goods sold" comprises the cost of purchases net of discounts, commercial cooperation fees and any tax credits associated with the purchases, changes in retail inventories and logistics costs. It also includes property development and property trading business costs and changes in the related inventories.

Commercial cooperation fees are measured based on contracts signed with suppliers. They are billed in instalments over the year. At each year-end, an accrual is recorded for the amount receivable or payable, corresponding to the difference between the value of the services actually rendered to the supplier and the sum of the instalments billed during the year.

Change in inventories

Changes in inventories, which may be positive or negative, are determined after taking into account any impairment losses.

Logistics costs

Logistics costs correspond to the cost of logistics operations managed or outsourced by the Group, comprising all warehousing, handling and freight costs incurred after goods are first received at one of the Group's sites. Transport costs included in suppliers' invoices (e.g., for goods purchased on a "delivery duty paid" or "DDP" basis) are included in "Purchases and change in inventories". Outsourced transport costs are recognised under "Logistics costs".

(€ millions)	Note	**2019**	2018 (restated)
Purchases and change in inventories		(25,102)	(24,502)
Logistics costs	6.3	(1,445)	(1,397)
COST OF GOODS SOLD		**(26,547)**	**(25,899)**

6.3. EXPENSES BY NATURE AND FUNCTION

Accounting principle

Selling expenses

"Selling expenses" consist of point-of-sale costs.

General and administrative expenses

General and administrative expenses correspond to overheads and the cost of corporate units, including the purchasing and procurement, sales and marketing, IT and finance functions.

Pre-opening and post-closure costs

Pre-opening costs that do not meet the criteria for capitalisation and post-closure costs are recognised in operating expense when incurred.

(€ millions)	Logistics costs(1)	Selling expenses	General and administrative expenses	**2019**
Employee benefits expense	(545)	(2,831)	(784)	(4,160)
Other expenses	(759)	(2,247)	(404)	(3,409)
Depreciation and amortisation (Notes 5.1/6.4)	(142)	(1,022)	(183)	(1,348)
TOTAL	**(1,445)**	**(6,100)**	**(1,371)**	**(8,916)**

(€ millions)	Logistics costs(1)	Selling expenses	General and administrative expenses	2018 (restated)
Employee benefits expense	(526)	(2,990)	(786)	(4,301)
Other expenses	(736)	(2,256)	(397)	(3,390)
Depreciation and amortisation (Notes 5.1/6.4)	(135)	(998)	(172)	(1,305)
TOTAL	**(1,397)**	**(6,244)**	**(1,355)**	**(8,996)**

(1) Logistics costs are reported under "Cost of goods sold".

A competitiveness and employment tax credit (CICE) has been introduced in France. It corresponds to a tax credit (repayable from the end of the third year) of 6% in 2018 (9% for Vindémia) based on salaries equal to or less than 2.5x the French minimum wage. In 2018, the CICE tax benefit of €78 million was recognised as a deduction from employee benefits expense, of which €4.5 million included within "Profit (loss) from discontinued operations" of Leader Price. The receivable was sold on a no-recourse basis. The CICE has been abolished with effect from 1 January 2019 and replaced by a reduction in social security contributions.

6.4. DEPRECIATION AND AMORTISATION

(€ millions)	Notes	**2019**	2018 (restated)
Amortisation of intangible assets	10.2.2	(177)	(160)
Depreciation of property, plant and equipment	10.3.2	(476)	(518)
Depreciation of investment property	10.4.2	(14)	(8)
Depreciation of right-of-use assets	7.1.1	(750)	(691)
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		**(1,417)**	**(1,377)**
Depreciation and amortisation reported under "Profit from discontinued operations"		70	72
DEPRECIATION AND AMORTISATION OF CONTINUING OPERATIONS	**5.1/6.3**	**(1,348)**	**(1,305)**

6.5. OTHER OPERATING INCOME AND EXPENSES

Accounting principle

This caption covers two types of items:

- Income and expenses which, by definition, are not included in an assessment of a business unit's recurring operating performance, such as gains and losses on disposals of non-current assets, impairment losses on non-current assets, and income/expenses related to changes in the scope of consolidation (for example, transaction costs and fees for acquisitions of control, gains and losses from disposals of subsidiaries, remeasurement at fair value of previously-held interests).
- Income and expenses arising from major events occurring during the period that would distort analyses of the Group's recurring profitability. They are defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare. Examples include restructuring costs (such as reorganisation costs and the costs of converting stores to new concepts) and provisions and expenses for litigation and risks (including discounting adjustments).

(€ millions)	**2019**	2018 (restated)
Total other operating income	**61**	**350**
Total other operating expenses	**(779)**	**(751)**
	(719)	**(402)**
BREAKDOWN BY TYPE		
Gains and losses on disposal of non-current assets(1)(7)	(7)	255
Net asset impairment losses(2)(7)	(160)	(204)
Net income (expense) related to changes in scope of consolidation(3)(7)	(198)	(146)
Gains and losses on disposal of non-current assets, net impairment losses on assets and net income (expense) related to changes in scope of consolidation	**(364)**	**(94)**
Restructuring provisions and expenses(4)(3)(7)	(210)	(216)
Provisions and expenses for litigation and risks(5)	(95)	(80)
Other(6)	(50)	(12)
Sub-total	**(355)**	**(308)**
TOTAL NET OTHER OPERATING INCOME (EXPENSE)	**(719)**	**(402)**

(1) The net loss on disposal of non-current assets in 2019 mainly concerns the France Retail sector with a loss of €37 million arising mainly on the disposal of property assets (the main assets sold are detailed in Note 2), and the Latam Retail sector with a gain of €31 million. The net gain on disposal of non-current assets in 2018 primarily concerned the France Retail segment and especially disposals of Monoprix store properties.

(2) The impairment loss recognised in 2019 mainly concerns the France Retail segment and relates to the asset disposal plan. The impairment loss recognised in 2018 mainly concerned the France Retail segment.

(3) The expense relating to the store optimisation plan in the France Retail segment, including employee costs, store closure costs, inventory reduction costs and impairment totalled €151 million in 2019 (of which primarily €69 million corresponding to changes in scope and €76 million to restructuring). Other changes in scope of consolidation relate mainly to the France Retail and Latam Retail segments and include fees of €36 million arising on the reorganisation of operations in Latin America. The net expense of €146 million recorded in 2018 resulted primarily from the reclassification to profit or loss, in accordance with IAS 21, of foreign currency translation adjustments accumulated in the foreign currency translation reserve for an amount of €67 million (Note 12.7.2).

(4) Excluding the impact of the store optimisation plan set out in the previous footnote, restructuring provisions and expenses for 2019 mainly concern the France Retail and Latam Retail segments for €59 million and €70 million, respectively. Restructuring provisions and expenses in 2018 primarily concerned the France Retail segment for €148 million, relating mostly to employee costs and store closure costs, and the Latam Retail segment for €56 million (mainly GPA).

(5) Provisions and expenses for litigation and risks represented a net expense of €95 million in 2019, including €36 million for tax risks at GPA. Provisions and expenses for litigation and risks represented a net expense of €80 million in 2018, including €35 million for tax risks at GPA.

(6) Including €32 million in costs relating to the digitalisation programme at Distribution Casino France (Hypermarkets & Supermarkets division). This new strategy focused on transforming its bricks-and-mortar stores into autonomous, dynamic spaces is primarily based on the development of the Casino Max app, supported by unprecedented efforts to secure customer loyalty, generating further costs.

(7) Reconciliation of impairment losses with the analysis of changes in non-current assets:

(€ millions)	Notes	**2019**	2018 (restated)
Goodwill impairment losses	10.1.2	(17)	(1)
Impairment (losses)/reversals on intangible assets, net	10.2.2	(8)	(14)
Impairment (losses)/reversals on property, plant and equipment, net	10.3.2	(70)	(59)
Impairment (losses)/reversals on investment property, net	10.4.2	(4)	(1)
Impairment (losses)/reversals on right-of-use assets, net	7.1.1	(11)	(35)
Impairment (losses)/reversals on other assets, net (IFRS 5 and other)		(142)	(180)
TOTAL NET IMPAIRMENT LOSSES		**(253)**	**(289)**
Net impairment losses of discontinued operations		10	-
NET IMPAIRMENT LOSSES OF CONTINUING OPERATIONS		**(243)**	**(289)**
o/w presented under "Restructuring provisions and expenses"		*(52)*	*(69)*
o/w presented under "Net impairment (losses)/reversals on assets"		*(160)*	*(204)*
o/w presented under "Net income/(expense) related to changes in scope of consolidation"		*(32)*	*(19)*
o/w presented under "Gains and losses on disposal of non-current assets"		*-*	*4*

6.6. INVENTORIES

Accounting principle

Inventories are measured at the lower of cost and probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions for impairment of inventories is recognised if the probable net realisable value is lower than cost. This analysis takes into account the business unit's operating environment and the type, age, turnover characteristics and sales pattern of the products concerned.

The cost of inventories is determined by the first-in-first-out (FIFO) method, except for inventories held by the GPA sub-group which uses the weighted average unit cost method, primarily for tax reasons. As GPA's inventory turnover rate is very high, inventory values would not be materially different if the FIFO method was applied. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing them to their present location and condition. Accordingly, logistics costs are included in the carrying amount together with supplier discounts deducted from "Cost of goods sold". The cost of inventories also includes gains or losses on cash flow hedges of future inventory purchases initially accumulated in equity.

For its property development and property trading businesses, Casino Group recognises assets and projects in progress in inventories.

(€ millions)	**31 December 2019**	31 December 2018 (restated)
Goods	3,532	3,704
Property assets	300	206
Gross amount	**3,833**	**3,910**
Accumulated impairment losses on goods	(48)	(49)
Accumulated impairment losses on property assets	(10)	(27)
Accumulated impairment losses	**(58)**	**(76)**
NET INVENTORIES (NOTE 4.2)	**3,775**	**3,834**

6.7. TRADE RECEIVABLES

Accounting principle

The Group's trade receivables are current financial assets (Note 11) that correspond to an unconditional right to receive consideration. They are initially recognised at fair value and subsequently measured at amortised cost less any impairment losses. The fair value of trade receivables usually corresponds to the amount on the invoice. A loss allowance for expected credit losses is recorded upon recognition of the receivable. The Group applies the simplified approach for the measurement of expected credit losses on all of its trade receivables, which are determined based on credit losses observed for receivables with the same profile, as adjusted to take into account forward-looking factors such as the customer's credit status or the economic environment.

Trade receivables can be sold to banks and continue to be carried as assets in the statement of financial position for as long as the contractual cash flows and substantially all the related risks and rewards are not transferred to a third party.

6.7.1. Breakdown of trade receivables

(€ millions)	Notes	**31 December 2019**	31 December 2018
Trade receivables	11.5.3	940	1,030
Accumulated impairment losses on trade receivables	6.7.2	(104)	(125)
NET TRADE RECEIVABLES	**4.2**	**836**	**905**

6.7.2. Accumulated impairment losses on trade receivables

(€ millions)	2019	2018
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES AT 1 JANUARY	**(125)**	**(132)**
Additions	(44)	(76)
Reversals	59	78
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	7	4
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES AT 31 DECEMBER	**(104)**	**(125)**

The criteria for recognising impairment losses are presented in Note 11.5.3 "Counterparty risk".

6.8. OTHER CURRENT ASSETS

6.8.1. Breakdown of other current assets

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)
Other receivables		913	1,022
Financial assets held for cash management purposes and short-term financial investments	11.2	1	37
Financial assets arising from a significant disposal of non-current assets	11.2	31	41
Guarantees and escrow accounts[1]	11.2.1	257	-
Tax and employee-related receivables in Brazil	6.9	242	137
Current accounts of non-consolidated companies		12	30
Accumulated impairment losses on other receivables and current accounts	6.8.2	(33)	(31)
Fair value hedges – assets	11.5.1	17	34
Derivatives not qualifying for hedge accounting and cash flow hedges – assets	11.5.1	7	6
Contract assets	6.1.2	11	10
Prepaid expenses		80	97
OTHER CURRENT ASSETS		**1,536**	**1,383**

(1) Of which €193 million relating to the November 2019 refinancing transactions (Note 2).

Other receivables primarily include tax and employee-related receivables (excluding Brazil) and receivables from suppliers. Prepaid expenses mainly concern purchases, rent, other occupancy costs and insurance premiums.

6.8.2. Accumulated impairment losses on other receivables and current accounts

(€ millions)	2019	2018
ACCUMULATED IMPAIRMENT LOSSES ON OTHER RECEIVABLES AND CURRENT ACCOUNTS AT 1 JANUARY	**(31)**	**(29)**
Additions	(51)	(42)
Reversals	47	38
Other (changes in scope of consolidation, reclassifications and foreign exchange differences)	2	2
ACCUMULATED IMPAIRMENT LOSSES ON OTHER RECEIVABLES AND CURRENT ACCOUNTS AT 31 DECEMBER	**(33)**	**(31)**

6.9. OTHER NON-CURRENT ASSETS

6.9.1. Analysis of other current assets

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)
Financial assets at fair value through profit or loss		41	35
Financial assets at fair value through other comprehensive income		4	4
Financial assets arising from a significant disposal of non-current assets	11.2.1	29	-
Non-current fair value hedges – assets	11.5.1	62	67
Other financial assets		303	285
Loans		*121*	*165*
Non-hedging derivatives – assets	*11.5.1*	*7*	*9*
Other long-term receivables		*175*	*111*
Tax and employee-related receivables in Brazil (see below)		599	618
Legal deposits paid by GPA	13.2	176	175
Impairment of other non-current assets	6.9.2	(46)	(48)
Prepaid expenses		15	16
OTHER NON-CURRENT ASSETS		**1,183**	**1,151**

GPA has a total of €841 million in tax receivables (of which €599 million in long-term receivables and €242 million in short-term receivables), corresponding primarily to ICMS (VAT) for €580 million, PIS/COFINS (VAT) and INSS (employer social security contributions). GPA expects the main tax receivable (ICMS) to be recovered as follows:

(€ millions)	31 December 2019
Within one year	97
In one to five years	320
In more than five years	163
TOTAL	**580**

GPA recognises ICMS and other tax credits when it has formally established and documented its right to use the credits and expects to use them within a reasonable period. These credits are mainly recognised as a deduction from the cost of goods sold.

6.9.2. Impairment of other non-current assets

(€ millions)	2019	2018
ACCUMULATED IMPAIRMENT LOSSES ON OTHER NON-CURRENT ASSETS AT 1 JANUARY	**(48)**	**(69)**
Additions	-	-
Reversals	-	-
Other reclassifications and movements	2	21
ACCUMULATED IMPAIRMENT LOSSES ON OTHER NON-CURRENT ASSETS AT 31 DECEMBER[(1)]	**(46)**	**(48)**

(1) Corresponding mainly to impairment losses recognised on loans granted by Franprix to master franchisees following the inclusion of the share of losses from non-controlling interests of Casino in certain stores of these master franchisees.

6.10. OTHER LIABILITIES

	31 December 2019			31 December 2018 (restated)		
(€ millions)	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Derivative instruments – liabilities (Note 11.5.1)[1]	41	185	227	285	2	288
Tax and employee benefits payable	98	1,281	1,378	135	1,383	1,518
Sundry liabilities	36	946	982	36	803	839
Amounts due to suppliers of non-current assets	-	192	192	1	204	205
Current account advances	-	2	2	-	26	26
Contract liabilities (Note 6.1.2)	-	150	150	2	116	119
Deferred income	8	83	90	4	78	82
TOTAL	**181**	**2,839**	**3,021**	**464**	**2,613**	**3,076**

(1) Primarily comprises the fair value of the GPA total return swap (TRS) (Note 11.3.2).

6.11. OFF-BALANCE SHEET COMMITMENTS

Accounting principle

At every year-end, Management determines, to the best of its knowledge, that there are no off-balance sheet commitments likely to have a material effect on the Group's current or future financial position other than those described in this note.

The completeness of this information is checked by the Finance, Legal and Tax departments, which also participate in drawing up contracts that are binding on the Group.

Commitments entered into in the ordinary course of business mainly concern the Group's operating activities except for undrawn confirmed lines of credit, which represent a financing commitment.

Off-balance sheet commitments relating to the scope of consolidation are presented in Note 3.4.2.

6.11.1. Commitments given

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts that might have to be paid under guarantees issued by the Group. They are not netted against sums which might be recovered through legal action or counter-guarantees received by the Group.

(€ millions)	31 December 2019	31 December 2018
Assets pledged as collateral[1]	206	209
Bank guarantees given[2]	2,343	2,286
Guarantees given in connection with disposals of non-current assets	15	32
Other commitments	62	61
TOTAL COMMITMENTS GIVEN	**2,625**	**2,588**
Expiring:		
Within one year	*140*	*170*
In one to five years	*2,476*	*2,410*
In more than five years	*9*	*7*

(1) Current and non-current assets pledged, mortgaged or otherwise given as collateral. As at 31 December 2019, this concerns GPA for €189 million, mainly in connection with the tax disputes described in Note 13.2 (31 December 2018: €192 million). The amount of €206 million does not include the guarantees given in connection with the refinancing transaction in November 2019 (Note 11.5.4).

(2) At 31 December 2019, this amount includes €2,252 million in bank guarantees obtained by GPA (31 December 2018: €2,137 million) mainly in connection with the tax disputes described in Note 13.2. It also comprises guarantees issued on behalf of joint ventures for €68 million (31 December 2018: €93 million), as described in Note 3.3.7.

6.11.2. Commitments received

The amounts disclosed in the table below represent the maximum (undiscounted) potential amounts in respect of commitments received.

(€ millions)	31 December 2019	31 December 2018
Bank guarantees received	64	63
Secured financial assets	91	89
Undrawn confirmed lines of credit (Note 11.2.4)	2,666	3,404
Other commitments	20	25
TOTAL COMMITMENTS RECEIVED	**2,841**	**3,581**
Expiring:		
Within one year	*350*	*419*
In one to five years	*2,364*	*3,037*
In more than five years	*127*	*126*

Note 7 Leases

Accounting principle

Group as lessee

The Group is a lessee in a large number of property leases primarily relating to store properties, warehouses, office buildings and apartments for lessee managers. It also acts as lessee in leases of vehicles, store machinery and equipment (notably cooling systems) and logistics equipment, primarily in France.

The Group's lease contracts are recognised in accordance with IFRS 16 – Leases, taking into account the terms and conditions of each agreement and all relevant facts and circumstances.

At the inception of such contracts, the Group determines whether or not they meet the definition of (or contain) a lease, i.e., whether they convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are carried in the lessee's statement of financial position as follows:

- a right-of-use asset reflecting the right to use a leased asset over the lease term is recorded in "Right-of-use assets" in the consolidated statement of financial position;
- a lease liability reflecting the obligation to make lease payments over that same period is recorded in "Current lease liabilities" and "Non-current lease liabilities" in the consolidated statement of financial position. Lease liabilities are not included in the calculation of consolidated net debt.

Initial measurement

At the lease commencement date:

- lease liabilities are recognised at the present value of future fixed lease payments over the estimated term of the lease, as determined by the Group. The Group generally uses its incremental borrowing rate to discount these future lease payments. Future fixed lease payments include adjustments for payments that depend on an index or a contractually defined growth rate. They can also include the value of a purchase option or estimated early termination penalties, when Casino is reasonably certain to exercise these options. Any lease incentives receivable at the lease commencement date are deducted from the fixed lease payments;
- right-of-use assets are recognised for the value of the lease liabilities, less any lease incentives received from the lessor, plus any lease payments made at or before the commencement date, initial direct costs and an estimate of costs to be incurred in respect of any contractual restoration obligations.

The Group only includes the lease component of the contract when measuring its lease liabilities. For certain categories of assets where the lease includes a service component as well as a lease component, the Group may recognise a single lease contract (i.e., with no distinction between the service and lease components).

Subsequent measurement

Lease liabilities are carried at amortised cost using the effective interest rate method.

Lease liabilities are:

- increased by interest expenses, as calculated by applying a discount rate to the liabilities at the start of the financial period. These interest expenses are recognised in the income statement within "Other financial expenses";
- reduced by any lease payments made.
- Cash payments for the principal portion of lease liabilities along with cash payments for the interest portion of those liabilities are included within net cash used in financing activities in the consolidated statement of cash flows.

The carrying amount of lease liabilities is remeasured against right-of-use assets to reflect any lease modifications and in the event of:

- changes in the lease term;
- changes in the assessment of whether or not a purchase option is reasonably certain to be exercised;
- changes in amounts expected to be payable under a residual value guarantee granted to the lessor;
- changes in variable lease payments that depend on an index or rate when the index or rate adjustment takes effect (i.e., when the lease payments are effectively modified).

In the first two cases, lease liabilities are remeasured using a discount rate as revised at the remeasurement date. In the last two cases, the discount rate used to measure the lease liabilities on initial recognition remains unchanged.

Right-of-use assets are measured using the amortised cost model as from the lease commencement date and over the estimated term of the lease. This gives rise to the recognition of a straight-line depreciation expense in the income statement. Right-of-use assets are reduced by any impairment losses recognised in accordance with IAS 36 (Note 10.5) and are readjusted in line with the remeasurement of lease liabilities.

In the event a lease is terminated early, any gains or losses arising as a result of derecognising the lease liabilities and right-of-use assets are taken to the income statement within other operating income or other operating expenses.

Estimating the lease term

The lease term corresponds to the enforceable period of the lease (i.e., the period during which the lease cannot be cancelled by the lessor, plus all possible contractual extensions permitted that are able to be decided unilaterally by the lessee), and takes account of any periods covered by an option to terminate or extend the lease if the Group is reasonably certain respectively to not exercise or exercise that option.

In estimating the reasonably certain term of a lease, the Group considers all of the characteristics associated with the leased assets (local laws and regulations, location, category – e.g., stores, warehouses, offices, apartments, property/equipment leases, expected useful life, etc.). Under leases of store properties, the Group may also consider economic criteria such as the store format, the long-term nature and performance of the leased assets, and whether or not significant recent investments have been made in the stores.

Generally, the term of warehouses and office leases along with equipment leases corresponds to the initial term provided for in the lease contract.

More specifically, for "3-6-9"-type commercial leases in France, the Group recognises a term of nine years as the maximum enforceable period of the lease at the lease commencement date, in accordance with the ANC's 16 February 2018 position statement.

Certain leases may be automatically renewable. The Group is unable to reliably estimate the term of such leases beyond its strict contractual obligation, generally limited to several months.

Discount rate

The discount rate generally used to calculate the lease liability for each lease contract depends on the Group's incremental borrowing rate at the lease commencement date. This rate is the rate of interest that a lessee would have to pay at the lease commencement date to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The Group calculates a discount rate for each country, taking into account the entity's credit spread and the lease terms.

Lease premiums

Any lease premiums relating to lease contracts are included within "Right-of-use assets". Depending on the legal particulars inherent to each lease premium, they are either amortised over the underlying lease term or (most commonly) are not amortised, but are tested annually for impairment.

Short-term leases and leases of low-value assets

The Group has chosen to apply the recognition exemptions in IFRS 16 concerning:

- short-term leases (i.e., with a term of 12 months or less at inception); and
- leases for which the underlying asset is of low value (value of underlying leased asset less than €5,000).

Within the Group, these exemptions apply mainly to leases of store equipment and office equipment such as tablets, computers, mobile telephones and photocopiers.

Payments under these leases are included in operating expenses in the consolidated income statement, in the same way as variable lease payments which are not included in the initial measurement of lease liabilities. Cash flows relating to lease payments made are included within net cash from operating activities in the consolidated statement of cash flows.

Sale-and-leaseback transactions

A sale-and-leaseback transaction is a transaction in which the owner of assets sells those assets to third parties and then leases them back. If the sale of the assets by the seller-lessee meets the definition of a sale under IFRS 15:

- the seller-lessee measures the right-of-use asset under the lease as a proportion of the net carrying amount of the asset transferred, which corresponds to the right of use retained by that seller-lessee. Accordingly, the seller-lessee only recognises the net disposal gain or loss that relates to the rights transferred to the buyer-lessor;
- the buyer-lessor accounts for the purchase of the asset applying applicable standards and for the lease applying IFRS 16.

If the sale of the asset by the seller-lessee does not meet the definition of a sale under IFRS 15, the sale-and-leaseback is accounted for as a financing transaction. Accordingly:

- the seller-lessee recognises the transferred asset in its statement of financial position and recognises a financial liability equal to the consideration received from the buyer-lessor;
- the buyer-lessor does not recognise the transferred asset in its statement of financial position but recognises a financial asset equal to the considered transferred.

Deferred taxes

In the event a lease gives rise to a temporary difference, deferred tax is recognised (Note 9).

Group as lessor

When the Group acts as lessor, it classifies each of its leases as either a finance lease or an operating lease.

- Finance leases are treated as a sale of non-current assets to the lessee financed by a loan granted by the lessor. To recognise a finance lease, the Group:
  - derecognises the leased asset from its statement of financial position;
  - recognises a financial receivable in "Financial assets at amortised cost" within "Other current assets" and "Other non-current assets" in its consolidated statement of financial position at an amount equal to the present value, discounted at the contractual interest rate or incremental borrowing rate, of the lease payments receivable under the lease, plus any unguaranteed residual value accruing to the Group;
  - splits the lease income into (i) interest income recognised in the consolidated income statement within "Other financial income", and (ii) amortisation of the principal, which reduces the amount of the receivable.
- For operating leases, the lessor includes the leased assets within "Property, plant and equipment" in its statement of financial position and recognises lease payments received under "Other revenue" in the consolidated income statement on a straight-line basis over the lease term.

7.1. GROUP AS LESSEE

Details of these leases are provided below.

7.1.1. Statement of financial position information

Composition of and change in right-of-use assets

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other property, plant and equipment	Other intangible assets	**Total**
Carrying amount at 1 January 2018 (restated)	**46**	**4,309**	**112**	**24**	**4,491**
New assets	-	863	38	39	940
Remeasurements	1	263	-	-	264
Derecognised assets	-	(40)	-	-	(40)
Depreciation and amortisation for the year	(6)	(653)	(29)	(2)	(691)
Impairment (losses)/reversals, net	(1)	(33)	-	-	(35)
Changes in scope of consolidation	-	3	-	-	3
Effect of movements in exchange rates	-	(145)	(1)	(8)	(154)
IFRS 5 reclassifications	(5)	(281)	(7)	-	(292)
Other reclassifications and movements(1)	-	(41)	-	146	105
Carrying amount at 31 December 2018 (restated)	**34**	**4,244**	**114**	**200**	**4,592**
New assets	-	765	149	-	913
Remeasurements	2	415	-	1	418
Derecognised assets	(7)	(91)	-	-	(98)
Depreciation and amortisation for the year	(6)	(690)	(48)	(5)	(749)
Impairment (losses)/reversals, net	-	(11)	(1)	-	(11)
Changes in scope of consolidation	-	5	-	-	5
Effect of movements in exchange rates	-	(24)	-	(3)	(27)
IFRS 5 reclassifications	2	(163)	(7)	-	(168)
Other reclassifications and movements	-	(27)	-	(10)	(37)
CARRYING AMOUNT AT 31 DECEMBER 2019	**25**	**4,423**	**207**	**183**	**4,837**

(1) Including BRL 633 million (€147 million) corresponding to the Paes Mendonça receivable reclassified to "Lease premiums" (Note 6.9.1).

Lease liabilities

(€ millions)	Notes	**31 December 2019**	31 December 2018 (restated)
Current portion		740	677
Non-current portion		3,937	3,560
TOTAL	**11.5.4**	**4,676**	**4,238**
of which France Retail		*2,807*	*2,575*
of which Latam Retail		*1,680*	*1,490*
of which E-commerce		*189*	*173*

Note 11.5.4 provides an analysis of lease liabilities by maturity.

7.1.2. Income statement information

The following amounts were recognised in the 2019 income statement in respect of leases, excluding lease liabilities:

(€ millions)	2019	2018 (restated)
Rental expense relating to variable lease payments[1]	54	59
Rental expense relating to short-term leases[1]	9	7
Rental expense relating to leases of low-value assets that are not short-term leases[1]	112	96

(1) Leases not included in lease liabilities recognised in the statement of financial position.

Depreciation charged against right-of-use assets is presented in Note 7.1.1, while interest expense on lease liabilities is shown in Note 11.3.2.

Sub-letting income included within right-of-use assets is set out in Note 7.2.

7.1.3. Statement of cash flow information

Total lease payments made in the year amounted to €1,120 million (2018: €987 million).

7.1.4. Sale-and-leaseback transactions

The main sale-and-leaseback transactions are described in Note 2.

7.2. GROUP AS LESSOR

Operating leases

The following table provides a maturity analysis of payments receivable under operating leases:

(€ millions)	31 December 2019	31 December 2018
Within one year	65	64
In one to two years	36	36
In two to three years	25	21
In three to four years	20	14
In four to five years	15	10
In five or more years	63	58
UNDISCOUNTED VALUE OF LEASE PAYMENTS RECEIVABLE	**224**	**203**

The following amounts were recognised in the 2019 income statement:

(€ millions)	2019	2018 (restated)
Operating leases		
Lease income[1]	109	102
Sub-letting income included within right-of-use assets	45	38

(1) Including €12 million in variable lease payments in 2019 that do not depend on an index or rate (2018: €5 million).

Note 8 Employee benefits expense

8.1. EMPLOYEE BENEFITS EXPENSE

Employee benefits expense is analysed by function in Note 6.3.

8.2. PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

Accounting principle

Provisions for pensions and other post-employment benefits

Group companies provide their employees with various employee benefit plans depending on local laws and practice.

- **Under defined contribution plans**, the Group pays fixed contributions into a fund and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to these plans are expensed as incurred.
- **Under defined benefit plans**, the Group's obligation is measured using the projected unit credit method based on the agreements effective in each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation. The final obligation is then discounted. The actuarial assumptions used to measure the obligation vary according to the economic conditions prevailing in the relevant country. The obligation is measured by independent actuaries annually for the most significant plans and for the employment termination benefit, and regularly for all other plans. Assumptions include expected rate of future salary increases, estimated average years of service, life expectancy and staff turnover rates (based on resignations only).

Actuarial gains and losses arise from the effects of changes in actuarial assumptions and experience adjustments (differences between results based on previous actuarial assumptions and what has actually occurred). All actuarial gains and losses arising on defined benefit plans are recognised immediately in other comprehensive income.

Past service cost, corresponding to the increase in the benefit obligation resulting from the introduction of a new benefit plan or modification of an existing plan, is expensed immediately.

The expense in the income statement comprises:

- service cost, i.e., the cost of services provided during the year, recognised in trading profit;
- past service cost and the effect of plan curtailments or settlements, generally recognised in "Other operating income and expenses";
- interest cost, corresponding to the discounting adjustment to the projected benefit obligation net of the return on plan assets, recorded in "Other financial income and expenses". Interest cost is calculated by applying the discount rate defined in IAS 19 to the net obligation (i.e., the projected obligation less related plan assets) recognised in respect of defined benefit plans, as determined at the beginning of the year.

The provision recognised in the statement of financial position is measured as the net present value of the obligation less the fair value of plan assets.

Provisions for other in service long-term employee benefits

- **Other in-service long-term employee benefits**, such as jubilees, are also covered by provisions, determined on the basis of an actuarial estimate of vested rights as of the reporting date. Actuarial gains and losses on these benefit plans are recognised immediately in profit or loss.

8.2.1. Breakdown of provisions for pensions and other post-employment benefits and for long-term employee benefits

(€ millions)	31 December 2019 Non-current portion	31 December 2019 Current portion	31 December 2019 Total	31 December 2018 Non-current portion	31 December 2018 Current portion	31 December 2018 Total
Pensions	310	10	319	318	10	328
Jubilees	35	1	36	38	1	38
Bonuses for services rendered	11	-	12	11	-	11
PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS AND FOR LONG-TERM EMPLOYEE BENEFITS	**357**	**11**	**367**	**366**	**11**	**377**

8.2.2. Presentation of pension plans

Defined contribution plan

Defined contribution plans are plans in which the Company pays regular contributions into a fund. The Company's obligation is limited to the amount it agrees to contribute to the fund and it offers no guarantee that the fund will have sufficient assets to pay all of the employees' entitlements to benefits. This type of plan predominantly concerns employees of the Group's French subsidiaries, who participate in the government-sponsored basic pension scheme.

In 2019, defined contribution plans represented a cost of €291 million of which 90% concerned the Group's French subsidiaries (€284 million excluding discontinued operations and 89% in 2019).

Defined benefit plan

In certain countries, local laws or conventional agreements provide for the payment of a lump sum to employees either when they retire or at certain times post-retirement, based on their years of service and final salary at the age of retirement.

8.2.3. Main assumptions used in determining total defined benefit obligations (pension plans)

Defined benefit plans are exposed to risks concerning future interest rates, salary increase rates and mortality rates.

The following table presents the main actuarial assumptions used to measure the projected benefit obligation:

	France		International	
	2019	2018	**2019**	2018
Discount rate	0.6%	1.70%	6.1% - 6.6%	6.5% - 7.6%
Expected rate of future salary increases	1.0% - 1.7%	1.6% - 2.0%	3.5%	3.5%
Retirement age	62 - 65 years	62 - 65 years	57 - 62 years	57 - 62 years

For French companies, the discount rate is determined by reference to the Bloomberg 15-year AA corporate composite index.

Sensitivity analysis

A 50-basis point increase (decrease) in the discount rate would have the effect of reducing the projected benefit obligation by 6.0% (increasing the projected benefit obligation by 5.9%).

A 50-basis point increase (decrease) in the expected rate of salary increases would have the effect of increasing the projected benefit obligation by 5.6% (reducing the projected benefit obligation by 5.8%).

8.2.4. Change in retirement benefit obligations and plan assets

The following tables show a reconciliation of the projected benefit obligations of all Group companies to the provisions recognised in the consolidated financial statements for the years ended 31 December 2019 and 31 December 2018.

		France		International		Total	
(€ millions)		**2019**	2018	**2019**	2018	**2019**	2018
Projected benefit obligation at 1 January		**341**	**326**	**8**	**14**	**349**	**340**
Items recorded in the income statement		**7**	**15**	**(1)**	**1**	**6**	**16**
Service cost		19	19	-	-	19	19
Interest cost		5	5	-	1	6	5
Past service cost		-	-	(2)	-	(2)	-
Curtailments/settlements		(17)	(9)	-	-	(17)	(9)
Items included in other comprehensive income		**13**	**14**	**-**	**(1)**	**13**	**13**
(1) Actuarial (gains) and losses related to:		13	14	-	(1)	13	13
(i) changes in financial assumptions		16	(2)	-	-	17	(2)
(ii) changes in demographic assumptions		(3)	19	-	(1)	(3)	19
(iii) experience adjustments		-	(4)	-	-	-	(4)
(2) Effect of movements in exchange rates		-	-	-	-	-	-
Other		**(29)**	**(14)**	**(1)**	**(6)**	**(30)**	**(19)**
Paid benefits		(12)	(12)	(1)	(1)	(13)	(13)
Changes in scope of consolidation		-	1	-	-	-	1
Other movements		(17)	(2)	-	(5)	(17)	(7)
Projected benefit obligation at 31 December	**A**	**332**	**341**	**6**	**8**	**338**	**349**
Weighted average duration of plans						**17**	**17**

		France		International		Total	
(€ millions)		**2019**	2018	**2019**	2018	**2019**	2018
Fair value of plan assets at 1 January		**21**	**23**	**-**	**-**	**21**	**23**
Items recorded in the income statement		**-**	**-**	**-**	**-**	**-**	**-**
Interest on plan assets		-	-	-	-	-	-
Items included in other comprehensive income		**(2)**	**-**	**-**	**-**	**(2)**	**-**
Actuarial (losses) gains (experience adjustments)		(2)	-	-	-	(2)	-
Effect of movements in exchange rates		-	-	-	-	-	-
Other		**-**	**(2)**	**-**	**-**	**-**	**(2)**
Paid benefits		-	(2)	-	-	-	(2)
Changes in scope of consolidation		-	-	-	-	-	-
Other movements		-	-	-	-	-	-
Fair value of plan assets at 31 December	**B**	**19**	**21**	**-**	**-**	**19**	**21**

		France		International		Total	
(€ millions)		**2019**	2018	**2019**	2018	**2019**	2018
Net post-employment benefit obligation	**A-B**	**313**	**320**	**6**	**8**	**319**	**328**
Unfunded projected benefit obligation under funded plans		**102**	**91**	**-**	**-**	**102**	**91**
Projected benefit obligation under funded plans		121	112	-	-	121	112
Fair value of plan assets		(19)	(21)	-	-	(19)	(21)
Projected benefit obligation under unfunded plans		**211**	**229**	**6**	**8**	**218**	**201**

Plan assets consist mainly of units in fixed-rate bond funds.

Reconciliation of provisions recorded in the statement of financial position

	France		International		Total	
(€ millions)	**2019**	2018	**2019**	2018	**2019**	2018
At 1 January	**320**	**303**	**8**	**14**	**328**	**317**
Expense for the year	7	15	(1)	1	6	16
Actuarial gains or losses recognised in equity	15	14	-	(1)	15	13
Effect of movements in exchange rates	-	-	-	-	-	-
Paid benefits	(12)	(10)	(1)	(1)	(13)	(11)
Partial reimbursement of plan assets	-	-	-	-	-	-
Changes in scope of consolidation	-	1	-	-	-	1
Other movements	(17)	(3)	-	(5)	(17)	(7)
AT 31 DECEMBER	**313**	**320**	**7**	**8**	**319**	**328**

Breakdown of expense for the year

	France		International		Total	
(€ millions)	**2019**	2018 (restated)	**2019**	2018	**2019**	2018 (restated)
Service cost	19	19	-	-	19	19
Interest cost[(1)]	5	5	-	1	6	5
Past service cost	-	-	(2)	-	(2)	-
Curtailments/settlements	(17)	(9)	-	-	(17)	(9)
Expense for the year	**7**	**15**	**(1)**	**1**	**6**	**16**
Expense for the year of discontinued operations	(1)	-	-	-	(1)	-
EXPENSE FOR THE YEAR OF CONTINUING OPERATIONS	**6**	**14**	**(1)**	**1**	**5**	**15**

(1) Reported under "Other financial income and expenses".

Undiscounted future cash flows

		Undiscounted cash flows					
(€ millions)	Statement of financial position	2020	2021	2022	2023	2024	Beyond 2024
Post-employment benefits	319	9	6	10	16	20	849

8.3. SHARE-BASED PAYMENTS

Accounting principle

Share-based payments

Management and selected employees of the Group receive stock options (options to purchase or subscribe for shares) and free shares.

The benefit represented by stock options, measured at fair value on the grant date, constitutes additional compensation. The grant-date fair value of the options is recognised in "Employee benefits expense" over the option vesting period or in "Other operating expenses" when the benefit relates to a transaction that is also recognised in "Other operating income and expenses" (Note 6.5). The fair value of options is determined using the Black-Scholes option pricing model, based on the plan attributes, market data (including the market price of the underlying shares, share price volatility and the risk-free interest rate) at the grant date and assumptions concerning the probability of grantees remaining with the Group until the options vest.

The fair value of free shares is also determined on the basis of the plan attributes, market data at the grant date and assumptions concerning the probability of grantees remaining with the Group until the shares vest. If the free shares are not subject to any vesting conditions, the cost of the plan is recognised in full on the grant date. Otherwise it is deferred and recognised over the vesting period as and when the vesting conditions are met. When free shares are granted to employees in connection with a transaction affecting the scope of consolidation, the related cost is recorded in "Other operating income and expenses".

Free shares are granted to certain Company managers and store managers. In certain cases, the shares vest in tranches, subject to the attainment of a performance target for the period concerned. In all cases, the shares are forfeited if the grantee leaves the Group before the end of the vesting period.

8.3.1. Impact of share-based payments on earnings and equity

The total net cost of share-based payment plans recognised in the operating income in 2019 was €23 million (2018: €21 million), including €7 million for Casino, Guichard-Perrachon and €16 million for GPA. The net cost is balanced by a positive impact on equity for €22 million.

8.3.2. Casino, Guichard-Perrachon stock option plans

At 31 December 2019, no Casino, Guichard-Perrachon stock options were outstanding.

8.3.3. Casino, Guichard-Perrachon free share plans

Free share plan features and assumptions

Date of plan	Vesting date	Number of free shares authorised	Number of shares to be delivered at 31/12/2019	of which number of performance shares[(1)]	Share price (€)[(2)]	Fair value of the share (€)[(2)]
12/12/2019	12/12/2022	28,043	28,043	-	45.15	42.37
12/12/2019	12/12/2021	19,260	19,260	-	45.15	44.23
12/12/2019	31/10/2021	8,939	8,939	-	45.15	43.43
12/12/2019	31/07/2021	27,626	27,339	-	45.15	42.88
07/05/2019	07/05/2020	103,665	103,665	-	35.49	29.92
07/05/2019	31/03/2021	5,252	5,252	-	35.49	28.65
07/05/2019	31/01/2021	15,553	15,553	-	35.49	28.37
07/05/2019	07/05/2024	7,809	7,809	7,809	35.49	14.65
07/05/2019	07/05/2022	184,608	155,661	155,661	35.49	16.44
13/12/2018	14/12/2021	32,218	25,643	-	37.10	27.70
13/12/2018	01/12/2020	13,088	13,088	-	37.10	31.46
13/12/2018	01/08/2020	4,144	4,144	-	37.10	30.81
13/12/2018	01/07/2020	2,630	1,315	-	37.10	30.63
15/05/2018	15/05/2021	1,500	1,500	-	40.75	31.36
15/05/2018	15/05/2023	7,326	6,853	6,853	40.75	17.01
15/05/2018	15/05/2021	177,117	116,978	116,978	40.75	18.35
25/04/2018	01/02/2020	11,955	6,742	-	41.89	35.15
20/04/2017	20/04/2022	5,666	5,666	5,666	51	27.25
20/04/2017	20/04/2020	156,307	84,021	84,021	51	28.49
20/04/2017	31/01/2020	245	245	-	51	43.17
13/05/2016	13/05/2020	7,178	4,085	4,085	53.29	34.45
TOTAL		**820,129**	**641,801**	**381,073**		

(1) Performance conditions mainly concern organic sales growth and the level of trading profit or EBITDA of the company that employs the grantee.
(2) Weighted average.

Changes in free shares

Free share grants	2019	2018
Unvested shares at 1 January	**487,276**	**542,580**
Free share rights granted	400,755	349,565
Free share rights cancelled	(113,768)	(124,120)
Shares issued	(132,462)	(280,749)
UNVESTED SHARES AT 31 DECEMBER	**641,801**	**487,276**

8.3.4. Features of GPA stock option plans

- "B Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price is BRL 0.01 per option.
- "C Series" stock options are exercisable between the 37th and the 42nd months following the grant date. The exercise price corresponds to 80% of the average of the last 20 closing prices for GPA shares quoted on Bovespa.

Name of plan	Grant date	Exercise period start date	Expiry date	Number of options granted *(thousands)*	Option exercise price *(BRL)*	**Number of options outstanding at 31/12/2019** *(thousands)*
C6 Series	31/05/2019	31/05/2022	30/11/2022	331	70.62	312
B6 Series	31/05/2019	31/05/2022	30/11/2022	434	0.01	414
C5 Series	31/05/2018	31/05/2021	30/11/2021	594	62.61	441
B5 Series	31/05/2018	31/05/2021	30/11/2021	594	0.01	441
C4 Series	31/05/2017	31/05/2020	30/11/2020	537	56.78	273
B4 Series	31/05/2017	31/05/2020	30/11/2020	537	0.01	272
					30.25	**2,153**

Main assumptions used to value stock options

GPA uses the following assumptions to value its plans ("Series" 4, 5 and 6 respectively):

- dividend yield: 0.57%, 0.41% and 0.67%;
- projected volatility: 35.19%, 36.52% and 32.74%;
- risk-free interest rate: 9.28%/10.07%, 9.29% and 7.32%.

The average fair value of outstanding stock options at 31 December 2019 was BRL 56.41.

The table below shows changes in the number of outstanding options and weighted average exercise prices in the years presented:

	2019		2018	
	Number of outstanding options *(thousands)*	Weighted average exercise price *(BRL)*	Number of outstanding options *(thousands)*	Weighted average exercise price *(BRL)*
Options outstanding at 1 January	**2,755**	**26.03**	**2,539**	**29.48**
of which exercisable options	-	-	-	-
Options granted during the period	765	30.55	1,378	30.91
Options exercised during the period	(1,080)	21.55	(697)	31.96
Options cancelled during the period	(126)	31.75	(229)	38.64
Options that expired during the period	(161)	16.74	(236)	68.62
OPTIONS OUTSTANDING AT 31 DECEMBER	**2,153**	**30.25**	**2,755**	**26.03**
of which exercisable options	-	-	-	-

8.4. GROSS REMUNERATION AND BENEFITS OF THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE AND THE BOARD OF DIRECTORS

(€ millions)	**2019**	2018
Short-term benefits excluding social security contributions(1)	21	32
Social security contributions on short-term benefits	3	5
Termination benefits for key executives	-	3
Share-based payments(2)	4	7
TOTAL	**28**	**47**

(1) Gross salaries, bonuses, discretionary and statutory profit-sharing, benefits in kind and directors' fees.
(2) Expense recognised in the income statement in respect of stock option and free share plans.

The members of the Group Executive Committee are not entitled to any specific supplementary pension benefits.

8.5. AVERAGE NUMBER OF GROUP EMPLOYEES

Average full-time equivalent employees by category	**2019**	2018 (restated)
Managers	10,975	10,816
Staff	177,359	177,144
Supervisors	21,362	21,377
GROUP TOTAL	**209,696**	**209,337**

Note 9 Income taxes

Accounting principle

Income tax expense corresponds to the sum of the current taxes due by the various Group companies, adjusted for deferred taxes.

Substantially all qualifying French subsidiaries are members of the tax group headed by Casino, Guichard-Perrachon and file a consolidated tax return.

Current tax expense reported in the income statement corresponds to the tax expense of the parent company of the tax group and of companies that are not members of a tax group.

Deferred tax assets correspond to future tax benefits arising from deductible temporary differences, tax loss carryforwards, unused tax credits and certain consolidation adjustments that are expected to be recoverable.

Deferred tax liabilities are recognised in full for:

- taxable temporary differences, except where the deferred tax liability results from recognition of a non-deductible impairment loss on goodwill or from initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or the tax loss; and
- taxable temporary differences related to investments in subsidiaries, associates and joint ventures, except when the Group controls the timing of the reversal of the difference and it is probable that it will not reverse in the foreseeable future.

Deferred taxes are recognised using the balance sheet approach and in accordance with IAS 12. They are calculated by the liability method, which consists of adjusting deferred taxes recognised in prior periods for the effect of any enacted changes in the income tax rate.

The Group reviews the probability of deferred tax assets being recovered on a periodic basis for each tax entity. This review may, if necessary, lead to the derecognition of deferred tax assets recognised in prior years. The probability for recovery is assessed based on a tax plan indicating the level of projected taxable profits.

The assumptions underlying the tax plan are consistent with those used in the medium-term business plans and budgets prepared by Group entities and approved by management.

The French corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE) which is based on the value-added reflected in the separate financial statements, is included in "Income tax expense" in the consolidated income statement.

When payments to holders of equity instruments are deductible for tax purposes, the tax effect is recognised by the Group in the income statement.

The introduction of IFRIC 23 – *Uncertainty over Income Tax Treatments* did not result in any significant changes to the measurement of uncertain tax positions in the financial statements at 31 December 2018. The impact of applying IFRIC 23 was not material, decreasing equity by €7 million at 1 January 2019. In the first half of 2019, the IFRIC was consulted on the classification of liabilities relating to uncertain tax positions in the consolidated statement of financial position. In September 2019, the IFRIC decided that these should be presented within current tax liabilities and/or deferred taxes. This classification was not previously applied by the Group, which reported provisions for uncertain income tax positions within provisions for risks and expenses. As a result of applying IFRIC 23 using the modified retrospective method (i.e., with no restatement of comparative information), the Group reclassified €9 million at 1 January 2019.

9.1. INCOME TAX EXPENSE

9.1.1. Analysis of income tax expense

	2019			2018 (restated)		
(€ millions)	France	International	Total	France	International	Total
Current income tax	(45)	(80)	(126)	(89)	(137)	(227)
Other taxes (CVAE)	(63)	-	(63)	(61)	-	(61)
Deferred taxes	51	1	52	87	13	100
Total income tax (expense) benefit recorded in the income statement	**(58)**	**(79)**	**(137)**	**(64)**	**(124)**	**(188)**
Income tax on items recognised in "Other comprehensive income" (Note 12.7.2)	**14**	**(2)**	**12**	**1**	**(1)**	**-**
Income tax on items recognised in equity	**1**	**13**	**14**	**(2)**	**-**	**(2)**

9.1.2. Tax proof

(€ millions)	2019		2018 (restated)	
Profit (loss) before tax	**(176)**		**286**	
Theoretical income tax benefit (expense)[1]	**61**	**-34.43%**	**(99)**	**-34.43%**
Reconciliation of theoretical income tax expense to actual income tax expense				
Impact of differences in foreign tax rates	9	-4.9%	7	2.4%
Recognition of previously unrecognised tax benefits on tax losses and other deductible temporary differences[2]	15	-8.3%	76	26.6%
Unrecognised deferred tax assets/valuation allowances on recognised deferred tax assets on tax loss carryforwards or other deductible temporary differences[3]	(52)	29.6%	(39)	-13.5%
Change in corporate tax rate[4]	(44)	25.0%	(36)	-12.5%
CVAE net of income tax	(42)	23.5%	(40)	-14.1%
Non-deductible interest expense[5]	(22)	12.4%	(28)	-9.7%
Non-taxable CICE tax credits[6]	-	-0.2%	25	8.7%
Non-deductible asset impairment losses	(24)	13.8%	(34)	-11.8%
Non-deductible exchange losses[7]	-	-	(22)	-7.8%
Tax effect of Brazilian dividends[8]	9	-5.1%	18	6.1%
Other taxes on distributed earnings[9]	(15)	8.7%	(10)	-3.5%
Deductible interest on deeply-subordinated perpetual bonds	10	-5.9%	17	5.9%
Taxation of Mercialys shares	(3)	1.8%	(6)	-2.2%
Reduced-rate asset disposals and changes in scope of consolidation	(14)	8.0%	2	0.7%
Other	(24)	13.6%	(18)	-6.4%
ACTUAL INCOME TAX BENEFIT (EXPENSE) EFFECTIVE TAX RATE	**(137)**	**77.8%**	**(188)**	**-65.7%**

(1) The reconciliation of the effective tax rate paid by the Group is based on the current French rate of 34.43%, unchanged from 2018.
(2) In 2019, this concerned the E-commerce segment for €3 million and the France Retail segment for €11 million. In 2018, this concerned the E-commerce segment for €39 million and the France Retail segment for €32 million.
(3) In 2019, this concerned the E-commerce segment for €29 million and the France Retail segment for €20 million. In 2018, this concerned the E-commerce segment for €29 million and the France Retail segment for €10 million.
(4) In 2019, the main impact relates to disposals of store properties and stores in the France Retail segment. In 2018, the main impact related to disposals of Monoprix store properties.
(5) Tax laws in some countries cap the deductibility of interest paid by companies. Up to 31 December 2018, French companies were required to add back 25% of interest expense to their taxable profit. This capping mechanism was reformed and a new mechanism put in place as of 1 January 2019. The impact on the two periods presented essentially concerns the France scope.
(6) See Note 6.3.
(7) In 2018, this item corresponded to the non-deductible negative foreign currency translation reserve reclassified to profit or loss (Note 6.5).
(8) This concerns dividends paid by Brazilian subsidiaries in the form of interest on equity.
(9) Corresponding to taxation of intra-group dividends.

9.2. DEFERRED TAXES

9.2.1. Change in deferred tax assets

(€ millions)	2019	2018 (restated)
At 1 January	**667**	**619**
(Expense)/benefit for the year	46	67
Impact of changes in scope of consolidation	(1)	5
IFRS 5 reclassifications	(21)	(4)
Effect of movements in exchange rates and other reclassifications	54	(21)
Changes in deferred tax liabilities recognised directly in equity	26	1
AT 31 DECEMBER	**772**	**667**

The deferred tax benefit, net of deferred tax liabilities (Note 9.2.2) of discontinued operations, was €46 million in 2019 (2018: deferred tax expense of €7 million).

9.2.2. Change in deferred tax liabilities

(€ millions)	2019	2018 (restated)
At 1 January	**667**	**740**
Expense/(benefit) for the year	(51)	(26)
Impact of changes in scope of consolidation	(44)	4
IFRS 5 reclassifications	1	(10)
Effect of movements in exchange rates and other reclassifications	(6)	(45)
Changes in deferred tax liabilities recognised directly in equity	-	3
AT 31 DECEMBER	**566**	**667**

9.2.3. Deferred tax assets and liabilities by source

		Net	
(€ millions)	Notes	**31 December 2019**	31 December 2018 (restated)
Intangible assets		(599)	(662)
Property, plant and equipment		(132)	(155)
Right-of-use assets net of lease liabilities		130	63
Inventories		31	(6)
Financial instruments		71	34
Other assets		(78)	(75)
Provisions		200	210
Regulated provisions		(89)	(128)
Other liabilities		14	77
Tax loss carryforwards and tax credits		657	643
NET DEFERRED TAX ASSET/(LIABILITY)		**206**	**-**
Deferred tax assets recognised in the statement of financial position	9.2.1	772	667
Deferred tax liabilities recognised in the statement of financial position	9.2.2	566	667
NET		**206**	**-**

The tax saving realised by the Casino, Guichard-Perrachon tax group amounted to €346 million in 2019 (2018: €399 million).

Recognised tax loss carryforwards and tax credits mainly concern the Casino Guichard-Perrachon, Éxito and GPA tax groups. The corresponding deferred tax assets have been recognised in the statement of financial position as their utilisation is considered probable in view of the forecast future taxable profits of the companies concerned. At 31 December 2019, deferred tax assets amounted to €347 million for Casino, Guichard-Perrachon, €117 million for Éxito and €62 million for GPA. These amounts are expected to be recovered by 2026 for Casino, Guichard-Perrachon, 2024 for Éxito and 2024 for GPA.

9.2.4. Unrecognised deferred tax assets

At 31 December 2019, unrecognised deferred tax assets for tax loss carryforwards amounted to around €551 million (excluding Leader Price), representing an unrecognised deferred tax effect of €147 million (31 December 2018: €400 million, representing an unrecognised deferred tax effect of €106 million). These tax loss carryforwards mainly concern the Franprix sub-group and Cdiscount.

Expiry dates of unrecognised tax loss carryforwards

(€ millions)	**31 December 2019**	31 December 2018
Within one year	1	-
In one to two years	2	-
In two to three years	1	2
In more than three years	1	6
Without expiry date	142	98
TOTAL	**147**	**106**

Note 10 Intangible assets, property, plant and equipment, and investment property

Accounting principle

The cost of non-current assets corresponds to their purchase cost plus transaction expenses including tax. For intangible assets, property, plant and equipment, and investment property, these expenses are added to the assets' carrying amount and follow the same accounting treatment.

10.1. GOODWILL

Accounting principle

At the acquisition date, goodwill is measured in accordance with the accounting principle applicable to "Business combinations", described in Note 3. It is allocated to the cash generating unit (CGU) or groups of cash generating units that benefit from the synergies of the combination, based on the level at which the return on investment is monitored for internal management purposes. Goodwill is not amortised. It is tested for impairment at each year-end, or whenever events or a change of circumstances indicate that it may be impaired. Impairment losses on goodwill are not reversible. The methods used by the Group to test goodwill for impairment are described in the "Impairment of non-current assets" section in Note 10.5. Negative goodwill is recognised directly in the income statement for the period of the business combination, once the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities have been verified.

10.1.1. Breakdown by business line and geographical area

(€ millions)	31 December 2019 Net	31 December 2018 Net
France Retail	**4,359**	**5,487**
Hypermarkets, supermarkets and convenience stores	*1,405*	*1,432*
Franprix-Leader Price[(1)]	*1,599*	*2,693*
Monoprix	*1,333*	*1,323*
Other	*22*	*38*
E-commerce (France)	**61**	**61**
Latam Retail	**3,068**	**3,134**
Argentina	*64*	*66*
Brazil (GPA Food)	*2,236*	*2,272*
Colombia	*505*	*501*
Uruguay	*263*	*296*
CASINO GROUP	**7,489**	**8,682**

(1) Including €1,106 million in Leader Price goodwill separated in 2019 when classified in assets held for sale in accordance with IFRS 5.

10.1.2. Movements for the year

(€ millions)	2019	2018 (restated)
Carrying amount at 1 January	**8,682**	**9,092**
Goodwill recognised during the year[(1)]	18	113
Impairment losses recognised during the year	(18)	(1)
Goodwill written off on disposals	(4)	(4)
Effect of movements in exchange rates	(88)	(316)
Reclassifications and other movements[(2)]	(1,103)	(203)
CARRYING AMOUNT AT 31 DECEMBER	**7,489**	**8,682**

(1) The €113 million increase in goodwill at 31 December 2018 mainly reflected (a) goodwill of €76 million recognised on the acquisition of various sub-groups and individual businesses by Franprix-Leader Price (Note 3.2.2) and (b) goodwill of €16 million recognised on the acquisition of Sarenza (Note 3.2.1).

(2) In 2019, this line reflects the reclassification of Leader Price within assets held for sale in an amount of €1,106 million. In 2018, this line reflected (i) the reclassification of assets from the France Retail segment within assets held for sale; and (ii) the remeasurement of goodwill in Argentina for €61 million, in application of IAS 29.

10.2. OTHER INTANGIBLE ASSETS

Accounting principle

Intangible assets acquired separately by the Group are initially recognised at cost and those acquired in business combinations are initially recognised at fair value. Intangible assets consist mainly of purchased software, software developed for internal use, trademarks, patents and costs to obtain contracts. Trademarks that are created and developed internally are not recognised in the statement of financial position. Intangible assets are amortised on a straight-line basis over their estimated useful lives, as determined separately for each asset category. Capitalised development costs are amortised over three years and software over three to ten years. Indefinite life intangible assets (including purchased trademarks) are not amortised, but are tested for impairment at each year-end or whenever there is an indication that their carrying amount may not be recovered.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.2.1. Breakdown

	31 December 2019			31 December 2018 (restated)		
(€ millions)	Gross amount	Accumulated amortisation and impairment	Net	Gross amount	Accumulated amortisation and impairment	Net
Concessions, trademarks, licences and banners	1,536	(26)	1,511	1,552	(26)	1,526
Software	1,295	(855)	441	1,142	(764)	378
Other	505	(161)	345	525	(165)	360
INTANGIBLE ASSETS	**3,337**	**(1,041)**	**2,296**	**3,219**	**(954)**	**2,265**

10.2.2. Movements for the year

(€ millions)	Concessions, trademarks, licences and banners	Software	Other intangible assets	Total
Carrying amount at 1 January 2018 (restated)	**1,618**	**358**	**289**	**2,266**
Changes in scope of consolidation	16	-	(4)	12
Additions and acquisitions	1	66	205	271
Assets disposed of during the year	-	-	(3)	(3)
Amortisation for the year	(1)	(106)	(53)	(160)
Impairment (losses)/reversals, net	(6)	(6)	(2)	(14)
Effect of movements in exchange rates	(98)	(16)	-	(114)
IFRS 5 reclassifications	(5)	-	(1)	(6)
Other reclassifications and movements	1	82	(70)	13
Carrying amount at 31 December 2018 (restated)	**1,526(1)**	**378**	**360(2)**	**2,265**
Changes in scope of consolidation	-	-	(5)	(5)
Additions and acquisitions	2	66	201	269
Assets disposed of during the year	1	(4)	(4)	(7)
Amortisation for the year	-	(113)	(64)	(177)
Impairment (losses)/reversals, net	(3)	(2)	(4)	(8)
Effect of movements in exchange rates	(14)	(3)	-	(17)
IFRS 5 reclassifications	-	-	(30)	(30)
Other reclassifications and movements	(2)	118	(110)	7
CARRYING AMOUNT AT 31 DECEMBER 2019	**1,511(1)**	**441**	**345(2)**	**2,296**

(1) Including trademarks for €1,509 million (31 December 2018: €1,525 million).
(2) Including costs to obtain contracts for €113 million (31 December 2018: €152 million) (Note 6.1.2).

Internally-generated intangible assets (mainly information systems developments) represented €92 million at 31 December 2019 (31 December 2018: €65 million).

Intangible assets at 31 December 2019 include trademarks with an indefinite life, carried in the statement of financial position for €1,509 million, allocated to the following groups of CGUs:

(€ millions)	**31 December 2019**	31 December 2018
Latam Retail	**926**	**939**
of which Brazil (GPA Food)[(1)]	*742*	*753*
of which Colombia	*159*	*157*
of which Uruguay	*25*	*28*
France Retail	**573**	**577**
of which Casino France	*1*	*1*
of which Monoprix[(1)]	*572*	*576*
E-commerce	**9**	**9**

(1) Trademarks are allocated to the following GPA Food banners in Brazil and Monoprix banners in France:

(€ millions)	**31 December 2019**	31 December 2018
GPA Food	**742**	**753**
Pão de Açúcar	231	235
Extra	397	404
Assaí	113	115
Other	1	-
Monoprix	**572**	**576**
Monoprix	552	552
Other	20	24

Intangible assets were tested for impairment at 31 December 2019 using the method described in Note 10.5 "Impairment of non-current assets". The test results are presented in the same note.

10.3. PROPERTY, PLANT AND EQUIPMENT

Accounting principle

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditures are recognised in assets if they satisfy the recognition criteria of IAS 16. The Group examines these criteria before incurring the expenditure.

Land is not depreciated. All other items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives for each category of assets, with generally no residual value. The main useful lives are as follows:

Asset category	Depreciation period *(years)*
Land	-
Buildings (structure)	50
Roof waterproofing	15
Fire protection of the building structure	25
Land improvements	10 to 40
Building fixtures and fittings	5 to 20
Technical installations, machinery and equipment	5 to 20
Computer equipment	3 to 5

"Roof waterproofing" and "Fire protection of the building structure" are classified as separate items of property, plant and equipment only when they are installed during major renovation projects. In all other cases, they are included in the "Building (structure)" category.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from derecognition of an asset is determined as the difference between the net sale proceeds, if any, and the carrying amount of the asset. It is recognised in profit or loss ("Other operating income and expenses") when the asset is derecognised.

Residual values, useful lives and depreciation methods are reviewed at each year-end and revised prospectively if necessary.

10.3.1. Breakdown

(€ millions)	31 December 2019 Gross amount	31 December 2019 Accumulated depreciation and impairment	31 December 2019 Net	31 December 2018 (restated) Gross amount	31 December 2018 (restated) Accumulated depreciation and impairment	31 December 2018 (restated) Net
Land and land improvements	959	(74)	886	1,225	(78)	1,146
Buildings, fixtures and fittings	3,262	(1,229)	2,033	3,729	(1,458)	2,271
Other	6,287	(4,093)	2,194	6,761	(4,336)	2,425
PROPERTY, PLANT AND EQUIPMENT	**10,508**	**(5,395)**	**5,113**	**11,714**	**(5,871)**	**5,843**

10.3.2. Movements for the year

(€ millions)	Land and land improvements	Buildings, fixtures and fittings	Other	Total
Carrying amount at 1 January 2018 (restated)	**1,868**	**2,816**	**2,641**	**7,325**
Changes in scope of consolidation	18	25	34	77
Additions and acquisitions	18	175	686	879
Assets disposed of during the year	(65)	(108)	(153)	(326)
Depreciation for the year	(4)	(138)	(376)	(518)
Impairment (losses)/reversals, net	(14)	21	(66)	(59)
Effect of movements in exchange rates	(56)	(169)	(88)	(313)
IFRS 5 reclassifications	(598)	(399)	(158)	(1,155)
Other reclassifications and movements	(21)	48	(95)	(68)
Carrying amount at 31 December 2018 (restated)	**1,146**	**2,271**	**2,425**	**5,843**
Changes in scope of consolidation	-	(2)	3	1
Additions and acquisitions	20	217	631	868
Assets disposed of during the year	(21)	(110)	(57)	(188)
Depreciation for the year	(3)	(124)	(348)	(476)
Impairment (losses)/reversals, net	(7)	(9)	(54)	(70)
Effect of movements in exchange rates	(23)	(42)	(15)	(80)
IFRS 5 reclassifications	(227)	(269)	(257)	(754)
Other reclassifications and movements	1	101	(133)	(31)
CARRYING AMOUNT AT 31 DECEMBER 2019	**886**	**2,033**	**2,194**	**5,113**

Property, plant and equipment were tested for impairment at 31 December 2019 using the method described in Note 10.5 “Impairment of non-current assets”. The test results are presented in the same note.

10.3.3. Capitalised borrowing costs

Accounting principle

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (typically more than six months) are capitalised in the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Interest capitalised in 2019 amounted to €5 million, reflecting an average interest rate of 6.1% (2018: €11 million at an average rate of 6.1%).

10.4. INVESTMENT PROPERTY

Accounting principle

Investment property is property held by the Group or leased by the Group (in which case it gives rise to a right-of-use asset) to earn rental revenue or for capital appreciation or both. The shopping malls owned by the Group are classified as investment property.

Subsequent to initial recognition, they are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Investment property is depreciated over the same useful life and according to the same rules as owner-occupied property.

10.4.1. Breakdown

	31 December 2019			31 December 2018		
(€ millions)	Gross amount	Accumulated depreciation and impairment	Net	Gross amount	Accumulated depreciation and impairment	Net
INVESTMENT PROPERTY	**609**	**(115)**	**493**	**603**	**(106)**	**497**

10.4.2. Movements for the year

(€ millions)	2019	2018
Carrying amount at 1 January	**497**	**494**
Changes in scope of consolidation	4	1
Additions and acquisitions	14	59
Assets disposed of during the year	-	(1)
Depreciation for the year	(14)	(8)
Impairment (losses)/reversals, net	(4)	(1)
Effect of movements in exchange rates	(15)	(29)
IFRS 5 reclassifications	(7)	(18)
Other reclassifications and movements(1)	19	-
CARRYING AMOUNT AT 31 DECEMBER	**493**	**497**

(1) Including €19 million relating to the remeasurement at Libertad in application of IAS 29 – Financial Reporting in Hyperinflationary Economies.

At 31 December 2019, investment property totalled €493 million, of which 72% (€356 million) concerned Éxito. Investment property at 31 December 2018 amounted to €497 million, of which 69% concerned Éxito.

Amounts recognised in the income statement in respect of rental revenue and operating expenses on investment properties were as follows:

(€ millions)	2019	2018
Rental revenue from investment properties	86	74
Directly attributable operating expenses on investment properties		
▪ that generated rental revenue during the year	(19)	(18)
▪ that did not generate rental revenue during the year	(33)	(28)

Fair value of investment property

The main investment properties at 31 December 2019 were held by Éxito.

At 31 December 2019, the fair value of investment property was €816 million (31 December 2018: €847 million). For most investment properties, fair value is determined on the basis of valuations carried out by independent valuers. In accordance with international valuation standards, they are based on market value as confirmed by market indicators, representing a level 3 fair value input.

The fair value of investment property classified as "Assets held for sale" was €16 million at 31 December 2019 and primarily concerned the France Retail segment (31 December 2018: €24 million).

10.5. IMPAIRMENT OF NON-CURRENT ASSETS (INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND GOODWILL)

Accounting principle

The procedure to be followed to ensure that the carrying amount of assets does not exceed their recoverable amount (recovered by use or sale) is defined in IAS 36.

Intangible assets and property, plant and equipment are tested for impairment whenever there is an indication that their carrying amount may not be recoverable and at least annually, at the end of the year, for goodwill and intangible assets with an indefinite useful life.

Cash Generating Units (CGUs)

A cash generating unit is the smallest identifiable group of assets that includes the asset and that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group has defined its cash generating units as follows:

- for hypermarkets, supermarkets and discount stores, each store is treated as a separate CGU;
- for other networks, each network represents a separate CGU.

Impairment indicators

Apart from the external sources of data monitored by the Group (economic environment, market value of the assets, etc.), the impairment indicators used are based on the nature of the assets:

- land and buildings: loss of rent or early termination of a lease;
- operating assets related to the business (assets of the CGU): ratio of net carrying amount of store assets divided by sales (including VAT) higher than a defined level determined separately for each store category;
- assets allocated to administrative activities (headquarters and warehouses): site closure or obsolescence of equipment used at the site.

Recoverable amount

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. It is generally determined separately for each asset. When this is not possible, the recoverable amount of the group of CGUs to which the asset belongs is used.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. In the retail industry, fair value less costs to sell is generally determined on the basis of a sales or EBITDA multiple.

Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset plus a terminal value. It is determined internally or by external experts on the basis of:

- cash flow projections contained usually in business plans covering three years. Cash flows beyond this projection period are usually estimated over a period of three years by applying a growth rate as determined by management (generally constant);
- a terminal value determined by applying a perpetual growth rate to the final year's cash flow projection.

The cash flows and terminal value are discounted at long-term after-tax market rates reflecting market estimates of the time value of money and the specific risks associated with the asset.

Impairment losses

An impairment loss is recognised when the carrying amount of an asset or the CGU to which it belongs is greater than its recoverable amount. Impairment losses are recorded as an expense under "Other operating income and expenses".

Impairment losses recognised in a prior period are reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment losses on goodwill cannot be reversed.

10.5.1. Movements for the year

Net impairment losses recognised in 2019 on goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets totalled €111 million (Note 6.5), of which €52 million arose from restructuring operations (mainly in the France Retail segment for €31 million and in the Latam Retail segment for €21 million) and €59 million corresponded to write-downs of individual assets (mainly in the France Retail segment for €55 million, the E-commerce segment for €3 million and the Latam Retail segment for €1 million).

Following the tests carried out in 2018, impairment losses totalling €68 million had been recognised on goodwill, intangible assets and property, plant and equipment, of which €24 million arose from restructuring operations mainly in the France Retail segment and €43 million corresponded to write-downs of individual assets (primarily in the France Retail segment for €41 million and in the E-commerce segment for €4 million).

10.5.2. Goodwill impairment losses

Annual impairment testing consists of determining the recoverable amounts of the CGUs or groups of CGUs to which the goodwill is allocated and comparing them with the carrying amounts of the relevant assets. Goodwill arising on the initial acquisition of networks is allocated to the groups of CGUs in accordance with the classifications presented in Note 10.1.1. Some goodwill may also occasionally be allocated directly to CGUs.

Annual impairment testing consists of determining the recoverable amount of each CGU based on value in use, in accordance with the principles described in Note 10.1. Value in use is determined by the discounted cash flows method, based on after-tax cash flows and using the following rates.

Assumptions used in 2019 for internal calculations of values in use

Region	2019 perpetual growth rate(1)	2019 after-tax discount rate(2)	2018 perpetual growth rate(1)	2018 after-tax discount rate(2)
France (retail)	1.7%	5.6%	1.9%	5.6%
France (other)	1.7% and 2.2%	5.6% and 7.9%	1.9% and 2.4%	5.6% and 7.7%
Argentina	5.0%	21.1%	4.9%	14.4%
Brazil(3)	4.8%	8.4%	5.5%	10.1%
Colombia(3)	3%	8.0%	3.0%	9.0%
Uruguay	7%	11.9%	6.1%	11.2%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to 1.5% depending on the nature of the CGU's business/banner and country.

(2) The discount rate corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing exercise by taking account of the sector's levered beta, a market risk premium and the Group's cost of debt for France and the local cost of debt for subsidiaries outside France.

(3) At 31 December 2019, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €5,202 million, €1,683 million and €856 million, respectively. With the exception of Cnova, these market capitalisations were less than the carrying amount of the subsidiaries' net assets. Impairment tests on GPA and Éxito goodwill were performed based on their value in use (see below).

At 31 December 2019 the Group recognised a €17 million impairment loss against the catering business in France as a result of the year-end goodwill impairment test.

In view of the positive difference between value in use and carrying amount, the Group believes that on the basis of reasonably foreseeable events, any changes in the key assumptions set out above would not lead to the recognition of an impairment loss. The Group considers reasonably foreseeable changes in key assumptions to be a 100-basis point increase in the discount rate or a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or a 50-basis point decrease in the EBITDA margin for the cash flow projection used to calculate the terminal value.

10.5.3. Trademark impairment losses

The recoverable amounts of trademarks were estimated at the year-end using the discounted cash flows method. The main trademarks concern GPA. The Extra banner's trademark (representing a carrying amount of €397 million at 31 December 2019) is less exposed to a risk of impairment than at the end of 2018. No impairment losses were recognised at 31 December 2019 as a result of these tests and none would have been recognised in the event of a reasonable change in the main assumptions used in those tests.

Note 11 Financial structure and finance costs

Accounting principle

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs in the case of instruments not measured at fair value through profit or loss. Directly attributable transaction costs of financial assets measured at fair value through profit or loss are recorded in the income statement.

Financial assets are classified in the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss.

The classification depends on the business model within which the financial asset is held and the characteristics of the instrument's contractual cash flows.

Financial assets are classified as current if they are due in less than one year at the closing date and non-current if they are due in more than one year.

Financial assets at amortised cost

Financial assets are measured at amortised cost when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is to hold assets in order to collect contractual cash flows and (iii) they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI" criterion).

They are subsequently measured at amortised cost, determined using the effective interest method, less any expected impairment losses in relation to the credit risk. Interest income, exchange gains and losses, impairment losses and gains and losses arising on derecognition are all recorded in the income statement.

This category primarily includes trade receivables (except for GPA credit card receivables), cash and cash equivalents as well as other loans and receivables.

Long-term loans and receivables that are not interest-bearing or that bear interest at a below-market rate are discounted when the amounts involved are material.

Financial assets at fair value through other comprehensive income (OCI)

This category comprises debt instruments and equity instruments.

- Debt instruments are measured at fair value through OCI when (i) they are not designated as financial assets at fair value through profit or loss, (ii) they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (iii) they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI" criterion). Interest income, exchange gains and losses and impairment losses are recorded in the income statement. Other net gains and losses are recorded in OCI. When the debt instrument is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

This category mainly consists of GPA credit card receivables.

- Equity instruments that are not held for trading may also be measured at fair value through OCI. This method may be chosen separately for each investment. The choice is irrevocable. Dividends received are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains and losses are recorded in OCI and are never reclassified to profit or loss. At present, the Group's use of this option is non-material.

Financial assets at fair value through profit or loss

All financial assets that are not classified as financial assets at amortised cost or at fair value through OCI are measured at fair value through profit or loss. Gain and losses on these assets, including interest or dividend income, are recorded in the income statement.

This category mainly comprises derivative instruments that do not qualify for hedge accounting and investments in non-consolidated companies, for which the Group decided not to use the fair value through other comprehensive income (OCI) option.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments.

To be classified as cash equivalents under IAS 7, investments must be:

- short-term investments;
- highly liquid investments;
- readily convertible to known amounts of cash;
- subject to an insignificant risk of changes in value.

Usually, the Group uses interest bearing bank accounts or term deposits of less than three months.

Impairment of financial assets

IFRS 9 requires the recognition of lifetime expected credit losses on financial assets. This impairment model applies to financial assets at amortised cost (including cash-based instruments), contract assets and debt instruments at fair value through OCI.

The main financial assets concerned are trade receivables relating to Brazilian credit activities, trade receivables from franchisees and affiliated stores and rent receivables.

For trade and rent receivables and contract assets, the Group applies the simplified approach provided for in IFRS 9. This approach consists of estimating lifetime expected credit losses on initial recognition, usually using a provision matrix that specifies provision rates depending on the number of days that a receivable is past due.

For other financial assets, the Group applies the general impairment model.

Derecognition of financial assets
Financial assets are derecognised in the following two cases:

- the contractual rights to the cash flows from the financial asset have expired; or,
- the contractual rights have been transferred. In this latter case:
  - if substantially all the risks and rewards of ownership of the financial asset have been transferred, the asset is derecognised in full;
  - if substantially all the risks and rewards of ownership are retained by the Group, the financial asset continues to be recognised in the statement of financial position for its total amount.

Financial liabilities

Financial liabilities are classified as current if they are due in less than one year at the closing date and non-current if they are due in more than one year.

The accounting treatment of put options granted to owners of non-controlling interests ("NCI puts") is described in Note 3.4.1.

Financial liabilities recognised at amortised cost
Borrowings and other financial liabilities at amortised cost are initially measured at the fair value of the consideration received, and subsequently at amortised cost, using the effective interest method. Transaction costs and issue and redemption premiums directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying amount. The costs are then amortised over the life of the liability by the effective interest method.

Within the Group, some loans and other financial liabilities at amortised cost are hedged.

Several subsidiaries have set up reverse factoring programmes with financial institutions to enable their suppliers to collect receivables more quickly in the ordinary course of the purchasing process. The accounting policy for these transactions depends on whether or not the characteristics of the liabilities concerned have been changed. For example, when trade payables are not substantially modified (term and due date, consideration, face value) they continue to be recorded under "Trade payables". Otherwise, they are qualified as financing transactions and included in financial liabilities under "Trade payables – structured programme".

Financial liabilities at fair value through profit or loss
These are mainly derivative instruments (see below). There are no financial liabilities intended to be held on a short-term basis for trading purposes. They are measured at fair value and gains and losses arising from remeasurement at fair value are recognised in the income statement. The Group does not hold any financial liabilities for trading other than derivative instruments at fair value through profit or loss.

Derivative instruments

All derivative instruments are recognised in the statement of financial position and measured at fair value.

Derivative financial instruments that qualify for hedge accounting: recognition and presentation
In accordance with IFRS 9, the Group applies hedge accounting to:

- fair value hedges of a liability (for example, swaps to convert fixed rate debt to variable rate); the hedged item is recognised at fair value and any change in fair value is recognised in profit or loss. Gains and losses arising from remeasurement of the hedge at fair value are also recognised in profit or loss. If the hedge is entirely effective, the loss or gain on the hedged debt is offset by the gain or loss on the derivative;
- cash flow hedges (for example, swaps to convert floating rate debt to fixed rate or to change the borrowing currency, and hedges of budgeted purchases billed in a foreign currency). For these hedges, the ineffective portion of the change in the fair value of the derivative is recognised in profit or loss and the effective portion is recognised in "Other comprehensive income" and subsequently reclassified to profit or loss on a symmetrical basis with the hedged cash flows in terms of both timing and classification (i.e., in trading profit for hedges of operating cash flows and in net financial income and expense for other hedges). The premium/discount component of forward foreign exchange contracts is treated as a hedging cost. Changes in the fair value of this component are recorded in "Other comprehensive income" and reclassified to profit or loss as part of the cost of the hedged transaction on the transaction date (basis of adjustment method);
- hedges of net investments in foreign operations. For these hedges, the effective portion of the change in fair value attributable to the hedged foreign currency risk is recognised net of tax in other comprehensive income and the ineffective portion is recognised directly in financial income or expense. Gains or losses accumulated in other comprehensive income are reclassified to profit or loss on the date of liquidation or disposal of the net investment.

Hedge accounting may only be used if:

- the hedging instruments and hedged items included in the hedging relationship are all eligible for hedge accounting;
- the hedging relationship is clearly defined and documented at inception; and
- the effectiveness of the hedge can be demonstrated at inception and throughout its life.

Derivative financial instruments that do not qualify for hedge accounting: recognition and presentation
When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, successive changes in its fair value are recognised directly in profit or loss for the period under "Other financial income and expenses".

Definition of net debt

Net debt corresponds to gross borrowings and debt including derivatives designed as fair value hedge (liabilities) and trade payables - structured programme, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and as short-term investments, (iii) derivatives designated as fair value hedge (assets), (iv) financial assets arising from a significant disposal of non-current assets and (v) net assets held for sale attributable to owners of the parent of the selling subsidiary.

11.1. NET CASH AND CASH EQUIVALENTS

(€ millions)	31 December 2019	31 December 2018
Cash equivalents	1,074	1,184
Cash	2,497	2,546
Cash and cash equivalents	**3,572**	**3,730**
Bank overdrafts (Note 11.2.4)	(101)	(138)
NET CASH AND CASH EQUIVALENTS	**3,471**	**3,592**

As of 31 December 2019, cash and cash equivalents are not subject to any material restriction.

Bank guarantees are presented in Note 6.11.1.

11.2. LOANS AND BORROWINGS

11.2.1. Breakdown

Gross borrowings and debt amounted to €9,649 million at 31 December 2019 (31 December 2018: €8,980 million), breaking down as follows:

		31 December 2019			31 December 2018 (restated)		
(€ millions)	Notes	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bonds[1]	11.2.3	6,661	758	7,418	5,470	939	6,409
Other loans and borrowings	11.2.4	1,430	784	2,214	1,311	1,257	2,568
Fair value hedges – liabilities[2]	11.5.1	10	8	17	-	3	3
Gross borrowings and debt		**8,100**	**1,549**	**9,649**	**6,782**	**2,199**	**8,980**
Fair value hedges – assets[3]	11.5.1	(62)	(17)	(78)	(67)	(34)	(101)
Other financial assets	6.8.1/6.9.1	(54)	(288)	(342)	(8)	(78)	(86)
Loans and borrowings[5]		**7,984**	**1,244**	**9,229**	**6,707**	**2,086**	**8,794**
of which France Retail		*5,425*	*139*	*5,563*	*4,793*	*1,131*	*5,924*
of which Latam Retail[4]		*2,560*	*806*	*3,366*	*1,914*	*721*	*2,635*
of which E-commerce		-	*299*	*299*	-	*234*	*234*
Net assets held for sale attributable to owners of the parent of the selling subsidiary	3.5	-	(1,604)	(1,604)	-	(1,686)	(1,686)
Cash and cash equivalents	11.1	-	(3,572)	(3,572)	-	(3,730)	(3,730)
of which France Retail				*(1,715)*			*(2,097)*
of which Latam Retail				*(1,778)*			*(1,597)*
of which E-commerce				*(78)*			*(36)*
Cash and cash equivalents and net assets held for sale		**-**	**(5,175)**	**(5,175)**	**-**	**(5,416)**	**(5,416)**
NET DEBT		**7,984**	**(3,931)**	**4,053**	**6,707**	**(3,329)**	**3,378**
of which France Retail				*2,282*			*2,724*
of which Latam Retail				*1,550*			*1,018*
of which Latam Electronics				-			*(563)*
of which E-commerce				*221*			*199*

(1) Of which bond issues totalling €4,850 million in France and €2,568 million at GPA at 31 December 2019 (31 December 2018: of which bond issues totalling €5,491 million in France and €919 million at GPA).

(2) Including €11 million in France and €7 million in Brazil at as 31 December 2019 (31 December 2018: €2 million in Colombia and €1 million in Brazil).

(3) Including €66 million in France and €13 million in Brazil at 31 December 2019 (31 December 2018: €54 million in France, €20 million in Brazil and €27 million in Colombia).

(4) Including Ségisor amounting to €195 million at 31 December 2019 (31 December 2018: €398 million)

(5) The Group defines "Loans and borrowings" as gross borrowings and debt adjusted for fair value hedges (assets) and other financial assets. This indicator is used to calculate the covenants included in the new revolving credit facility (RCF).

11.2.2. Change in financial liabilities

(€ millions)	**2019**	2018 (restated)
Gross borrowings and debt at 1 January	*8,980*	*8,677*
Fair value hedges – assets	*(101)*	*(98)*
Other financial assets	*(86)*	*(38)*
Loans and borrowings at beginning of period	**8,794**	**8,541**
New borrowings(1)(3)(6)	4,542	1,542
Repayments of borrowings(2)(3)(6)	(3,701)	(1,331)
Change in fair value of hedged debt	86	60
Change in accrued interest	26	(34)
Foreign currency translation adjustments	(63)	(165)
Changes in scope of consolidation(4)	(135)	303
Reclassification of financial liabilities associated with non-current assets held for sale	(13)	54
Change in other financial assets	(256)	(48)
Other and reclassifications(5)	(51)	(129)
Loans and borrowings at end of period	**9,229**	**8,794**
Gross borrowings and debt at 31 December (Note 11.2.1)	*9,649*	*8,980*
Fair value hedges – assets (Note 11.2.1)	*(78)*	*(101)*
Other financial assets (see Note 11.2.1)	*(342)*	*(86)*

(1) New borrowings in 2019 primarily include the following: (a) a bond issue by Quatrim, a wholly-owned subsidiary of Casino, Guichard-Perrachon, and an issue by Casino, Guichard-Perrachon of a term loan placed with investors ("Term Loan B") for a total amount of €1,800 million in November 2019 (as described in Note 2); and (b) issues by the GPA sub-group of BRL 8,000 million (€1,812 million) in bonds, primarily following efforts to simplify the Group's structure in Latin America (as described in Note 2), BRL 1,600 million (€362 million) in promissory notes, and BRL 2,168 million (€491 million) in loans taken out with banks.

New borrowings in 2018 primarily included the following: (a) a €200 million bond issue by Casino, Guichard-Perrachon (Note 2), (b) at GPA, three bond issues for a total of BRL 2,000 million (€464 million) and new bank loans for BRL 1,168 million (€271 million), (c) a €400 million loan taken out by Ségisor and (d) drawdowns on lines of credit by Éxito for COP 500 billion (€143 million).

(2) Repayments of borrowings in 2019 mainly concern Casino, Guichard-Perrachon, Quatrim and Casino Finance for €1,560 million (of which (a) the €784 million bond tender in November 2019 described in Note 2, and (b) redemption of a €675 million bond issue in August 2019), Éxito for €1,160 million and Ségisor for €204 million (including €198 million following efforts to simplify the Group's structure in Latin America (Note 2)), and GPA for €717 million.

Repayments of borrowings in 2018 mainly concerned Casino, Guichard-Perrachon for €516 million (of which (a) the €135 million bond tender, and (b) redemption of a €348 million bond issue), GPA for €583 million and Éxito for €240 million.

(3) In 2019, cash flows relating to financing activities can be summarised as a net inflow of €488 million, consisting of repayments of borrowings for €3,694 million and net interest paid (excluding on lease liabilities) for €361 million (Note 4.10), offset by new borrowings in an amount of €4,542 million.

In 2018, cash flows relating to financing activities can be summarised as a net disbursement of €203 million, consisting of repayments of borrowings for €1,330 million and net interest paid (excluding on lease liabilities) for €416 million (Note 4.10), offset by new borrowings in an amount of €1,543 million.

(4) Including €97 million and €50 million in 2019 related to total return swaps (TRS) on Mercialys (Note 3.1.1) and Via Varejo shares respectively (Note 2). The 2019 TRS on Via Varejo was unwound in June 2019.

In 2018, including €198 million and €49 million related to total return swaps (TRS) set up during the year on Mercialys and Via Varejo shares respectively.

(5) In 2019, including a €20 million reduction in bank overdrafts.

(6) Changes in negotiable European commercial paper ("NEU CP") are presented net in this table.

11.2.3. Breakdown of bonds

(€ millions)	Principal(1)	Nominal interest rate(2)	Effective interest rate(2)	Issue date	Maturity date	2019(3)	2018(3)
Casino, Guichard-Perrachon bonds in euros	**3,879**					**4,059**	**5,491**
2019 bonds	-	F: 4.41	4.04%	August 2012 April 2013	August 2019	-	681
2020 bonds	257(4)	F: 5.24	5.28%	March 2012	March 2020	258	507
2021 bonds	597(4)	F: 5.98	6.53%	May 2011	May 2021	611	884
2022 bonds	452(4)	F: 1.87	2.55%	June 2017 January 2018	June 2022	447	732
2023 bonds	720	F: 4.56	4.47%	January 2013 May 2013	January 2023	762	766
2024 bonds	900	F: 4.50	4.88%	March 2014	March 2024	950	941
2025 bonds	444	F: 3.58	3.62%	December 2014	February 2025	469	451
2026 bonds	508	F: 4.05	4.09%	August 2014	August 2026	562	530
Quatrim bonds in euros	**800**					**791**	**-**
2024 bonds	800	F: 5.88	6.31%	November 2019	January 2024	791	-
GPA bonds in BRL	**2,585**					**2,568**	**919**
2019 bonds	-	V: 97.5% CDI	V: 97.5% CDI	December 2016	December 2019	-	227
2020 bonds	239	V: 96.0% CDI	V: 96.0% CDI	April 2017	April 2020	239	242
2020 bonds	11	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2020	11	-
2020 bonds	221	V: CDI +1.60%	V: CDI +1.60%	September 2019	August 2020	221	-
2021 bonds	177	V: 104.75% CDI	V: 104.75% CDI	January 2018	January 2021	177	180
2021 bonds	155	V: 106.0% CDI	V: 106.0% CDI	September 2018	September 2021	155	158
2021 bonds	11	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2021	11	-
2021 bonds	443	V: CDI +1.74%	V: CDI +1.74%	September 2019	August 2021	443	-
2022 bonds	111	V: 107.4% CDI	V: 107.4% CDI	September 2018	September 2022	111	112
2022 bonds	177	V: 105.75% CDI	V: 105.75% CDI	January 2019	January 2022	177	-
2022 bonds	11	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2022	11	-
2022 bonds	443	V: CDI +1.95%	V: CDI +1.95%	September 2019	August 2022	443	-
2023 bonds	55	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2023	55	-
2023 bonds	443	V: CDI +2.20%	V: CDI +2.20%	September 2019	August 2023	426	-
2024 bonds	44	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2024	44	-
2025 bonds	44	V: CDI +0.72%	V: CDI +0.72%	July 2019	July 2025	44	-
TOTAL BONDS						**7,418**	**6,409**

(1) Corresponds to the principal of the bonds outstanding at 31 December 2019.

*(2) F (Fixed rate) – V (Variable rate) – CDI (*Certificado de Depósito Interbancário*). The effective interest rates on Casino, Guichard-Perrachon bonds do not reflect the possible impact of the remeasurement component relating to fair value hedges.*

(3) The amounts above include the remeasurement component relating to fair value hedges. They are presented excluding accrued interest.

(4) In November 2019, the Group made a tender offer for the bond tranches maturing in 2020, 2021 and 2022, which were partially redeemed for €239 million, €253 million and €292 million, respectively.

11.2.4. Other loans and borrowings

(€ millions)	Principal[1]	Type of rate	Issue date	Maturity date	2019	2018
France						
Term Loan B	1,000	Variable[2]	November 2019	January 2024	959	-
Negotiable European commercial paper (Casino Guichard-Perrachon)	129	Fixed	[3]	[3]	129	221
Mercialys TRS (Casino, Guichard-Perrachon)	102	Variable	July 2018	December 2020	102	198
Other[4]					29	100
International						
GPA	436	Variable[5]/ Fixed[6]	June 2013 to December 2019	January 2020 to May 2027	431	223
Via Varejo TRS (GPA)		Variable	December 2018	April 2019	-	49
Éxito	70	Variable[5]	June 2017 to December 2019	March 2020 to June 2022	71	1,048
Ségisor	196	Variable	June 2018	December 2021	195	397
Other[6]					-	10
Bank overdrafts[7]					**101**	**138**
Accrued interest[8]					**197**	**183**
TOTAL OTHER BORROWINGS					**2,214**	**2,568**
of which variable rate					*1,885*	*1,599*

(1) Corresponds to the nominal amount at 31 December 2019.
(2) Interest on this loan is based on Euribor with a zero floor, plus a 5.5% spread.
(3) Negotiable European commercial paper (NEUCP) is short-term financing generally with a maturity of less than 12 months.
(4) Of which €11 million concerning Cdiscount (31 December 2018: €12 million concerning Cdiscount and €75 million concerning Franprix-Leader Price).
(5) Most of GPA and Éxito's variable-rate loans pay interest at rates based on the CDI and IBR, respectively.
(6) Of which fixed-rate loans amounting to nil at 31 December 2019 (31 December 2018: €8 million).
(7) Overdrafts are mostly in France.
(8) The amount reported for accrued interest is for all borrowings including bonds. At 31 December 2019, accrued interest primarily concerned Casino for €136 million and GPA for €61 million (31 December 2018: Casino, GuichardPerrachon for €159 million and GPA for €19 million).

Confirmed bank credit lines in 2019 and 2018

2019 *(€ millions)*	Interest rate	Due: Within one year	Due: In more than one year	Amount of the facility	Drawdowns
Syndicated lines – Casino, Guichard-Perrachon, Casino Finance, Monoprix[1]	Variable[1]	-	2,220	2,220	-
Other confirmed bank credit lines[4]	Variable[3]	389	111	500	54
TOTAL		**389**	**2,331**	**2,720**	**54**

2018 *(€ millions)*	Interest rate	Due: Within one year	Due: In more than one year	Amount of the facility	Drawdowns
Casino, Guichard-Perrachon syndicated credit lines[1]	Variable[1]	-	1,855	1,855	-
Casino, Guichard-Perrachon bilateral credit lines	Variable[2]	175	265	440	-
Other confirmed bank credit lines[4]	Variable[3]	225	911	1,136	27
TOTAL		**400**	**3,031**	**3,431**	**27**

(1) At 31 December 2019, syndicated credit lines comprise (a) the revolving credit facility (RCF) for €2,000 million maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date), bearing interest at Euribor with a zero floor, plus a spread that depends on the amount drawn down and the "loans and borrowings"/EBITDA ratio for the France Retail and E-commerce segments, as well as the Ségisor holding company (no more than 3.50%); (b) a €198 million line maturing in February 2021 and bearing interest at Euribor plus a spread that depends on the amount drawn down and the Group's net debt/EBITDA ratio; and (c) a USD 25 million line maturing in July 2022 and bearing interest at US Libor plus a spread that depends on the Group's net debt/EBITDA ratio.

In 2018, syndicated credit lines comprised a €1,200 million line expiring in February 2021 and a USD 750 million line expiring in July 2022. Interest was based on Euribor (drawdowns in euros) or US Libor (drawdowns in US dollars) for the drawdown period plus a spread that depends on the amount borrowed and the Group's net debt/EBITDA ratio.

(2) Following the November 2019 refinancing transactions, Casino, Guichard-Perrachon no longer held any bilateral credit lines at 31 December 2019. In 2018, interest on the bilateral credit lines was based on the Euribor for the drawdown period plus a spread. In some cases, the spread varied depending on the amount borrowed (lines totalling €240 million) and/or the Group's net debt/EBITDA ratio (lines totalling €250 million). For one line, the spread was partially indexed to the Group's Sustainalytics CSR rating.

(3) Interest on the other lines is based on the reference rate (which depends on the borrowing currency) plus a spread. In some cases, the spread varies depending on the subsidiary's net debt/EBITDA ratio and the amount drawn down (lines totalling €111 million).

(4) In 2019, other confirmed bank credit lines concern Monoprix (€111 million), GPA (€199 million) and Éxito (€190 million). In 2018, other confirmed bank credit lines concerned Monoprix (€570 million), GPA (€405 million) and Éxito (€161 million).

11.3. NET FINANCIAL INCOME (EXPENSE)

Accounting principle

Net finance costs

Net finance costs correspond to all income and expenses generated by cash and cash equivalents and loans and borrowings during the period, including income from cash and cash equivalents, gains and losses on disposals of cash equivalents, interest expense on loans and borrowings, gains and losses on interest rate hedges (including the ineffective portion) and related currency effects, and trade payable – structured programme costs.

Other financial income and expenses

This item corresponds to financial income and expenses that are not included in net finance costs.

It includes dividends received from non-consolidated companies, non-recourse factoring and associated transaction costs, discounting adjustments (including to provisions for pensions and other post-employment benefit obligations), interest expense on lease liabilities, gains and losses arising from remeasurement at fair value of equity derivatives, and impairment losses and realised gains and losses on financial assets other than cash and cash equivalents. Exchange gains and losses are also recorded under this caption, apart from (i) exchange gains and losses on cash and cash equivalents and loans and borrowings, which are presented under net finance costs, and (ii) the effective portion of accounting hedges of operating transactions, which are included in trading profit.

Financial discounts for prompt payments are recognised in financial income for the portion corresponding to the normal market interest rate and as a deduction from cost of goods sold for the supplement.

11.3.1. Net finance costs

(€ millions)	**2019**	2018 (restated)
Gains (losses) on disposals of cash equivalents	-	-
Income from cash and cash equivalents	39	37
Income from cash and cash equivalents	**39**	**37**
Interest expense on borrowings after hedging[(1)]	(396)	(356)
Finance costs	**(396)**	**(356)**
NET FINANCE COSTS	**(356)**	**(320)**
of which France Retail	*(161)*	*(141)*
of which Latam Retail	*(184)*	*(169)*
of which E-commerce	*(12)*	*(10)*

(1) In 2019, interest expense on borrowings after hedging include 11 months of cost of debt before the refinancing transactions and one month after the refinancing transactions (Note 2).

11.3.2. Other financial income and expenses

(€ millions)	2019	2018 (restated)
Investment income	1	-
Foreign currency exchange gains (other than on borrowings)	53	34
Discounting and accretion adjustments	1	2
Gains on remeasurement at fair value of non-hedging derivative instruments(1)	106	8
Gains on remeasurement at fair value of financial assets	1	2
Impact of applying IAS 29 to operations in Argentina	-	-
Other financial income(2)	104	76
Other financial income	**265**	**122**
Foreign currency exchange losses (other than on borrowings)	(63)	(44)
Discounting and accretion adjustments	(6)	(7)
Interest expense on lease liabilities (Note 7.1.2)	(268)	(218)
Losses on remeasurement at fair value of non-hedging derivative instruments(1)	(137)	(52)
Losses on remeasurement at fair value of financial assets	(10)	(3)
Non-recourse factoring and associated transaction costs	(77)	(81)
Impact of applying IAS 29 to operations in Argentina	(10)	(13)
Other	(88)	(60)
Other financial expenses	**(659)**	**(478)**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**(394)**	**(356)**

(1) The net loss of €31 million on remeasurement at fair value of non-hedging derivative instruments reported in 2019 mainly reflects (a) fair value adjustments to the GPA TRS (negative adjustment of €6 million) and GPA forward (negative adjustment of €9 million) as well as dividend income (€2 million) and the cost of carry (€13 million) associated with these instruments, and (b) negative impacts related to other derivative instruments (€3 million). The net loss of €44 million on remeasurement at fair value of non-hedging derivative instruments reported in 2018 mainly reflects (a) fair value adjustments to the GPA TRS (positive adjustment of €5 million) and GPA forward (negative adjustment of €17 million) as well as dividend income (€3 million) and the cost of carry (€14 million) associated with these instruments, and (b) negative impacts related to other derivative instruments (€3 million).

(2) Including €45 million in interest recognised by GPA for PIS & COFINS tax credits in 2019. In 2018: Including BRL 101 million (€23 million) in interest recognised by GPA on the Paes Mendonça receivable.

GPA TRS and forward

The total return swap (TRS) and forward contracts on GPA shares are cash-settled instruments. The documentation states that when the contracts expire, the shares will be sold on the market by the banking counterparties. If the instruments are unwound, the Group receives or pays the difference between the sale proceeds and the amount paid by the counterparties to purchase the shares at the contracts' inception. The Group retains the economic benefits of ownership of the shares (exposure to changes in the subsidiaries' share prices and collection of dividends) but does not have legal title to the shares and cannot exercise the related voting rights. Details of the contracts are as follows:

- In December 2011, the Group entered into a 2.5-year TRS with a financial institution on 7.9 million GPA American Depositary Receipts (ADRs). The contract's maturity was extended on 23 December 2016 and again on 27 October 2017. The interest rate is currently set at 3-month Euribor plus 199 basis points and the contract expires in June 2020. It will start to be unwound as from 1 April 2020. This TRS is a derivative instrument measured at fair value through profit or loss. At 31 December 2019, it concerned 7.8 million ADRs (2.9% of GPA's capital) representing a notional amount of €332 million, and had a negative fair value of €177 million (31 December 2018: 7.8 million ADRs, a notional amount of €332 million and a negative fair value of €172 million).

  This instrument's fair value is determined based on the estimated settlement price on 31 December, using the share price on that date. A 10% increase in the share price would have reduced the loss for the period by €15 million. A 10% decline in the share price would have produced the opposite effect.
- At the end of December 2012, the Group entered into a 2-year forward contract with a financial institution on 5.8 million GPA shares. On 28 July 2016, the maturity was extended and the notional amount was reduced by USD 105 million (€95 million), resulting in a cash payment made by the Group on the same day. The maturity was extended again in June 2017. The forward concerned 5.8 million shares at 31 December 2018 and was unwound between August and December 2019. A cash payment of €109 million was made in 2019 (versus a negative fair value of €101 million at 31 December 2018).

11.4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principle

Fair value measurements are classified using the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in an active market is the quoted price on the reporting date. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are classified as Level 1.

The fair value of financial instruments which are not quoted in an active market (such as over-the-counter derivatives) is determined using valuation techniques. These techniques use observable market data wherever possible and make little use of the Group's own estimates. If all the inputs required to calculate fair value are observable, the instrument is classified as Level 2.

If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3.

11.4.1. Financial assets and liabilities by category of instrument

Financial assets

The tables below analyse financial assets according to the new measurement categories used as from 1 January 2018 under IFRS 9.

		Breakdown by category of instrument			
(€ millions)	Total financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Hedging instruments	Financial assets at amortised cost
AT 31 DECEMBER 2019					
Other non-current assets(1)	401	48	4	62	287
Trade receivables	836	-	22	-	813
Other current assets(1)	975	6	1	17	950
Cash and cash equivalents	3,572	17	-	-	3,554

		Breakdown by category of instrument			
(€ millions)	Total financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Hedging instruments	Financial assets at amortised cost
AT 31 DECEMBER 2018					
Other non-current assets(1)	367	44	4	67	252
Trade receivables	905	-	28	-	877
Other current assets(1)	973	-	7	40	927
Cash and cash equivalents	3,730	17	-	-	3,713

(1) Excluding non-financial assets.

Financial liabilities

The following tables show financial liabilities by category.

(€ millions)	Total financial liabilities	Breakdown by category of instrument: Liabilities at amortised cost	NCI Puts	Derivative instruments
AT 31 DECEMBER 2019				
Bonds	7,418	7,418	-	-
Other loans and borrowings	2,231	2,214		17
Liabilities for put options granted to owners of non-controlling interests	166	-	166	-
Lease liabilities	4,676	4,676	-	-
Trade payables	6,580	6,580	-	-
Other liabilities(1)	1,973	1,746	-	227

(€ millions)	Total financial liabilities	Breakdown by category of instrument: Liabilities at amortised cost	NCI Puts	Derivative instruments
AT 31 DECEMBER 2018 (RESTATED)				
Bonds	6,409	6,409	-	-
Other loans and borrowings	2,571	2,568	-	3
Liabilities for put options granted to owners of non-controlling interests	188	-	188	-
Lease liabilities	4,238	4,238	-	-
Trade payables	6,668	6,668	-	-
Other liabilities(1)	2,053	1,765	-	287

(1) Excluding non-financial liabilities.

11.4.2. Fair value hierarchy for assets and liabilities

The tables below compare the carrying amount and fair value of consolidated financial assets and liabilities, other than those for which the carrying amount corresponds to a reasonable approximation of fair value such as trade receivables, trade payables, contract assets and liabilities, and cash and cash equivalents.

At 31 December 2019 *(€ millions)*	Carrying amount	Fair value	Fair value hierarchy: Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
ASSETS	**161**	**161**	**6**	**108**	**47**
Financial assets at fair value through profit or loss[1]	41	41	1	-	41
Financial assets at fair value through other comprehensive income[1]	27	27	5	22	
Fair value hedges – assets[2]	78	78	-	78	-
Cash flow hedges and net investment hedges – assets[2]	1	1	-	1	-
Other derivative instruments – assets	13	13	-	6	7
LIABILITIES	**14,719**	**14,402**	**4,687**	**9,548**	**167**
Bonds[3]	7,418	7,102	4,687	2,416	-
Other borrowings[4]	2,214	2,213	-	2,213	-
Lease liabilities	4,676	4,676	-	4,676	-
Fair value hedges – liabilities[2]	17	17	-	17	-
Cash flow hedges and net investment hedges – liabilities[2]	41	41	-	41	-
Other derivative instruments – liabilities[2]	186	186	-	186	-
Put options granted to owners of non-controlling interests[5]	166	166	-	-	166

At 31 December 2018 (restated) *(€ millions)*	Carrying amount	Fair value	Fair value hierarchy: Market price = Level 1	Models with observable inputs = Level 2	Models with unobservable inputs = Level 3
ASSETS	**189**	**189**	**11**	**135**	**44**
Financial assets at fair value through profit or loss[1]	35	35	1	-	34
Financial assets at fair value through other comprehensive income[1]	38	38	10	28	-
Fair value hedges – assets[2]	101	101	-	101	-
Cash flow hedges and net investment hedges – assets[2]	6	6		6	
Other derivative instruments – assets	9	9	-		9
LIABILITIES	**13,694**	**13,372**	**5,180**	**8,003**	**188**
Bonds[3]	6,409	6,087	5,180	907	-
Other borrowings[4]	2,568	2,568	-	2,568	-
Lease liabilities	4,238	4,238	-	4,238	-
Fair value hedges – liabilities[2]	3	3	-	3	-
Cash flow hedges and net investment hedges – liabilities[2]	15	15	-	15	-
Other derivative instruments – liabilities[2]	273	273	-	273	-
Put options granted to owners of non-controlling interests[5]	188	188	-	-	188

(1) Financial assets recognised at fair value are generally measured using standard valuation techniques. If their fair value cannot be determined reliably, they are not included in this note.

(2) Derivative financial instruments are valued (internally or externally) on the basis of the widely used valuation techniques for this type of instrument. Valuation models are based on observable market inputs (mainly the yield curve) and counterparty quality. Derivatives held as fair value hedges are almost fully backed by borrowings.

(3) The fair value of bonds is based on the latest quoted price on the reporting date.

(4) The fair value of other borrowings has been measured using other valuation techniques such as the discounted cash flow method, taking into account the Group's credit risk and interest rate conditions at the reporting date.

(5) The fair value of put options granted to owners of non-controlling interests is measured by applying the contract's calculation formulas and is discounted, if necessary. These formulas are considered to be representative of fair value and notably use net profit multiples (Note 3.4.1).

11.5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks associated with the Group's financial instruments are market risks (foreign currency risk, interest rate risk and equity risk), counterparty risk and liquidity risk.

Financial risk monitoring and management is the responsibility of the Corporate Finance department, which is part of the Group Finance department. This team manages all financial exposures in coordination with the Finance departments of the Group's main subsidiaries and reports to Senior Management.

Financing, short-term investment and financial risk management policies are overseen by the Corporate finance department in coordination with the subsidiaries' finance departments, using a conservative and pro-active approach particularly with respect to counterparty and liquidity risk management. Major transactions are monitored individually.

The Group Corporate Finance department has issued a guide to financing, investment and hedging best practices which is distributed to subsidiary Finance departments. The guide sets out financing methods, selection criteria for banking partners, appropriate hedging products and required authorisation levels.

The French and international business units' cash positions and forecasts are reported weekly and continuously monitored. The Group's other financial risk exposures, such as interest rate risk, currency risk on financial transactions and banking counterparty risk, are measured and analysed in monthly reports to Senior Management that also include action plans for dealing with any material identified risks.

The Group manages its exposure to interest rate risks and foreign currency risks using standard derivative financial instruments such as interest rate swaps and options (caps, floors, swaptions), currency swaps, forward currency contracts and currency options. These instruments are mainly over-the-counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

Like many other large corporates, the Group may take very small, strictly controlled positions that do not qualify for hedge accounting, for more dynamic and flexible management of its interest rate and currency exposures.

11.5.1. Breakdown of derivative financial instruments

The table below shows a breakdown of derivative financial instruments by type of hedged risk and accounting classification:

(€ millions)	Notes	**31 December 2019**	Interest rate risk	Foreign currency risk	Other market risks	31 December 2018
Derivatives – assets						
Derivatives at fair value through profit or loss	6.8.1 – 6.9	13	-	6	7	9
Cash flow hedges	6.8.1	1	-	1	-	6
Fair value hedges	6.8.1 – 6.9 – 11.2	78	69	10	-	101
TOTAL DERIVATIVES – ASSETS		**93**	**69**	**17**	**7**	**116**
of which non-current		*69*	*62*	*-*	*7*	*76*
of which current		*24*	*7*	*17*	*-*	*40*
Derivatives – liabilities						
Derivatives at fair value through profit or loss	6:10	186	4	4	178	273
Cash flow hedges	6:10	41	41	-	-	15
Fair value hedges	11.2	17	11	7	-	3
TOTAL DERIVATIVES – LIABILITIES		**244**	**55**	**10**	**178**	**291**
of which non-current		*51*	*50*	*-*	*1*	*286*
of which current		*193*	*5*	*10*	*178*	*5*

At 31 December 2019, derivatives held as fair value hedges (on a notional amount of €4,372 million) had a positive net fair value of €61 million. The total included (i) interest rate hedges in France on a notional amount of €4,160 million with a positive fair value of €55 million, and (ii) currency and interest rate hedges in Brazil on a notional amount of €211 million with a positive fair value of €6 million. All the currency and interest rate derivatives are backed by bank borrowings or bonds denominated either in the same currency or in a currency other than the borrower entity's functional currency. The ineffective portion of these fair value hedges is not material.

At 31 December 2019, the cash flow hedge reserve included in equity had a debit balance of €32 million (31 December 2018: debit balance of €8 million after tax). These derivatives concern operations in France and Colombia. In France, they hedge goods purchases billed in currencies other than the euro (mainly the US dollar). Their notional amount at 31 December 2018 was USD 148 million (€132 million – Note 11.5.2). In Colombia, the notional amount hedged by the derivatives is €55 million. France applied cash flow hedge accounting to hedge interest rates on variable rate borrowings for a notional amount of €1,559 million at 31 December 2019. The ineffective portion of these cash flow hedges is not material.

Derivative instruments that do not qualify for hedge accounting under IFRS 9 had a negative fair value of €173 million at 31 December 2019 (31 December 2018: negative fair value of €263 million), including TRSs on GPA shares with a negative fair value of €177 million, versus a negative fair value of €272 million) (Note 11.3.2).

The fair value calculation at 31 December 2019 takes into account the credit valuation adjustment (CVA) and the debit valuation adjustment (DVA) in accordance with IFRS 13. The impact of these adjustments is not material.

■ 11.5.2. Market risk

Interest rate risk

The Group's objective is to manage its exposure to the risk of interest rate changes and optimise its financing cost. Its strategy therefore consists of dynamic debt management by monitoring and, where necessary, adjusting its hedging ratio based on forecast trends in interest rates.

Interest rate risks are managed using various vanilla instruments. The main instruments are interest rate swaps and options (caps, floors and swaptions). These instruments do not always qualify for hedge accounting; however all interest-rate instruments are contracted in line with the above risk management policy.

Specifically, Casino, Guichard-Perrachon's debt is mainly composed of fixed-rate bonds and the Term Loan B, representing a principal amount of €4,679 million and €1,000 million, respectively, at 31 December 2019 (Note 11.2.3). This bond debt may be hedged through fixed-to-variable rate swaps generally contracted at the issue date; all of these hedges qualify for hedge accounting.

At 31 December 2019, Casino, Guichard-Perrachon had a portfolio of 56 interest-rate swaps and options with around ten bank counterparties. These instruments expire at various dates between 2020 and 2026.

At 31 December 2019, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 26% at fixed rates (€1,471 million), 28% at a capped or floored variable rate (€1,607 million) and 46% at a variable rate (€2,601 million).

Sensitivity to a change in interest rates

Sensitivity to rate changes is calculated as shown in the table below.

(€ millions)	Notes	31 December 2019	31 December 2018 (restated)
Casino, Guichard-Perrachon variable-rate bonds(1)		2,601	1,814
Casino, Guichard-Perrachon capped variable-rate bonds(1)		607	1,847
Term Loan B		959	-
Brazil variable-rate bonds(2)	11.2.3	2,585	921
Other variable-rate loans and borrowings(3)(4)(5)	11.2.4	926	1,599
Total variable-rate bonds, other loans and borrowings		**7,678**	**6,180**
Cash and cash equivalents	11.1	(3,572)	(3,730)
NET VARIABLE-RATE POSITION		**4,106**	**2,451**
100-basis-point change in interest rates		33	12
Net finance costs	11.3.1	356	320
IMPACT OF CHANGE ON NET FINANCE COSTS		**9.4%**	**3.9%**

(1) Corresponding to fixed-rate bonds and to the Term Loan B, representing a principal amount of €5,679 million (31 December 2018: €5,338 million) (Note 11.2.3), including a principal amount of €4,208 million (31 December 2018: €3,660 million) swapped for variable-rate debt, of which €1,607 million includes a capped or floored rate.

(2) Principal.

(3) Excluding accrued interest.

(4) Including borrowings in Brazil originally denominated in BRL or USD for BRL 1,947 million (€431 million) swapped for variable-rate debt in BRL by means of cross-currency swaps where applicable (31 December 2018: BRL 974 million, representing €219 million).

(5) Including borrowings in Colombia originally denominated in COP for COP 259 billion, representing €70 million (31 December 2018: COP 1,860 billion, representing €499 million, swapped for variable rate debt).

Assuming a constant net debt structure and management policy, a 100-basis-point annual increase (decrease) in rates across the yield curve would lead to a 9.4% or €33 million increase (7.1% or €25 million decrease) in finance costs. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

Exposure to foreign currency risk

Due to its geographically diversified business base, the Group is exposed to both currency translation risk on the translation of the balance sheets and income statements of subsidiaries outside the euro zone and to transaction risk on transactions denominated in currencies other than the euro.

Translation risk (or balance sheet currency risk) is the risk of an unfavourable change in the exchange rates used to translate the financial statements of subsidiaries located outside the euro zone into euros for inclusion in the consolidated financial statements adversely affecting the amounts reported in the consolidated statement of financial position and income statement, leading to a deterioration of the Group's financial structure ratios.

Transaction risk is the risk of an unfavourable change in exchange rates that adversely affects a cash flow denominated in foreign currency.

The Group's policy for managing transaction risk is to hedge highly probable budgeted exposures, which mainly concern cash flows arising from purchases made in a currency other than the buyer's functional currency and particularly purchases in US dollars which are hedged using forward contracts. These instruments are mainly over-the-counter instruments contracted with first-tier bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

As a general principle, budgeted purchases are hedged using instruments with the same maturities as the underlying transactions.

Currency risks on debts denominated in a currency other than the borrower's functional currency are systematically hedged, except where the debt represents a designated and documented hedge of a net investment in a foreign operation.

The Group's net exposure based on notional amounts after hedging mainly concerns the US dollar (excluding the functional currencies of entities), as shown below:

(€ millions)	Total exposure 2019	of which USD	Total exposure 2018
Exposed trade receivables	(23)	(12)	(33)
Exposed other financial assets	(77)	(51)	(117)
Exposed derivatives at fair value through profit or loss	271	271	272
Exposed trade payables	263	233	226
Exposed financial liabilities	245	245	723
Exposed other financial liabilities	42	42	-
Gross exposure payable/(receivable)	**722**	**728**	**1,071**
Hedged other financial assets	94	94	-
Hedged trade payables	85	82	111
Hedged financial liabilities	229	229	721
Other hedged financial liabilities	32	32	-
NET EXPOSURE PAYABLE/(RECEIVABLE)	**282**	**290**	**240**
Hedges of future purchases	**132**	**132**	**143**
Exposed put options granted to owners of non-controlling interests[(1)]	**104**	**104**	**119**

(1) Changes in fair value of put options granted to owners of non-controlling interests (including the effect of movements in exchange rates) have no impact on profit or loss, because the puts are treated as transactions between owners and changes in their fair value are therefore recorded directly in equity (Note 3.4.1).

At 31 December 2018, the net statement of financial position exposure of €240 million mainly concerned the US dollar.

Sensitivity of net exposure after foreign currency hedging

A 10% appreciation of the euro at 31 December 2019 and 2018 against the currencies included in the Group's exposure would lead to an increase in profit for the amounts indicated in the table below.

For the purposes of the analysis, all other variables, particularly interest rates, are assumed to be constant.

(€ millions)	2019	2018
US dollar	25	27
Other currencies	(1)	(3)
IMPACT ON NET FINANCIAL INCOME (EXPENSE)	**24**	**24**

A 10% decline in the euro against those currencies at 31 December 2019 and 2018 would have produced the opposite effect.

Sensitivity to translation risk

A 10% appreciation of the euro compared to the Group's other main currencies would have the following impact on the translation into euros of the sales, profit and equity of subsidiaries whose functional currency is not the euro:

	2019		2018 (restated)	
(€ millions)	Brazilian real	Colombian peso	Brazilian real	Colombian peso
Total revenue	(1,124)	(291)	(1,042)	(292)
Trading profit	(39)	(14)	(52)	(13)
Net profit	(10)	(1)	(24)	(1)
Equity	(466)	(167)	(581)	(72)

A 10% decline in the euro against those currencies would have produced the opposite effect.

For the purposes of the analysis, all other variables are assumed to be constant.

Breakdown of cash and cash equivalents by currency

(€ millions)	31 December 2019	%	31 December 2018	%
Euro	1,743	49%	1,931	52%
US dollar	79	2%	100	3%
Brazilian real	1,071	30%	1,109	30%
Colombian peso	608	17%	530	14%
Uruguayan peso	34	1%	28	1%
Other currencies	37	1%	32	1%
CASH AND CASH EQUIVALENTS	**3,572**	**100%**	**3,730**	**100%**

Exchange rates against the euro

	2019		2018	
Exchange rates against the euro	Closing rate	Average rate	Closing rate	Average rate
Brazilian real (BRL)	4.5157	4.4143	4.4440	4.3096
Colombian peso (COP)	3,692.38	3,672.20	3,726.09	3,487.48
Argentine peso (ARS)[(1)]	67.2695	67.2695	43.0451	43.0451
Uruguayan peso (UYP)	41.7621	39.4526	37.1753	36.2481
US dollar (USD)	1.1234	1.1194	1.1450	1.1806
Polish zloty (PLN)	4.2568	4.2971	4.3014	4.2617

(1) In accordance with IAS 29, the financial statements of Libertad have been translated at the year-end exchange rate.

Equity risk

At 31 December 2019, the Group did not hold any significant investments in any listed companies other than its listed subsidiaries or treasury shares.

The Group may use derivative instruments (e.g., total return swaps, forward contracts, puts and calls) on equities to build a synthetic exposure to the shares of its listed subsidiaries (Note 11.3.2) or a synthetic hedge of a financial exposure to a fall in stock prices. The carrying amount of these instruments corresponds to their estimated value as provided by a financial institution on the reporting date. These values take account of market data such as exchange rates, share prices and interest rates.

In addition, the Group does not hold any options or any derivatives backing its own shares. Its policy as regards cash management is to invest only in money market instruments that are not exposed to equity risk.

11.5.3. Counterparty risk

The Group is exposed to various aspects of counterparty risk through its operating activities, cash deposits and interest rate and currency hedging instruments. It monitors these risks regularly using several objective indicators, and diversifies its exposure by dealing with the least risky counterparties (based mainly on their credit ratings and their reciprocal commitments with the Group).

Counterparty risk related to trade receivables

Customer credit risk:

Group policy consists of checking the financial health of all customers applying for credit payment terms. Customer receivables are regularly monitored; consequently, the Group's exposure to bad debts is not material.

The table below shows the credit risk exposure and the estimated risk of a loss in value of trade receivables:

		Past-due trade receivables at the reporting date				
(€ millions)	Not yet due	Up to one month past due	Between one and six months past due	More than six months past due	Total past-due trade receivables	Total
31 December 2019						
Trade receivables	579	79	120	162	361	940
Allowance for lifetime expected losses	(3)	(11)	(15)	(75)	(101)	(104)
TOTAL, NET (NOTE 6.7.1)	**576**	**68**	**105**	**86**	**260**	**836**
At 31 December 2018						
Trade receivables	691	95	79	165	339	1,030
Allowance for lifetime expected losses	(1)	(6)	(29)	(89)	(124)	(125)
TOTAL, NET (NOTE 6.7.1)	**690**	**90**	**49**	**76**	**215**	**905**

Counterparty risk related to other assets

Credit risk on other financial assets – mainly comprising cash and cash equivalents, equity instruments, loans, legal deposits paid by GPA and certain derivative financial instruments – corresponds to the risk of failure by the counterparty to fulfil its obligations. The maximum risk is limited and equal to the instruments' carrying amount. The Group's cash management policy consists of investing cash and cash equivalents with first-tier counterparties and in first-tier rated instruments.

11.5.4. Liquidity risk

The Group's liquidity policy is to ensure that it has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The liquidity analysis is performed both for the France Retail segment (taking into account the cash pool operated with most French subsidiaries) and for each of the Group's international subsidiaries.

All subsidiaries of the Casino, Guichard-Perrachon holding company scope submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2019, the Group's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,666 million (of which a non-current portion of €2,331 million for France);
- available cash totalling €3,572 million (of which €1,793 million in available cash and €193 million held in escrow in France).

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2019 (France Retail):

- unsecured bonds for €3,879 million;
- secured high-yield bonds for €800 million;
- Term Loan B for €1,000 million.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper issues (NEU CP), under which €129 million was outstanding at 31 December 2019 (France Retail); these issues are made under a programme capped at €2,000 million, with the availability of funds depending on market conditions and investor appetite.

The main liquidity risk management methods consist in:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), negotiable European commercial paper (NEU CP) issues and discounting facilities;
- diversifying financing currencies to include the euro, the Group's other functional currencies and the US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's payment obligations at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

Management of short-term debt

Access to the European negotiable commercial paper (NEU CP) market is subject to market conditions and investor appetite for Casino debt. Market access has been limited since May 2019 amid heightened volatility (Rallye safeguard proceedings, downgrade in the Group's credit rating by S&P's and Moody's, and general market volatility). Outstanding commercial paper issues represented €129 million at 31 December 2019 versus €221 million at 31 December 2018. In addition, the Group carries out non-recourse receivables discounting without continuing involvement, within the meaning of IFRS 7, as well as reverse factoring.

At 31 December 2019, trade payables totalling €1,594 million (including €445 million in France Retail payables, €1,092 million in Latam Retail payables and €57 million in E-commerce payables) had been reverse factored, versus €1,832 million at 31 December 2018 (€704 million, €971 million, and €157 million, respectively).

Management of medium- and long-term debt

To manage its medium- and long-term liquidity, the Group prepared for the February 2021 maturity of its euro-denominated RCF and in September 2019 refinanced all of its confirmed credit facilities via a new €2 billion confirmed credit line maturing in October 2023 (or in October 2022 if the bond tranche maturing in January 2023 has not been refinanced at that date). This new credit line was subscribed by 21 French and international banks. The refinancing transactions extended the average maturity of the Group's confirmed credit facilities by two years, from 1.6 years at 31 December 2018 to 3.6 years at end-2019.

The Group also proved its ability to raise funds on the capital and private placement markets in two transactions carried out in November 2019 in the form of a €1 billion secured term loan and an €800 million secured bond issue. These two instruments fall due in January 2024 and were heavily oversubscribed. They enable the Group to finance the tender offer on the bonds maturing in 2020, 2021 and 2022 for a nominal amount of €784 million and to repay the drawn credit lines to date for a total amount of €630 million. The average maturity of the Group's debt increased to 3.8 years from 3.3 years previously.

The terms applicable to the new facilities reflect the downgrade of the Group's credit ratings by Moody's (B2/negative outlook) and S&P's (B/negative outlook) following the introduction of safeguard proceedings for Rallye and its parent companies. The table below shows Moody's and Standard & Poor's ratings for the Group's financial instruments following its refinancing:

Financial instrument rating	Moody's	Standard & Poor's
Casino, Guichard-Perrachon	B2/negative outlook (23 October 2019)	B/negative outlook (28 May 2019)
Secured high-yield bonds	B1/negative outlook (19 November 2019)	B+/negative outlook (22 October 2019)
Term Loan B	B1/negative outlook (19 November 2019)	B+/negative outlook (22 October 2019)
Bonds issued under the EMTN programme	B3/negative outlook (23 October 2019)	B/negative outlook (28 May 2019)
Deeply-subordinated perpetual bonds (TSSDI)	Caa1/negative outlook (23 October 2019)	CCC (28 May 2019)

The high-yield bond issue by Quatrim is secured by shares in L'Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets (excluding Monoprix and Franprix-Leader Price property assets and certain assets disposed of/pending disposal).

For its new revolving credit facility (RCF) and Term Loan B, Casino has granted security rights over shares, the principal bank accounts and intragroup receivables of its main operating subsidiaries and holding companies in France holding shares in the Group's Latin American operations.

The revolving credit facility is also subject to maintenance covenants tested quarterly as from 31 March 2020.

No security interests or collateral have been granted in respect of Casino, Guichard-Perrachon's other borrowings or the borrowings of its main subsidiaries (GPA, Éxito and Monoprix), except for loans obtained by GPA from BNDES, which totalled €6 million at 31 December 2019.

Casino, Guichard-Perrachon debt covenants

a. Covenants at 31 December 2019

At the reporting date, Casino, Guichard-Perrachon's debt was subject to the following hard covenants to be met at each year-end:

Type of covenant	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2019
Consolidated net debt(1)/ Consolidated EBITDA(3) < 3.5	▪ €198 million syndicated credit line	Annual	3.29x
Consolidated net debt(2)/ Consolidated EBITDA(3) < 3.5	▪ USD 25 million syndicated credit line		2.33x

(1) Net debt as defined in these loan agreements may differ from net debt presented in the consolidated financial statements (Note 11.2). It corresponds to gross borrowings and debt including hedging instruments with a negative fair value, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and short-term financial investments, (iii) derivatives with a positive fair value classified as hedges of debt and (iv) financial assets arising from a significant disposal of non-current assets.

(2) For these facilities, the definition of net debt includes the net assets held for sale attributable to owners of the parent.

(3) EBITDA (earnings before interest, taxes, depreciation and amortisation) excluding the impacts of applying IFRS 16 corresponds to trading profit/loss plus recurring net depreciation and amortisation expense.

These covenants were respected at 31 December 2019.

b. Additional covenants as from 31 March 2020

Starting 31 March 2020, Casino, Guichard-Perrachon's France Retail and E-commerce segments will be required to comply with the covenants set out below, calculated each quarter on a rolling 12-month basis (not tested at 31 December 2019):

Type of covenant (France and E-commerce)	Main types of debt subject to covenant	Frequency of tests
Debt(1)/EBITDA(2): < 7.75(3)	RCF for €2,000 million	Quarterly
EBITDA(2)/net finance costs: > 2.25		

(1) Debt as defined in the loan agreements reflects loans and borrowings for the France Retail and E-commerce segments as presented in Note 11.2.1, and certain GPA holding companies reported in the Latam segment (notably Ségisor).

(2) EBITDA as defined in the loan agreements reflects trading profit/loss for the France Retail and E-commerce segments, adjusted for (i) net depreciation, amortisation and provision expense, (ii) repayments of lease liabilities, and (iii) interest expense on lease liabilities.

(3) 7.75x at 31 March 2020, 7.50x at 30 June 2020, 7.25x at 30 September 2020, 5.75x at 31 December 2020, 6.50x at 31 March 2021, 6.00x at 30 June 2021 and 30 September 2021, and 4.75x as from 31 December 2021.

Casino, Guichard-Perrachon's bonds and negotiable European commercial paper (NEU CP) issues are not subject to any financial covenants.

c. Other clauses and restrictions

Documentation for the RCF, Term Loan B and high-yield bond issue put in place as part of the Group's refinancing in late 2019 include the usual restrictions for high-yield borrowings applicable to the Group as a whole (excluding the Latam segment and companies less than 50%-owned, but including certain holding companies reported in the Latam segment, notably Ségisor). These restrictions concern Casino, Guichard-Perrachon dividend payments, sales of assets as defined in the documentation, additional borrowings, and additional security interests and collateral.

The Term Loan B and high-yield bond also include incurrence covenants which only apply upon the occurrence of certain specific events or to enable certain transactions to proceed, in particular:

- an incurrence covenant will apply in the event special dividends are paid in addition to ordinary dividends[(1)], as follows: gross debt/EBITDA (France Retail + E-commerce): < 3.5x;
- leverage and secured debt leverage covenants or a fixed charge coverage ratio (FCCR) as defined in the documentation may be applied on an independent or additional basis, depending on the transactions planned:
  - FCCR: EBITDA[(2)]/Fixed charges[(2)]: > 2,
  - Secured debt leverage: Consolidated leverage[(2)]/EBITDA[(2)]: < 2.

The Group's loan and bond agreements include the usual clauses for such contracts, notably *pari passu*, negative pledge and cross-default clauses.

Most loan documentation concerning the debt remaining after Casino's November 2019 refinancing transactions contains change-of-control clauses, defined as the acquisition of control over Casino by a third party other than Rallye and its affiliates. Activation of the change-of-control clauses would trigger the early redemption of loans or the cancellation of confirmed credit lines at the individual discretion of the lenders.

Change-of-control clauses are included in all of Casino's bond financing documentation relating to the debt remaining after its November 2019 refinancing transactions, except in the documentation for the €600 million in deeply-subordinated perpetual bonds (TSSDI) issued in 2005. Change of control is established when two criteria are met:

- a third party, other than Rallye and its affiliates, acting alone or in concert, acquires shares conferring more than 50% of Casino's voting rights; and
- this change of control directly triggers a downgrade of Casino's long-term credit rating (by at least one notch in the event that Casino's rating is not investment grade).

The impact on the Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €3,879 million at 31 December 2019, each bond investor would be entitled to request from Casino the early redemption of all its bonds at par, at its individual discretion;
- for €750 million worth of TSSDI issued in 2013, the interest would be raised by an additional spread of 5% per annum and Casino would be entitled to buy back all of the bonds at par.

The documentation for the refinancing transactions also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings): an entity other than Rallye or one of its affiliated entities holds more than 50% of Casino's share capital or if substantially all of the Group's assets are sold/transferred;
- Casino Finance (RCF): a third party (other than Rallye or its affiliates) takes control of Casino Finance;
- Monoprix (RCF): Monoprix is no longer controlled by Casino and/or its subsidiaries or if the percentage of ownership interest or voting rights held (by Casino and/or its subsidiaries) is lower than 40%.

A change of control would offer the lenders the possibility of cancelling their commitments at their individual discretion (limited to one-third of the nominal amount of the RCF in the event of a change of control of Monoprix). In the case of the high-yield bond issue, Quatrim, the wholly-owned subsidiary of Casino, Guichard-Perrachon that issued the bonds, would launch a tender offer (at a specified price) in which investors could participate.

(1) 50% of net profit attributable to owners to the parent, with a minimum of €100 million per year from 2021 and an additional €100 million that may be used for one or several distributions during the life of the debt.
(2) As defined in the loan agreements.

Financing of subsidiaries subject to covenants

Most of the Group's other loan agreements – primarily concerning GPA, Monoprix and Ségisor – contain hard covenants (see table below).

Subsidiary	Type of covenant	Frequency of tests	Main types of debt subject to covenant
Monoprix	Net debt/EBITDA < 2.5[4]	Annual	€111 million syndicated credit line
GPA[1]	Net debt[2] may not be higher than equity[3]	Quarterly/ half-yearly/ annually	All bond issues and certain bank borrowings
	Consolidated net debt/EBITDA < 3.25		
Ségisor	Net debt/value of GPA shares < 50%[5]	Quarterly	Bank loans totalling €196 million (Note 11.2.4)

(1) All of GPA's covenants are based on consolidated indicators for the GPA sub-group.
(2) Debt less cash, cash equivalents and receivables.
(3) Consolidated equity (attributable to owners of the parent and non-controlling interests).
(4) Monoprix's covenant is based on its consolidated financial statements.
(5) Ségisor's covenant is based on its parent company financial statements.

These covenants were respected at 31 December 2019.

Exposure to liquidity risk

The table below presents an analysis by maturity of financial liabilities at 31 December 2019, including principal and interest and for undiscounted amounts. For derivative financial instruments, the table has been drawn up based on the contractual net cash inflows and outflows on instruments that settle on a net basis and the gross inflows and outflows on those instruments that require gross settlement. For interest rate instruments, when the amount payable or receivable is not fixed, the amount presented has been determined by reference to observed yield curves as at the reporting date.

For the TRS and forward instruments described in Note 11.3.2, the cash flows presented in the table below reflect the interest payable and the fair value of instruments as at the reporting date.

	Maturity						
31 December 2019 *(€ millions)*	Due within one year	Due in one to two years	Due in two to three years	Due in three to five years	Due in more than five years	Total contractual cash flows	Carrying amount
NON-DERIVATIVE FINANCIAL INSTRUMENTS RECOGNISED IN LIABILITIES:							
Bonds and other borrowings	1,731	2,178	1,559	4,989	763	11,221	9,632
Liabilities for put options granted to owners of non-controlling interests	108	-	28	38	-	174	166
Lease liabilities	1,015	906	856	1,452	2,095	6,324	4,676
Trade payables and other financial liabilities	8,288	4	-	1	33	8,326	8,326
TOTAL	**11,142**	**3,089**	**2,443**	**6,479**	**2,891**	**26,044**	**22,801**
DERIVATIVE FINANCIAL INSTRUMENTS – ASSETS/(LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	5	-	-	-	-	5	
Derivative contracts – paid	(5)	-	-	-		(5)	
Derivative contracts – net settled	4	4	2	-	-	9	
Currency derivatives							
Derivative contracts – received	292	1	1	-	-	294	
Derivative contracts – paid	(288)	(1)	(1)	-	-	(290)	
Derivative contracts – net settled	4	-	-	-	-	4	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(226)	-	-	-	-	(226)	
Derivative contracts – net settled	-	-	-	-	-	-	
TOTAL	**(215)**	**4**	**2**	**-**	**-**	**(208)**	**(152)**

31 December 2018 (restated) *(€ millions)*	Maturity						
	Due within one year	Due in one to two years	Due in two to three years	Due in three to five years	Due in more than five years	Total contractual cash flows	Carrying amount
NON-DERIVATIVE FINANCIAL INSTRUMENTS RECOGNISED IN LIABILITIES:							
Bonds and other borrowings	2,492	1,790	1,514	2,451	2,091	10,338	8,977
Liabilities for put options granted to owners of non-controlling interests	126	5	-	68	-	199	188
Lease liabilities	926	843	759	1,335	1,925	5,788	4,238
Trade payables and other financial liabilities	8,381	25	-	1	26	8,433	8,433
TOTAL	**11,924**	**2,663**	**2,273**	**3,856**	**4,042**	**24,758**	**21,837**
DERIVATIVE FINANCIAL INSTRUMENTS – ASSETS/(LIABILITIES):							
Interest rate derivatives							
Derivative contracts – received	16	4	-	-	-	20	
Derivative contracts – paid	(18)	(3)	-	-	-	(22)	
Derivative contracts – net settled	18	14	7	(1)	1	39	
Currency derivatives							
Derivative contracts – received	370	66	1	1	-	437	
Derivative contracts – paid	(342)	(57)	(1)	(1)	-	(400)	
Derivative contracts – net settled	15	8	-	-	-	23	
Other derivative instruments							
Derivative contracts – received	-	-	-	-	-	-	
Derivative contracts – paid	(19)	(293)	-	-	-	(311)	
Derivative contracts – net settled	-	-	-	-	-	-	
TOTAL	**40**	**(262)**	**7**	**(1)**	**1**	**(215)**	**(174)**

Note 12 Equity and earnings per share

Accounting principle

Equity is attributable to two categories of owner: the owners of the parent (Casino, Guichard-Perrachon shareholders) and the owners of the non-controlling interests in its subsidiaries. A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent.

Transactions with the owners of non-controlling interests resulting in a change in the parent company's percentage interest without loss of control affect only equity as there is no change of control of the economic entity. Cash flows arising from changes in ownership interests in a fully consolidated subsidiary that do not result in a loss of control (including increases in percentage interest) are classified as cash flows from financing activities.

In the case of an acquisition of an additional interest in a fully consolidated subsidiary, the Group recognises the difference between the acquisition cost and the carrying amount of the non-controlling interests as a change in equity attributable to owners of Casino, Guichard-Perrachon. Transaction costs are also recognised in equity. The same treatment applies to transaction costs relating to disposals without loss of control. In the case of disposals of controlling interests involving a loss of control, the Group derecognises the whole of the ownership interest and, where appropriate, recognises any investment retained in the former subsidiary at its fair value. The gain or loss on the entire derecognised interest (interest sold and interest retained) is recognised in profit or loss under "Other operating income" or "Other operating expenses", which amounts to remeasuring the retained previously-held investment at fair value through profit or loss. Cash flows arising from the acquisition or loss of control of a subsidiary are classified as cash flows from investing activities.

Equity instruments and hybrid instruments

The classification of instruments issued by the Group in equity or debt depends on each instrument's specific characteristics. An instrument is deemed to be an equity instrument when the following two conditions are met:

- the instrument does not contain a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; and
- in the case of a contract that will or may be settled in the entity's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of the entity's own equity instruments, or it is a derivative that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The Group also examines the special provisions of contracts to ensure the absence of an indirect obligation to buy back the equity instruments in cash or by delivering another financial asset or by delivering shares with a value substantially higher than the amount of cash or the other financial asset to be delivered.

In particular, instruments that are redeemable at the Group's discretion and for which the remuneration depends on the payment of a dividend are classified in equity.

When a "debt" component exists, it is measured separately and classified under "financial liabilities".

Equity transaction costs

External and qualifying internal costs directly attributable to equity transactions or transactions involving equity instruments are recorded as a deduction from equity, net of tax. All other transaction costs are recognised as an expense.

Treasury shares

Casino, Guichard-Perrachon shares purchased by the Group are deducted from equity at cost. The proceeds from sales of treasury shares are credited to equity with the result that any disposal gains or losses, net of the related tax effect, have no impact in the income statement for the period.

Options on treasury shares

Options on treasury shares are treated as derivative instruments, equity instruments or financial liabilities depending on their characteristics.

Options classified as derivatives are measured at fair value through profit or loss. Options classified as equity instruments are recorded in equity at their initial amount and changes in value are not recognised. The accounting treatment of financial liabilities is described in Note 11.

12.1. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base in order to preserve the confidence of investors, creditors and the markets while ensuring the financial headroom required to support the Group's future business development. The Group aims to continually optimise its financial structure by maintaining an optimum balance between net debt, EBITDA and equity. To this end, it may adjust the amount of dividends paid to shareholders (subject to the restrictions set out in the documentation for the RCF, Term Loan B and high-yield bond – Note 11.5.4c), return part of the capital to shareholders, buy back its own shares or issue new shares. From time to time, the Group may buy back its own shares in the market. The shares are generally acquired for allocation to a liquidity contract used to make a market in the shares, or to be held for allocation under stock option plans, employee share ownership plans or free share plans for employees.

The policy objectives and management procedures are exactly the same as in previous years.

Apart from legal requirements, the Group is not subject to any external minimum capital requirements.

12.2. SHARE CAPITAL

At 31 December 2019, the Company's share capital amounted to €165,892,132 (31 December 2018: €167,886,006 and was composed of 108,426,230 ordinary shares issued and fully paid as at that date (31 December 2018: 109,729,416 shares).

The decrease was mainly due to the cancellation of 1,303,186 shares by the Board of Directors on 13 June 2019, representing a total of €40 million of which €2 million corresponding to the shares' aggregate par value. The shares have a par value of €1.53.

Under the shareholder authorisations given to the Board of Directors, the share capital may be increased, immediately or in the future, by up to €2 billion.

12.3. SHARE EQUIVALENTS

The Group is committed to granting free shares under various plans (Note 8.3). The Group intends to fulfil its obligations under those plans by delivering existing shares when the related rights vest.

12.4. TREASURY SHARES

Treasury shares result from shareholder-approved buybacks of Casino, Guichard-Perrachon SA shares. At 31 December 2019, a total of 830,257 shares were held in treasury, representing €28 million (31 December 2018: 961,761 shares representing €33 million. The shares were purchased primarily for allocation upon exercise of the rights under free share plans.

In January 2019, the Group signed a new liquidity agreement with Rothschild Martin Maurel, effective 1 January, to take account of the changes in regulations governing such agreements, in accordance with AMF decision 2018-01 dated 2 July 2018. This new agreement replaces the previous agreement signed in 2005. On the date of signature of the contract in January 2019, €30 million in cash was held in the liquidity contract and no shares. At 31 December 2019, no Casino, Guichard-Perrachon SA shares were held in the liquidity account.

Purchases and sales of treasury shares in 2019 led to a €40 million reduction in equity, also corresponding to the net cash outflow for the period (notably €40 million in respect of shares purchased by Casino for cancellation).

12.5. DEEPLY-SUBORDINATED PERPETUAL BONDS (TSSDI)

At the beginning of 2005, the Group issued 600,000 deeply-subordinated perpetual bonds (TSSDI) for a total amount of €600 million. The bonds are redeemable solely at the Group's discretion and interest is due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the 10-year constant maturity swap rate plus 100 basis points, capped at 9%. In 2019, the average coupon was 1.65% (2018: 1.93%).

On 18 October 2013, the Group issued €750 million worth of perpetual hybrid bonds (7,500 bonds) on the market. The bonds are redeemable at the Company's discretion with the first call date set for 31 January 2019 and the second on 31 January 2024. The bonds paid interest at 4.87% until 31 January 2019. Since then, as specified in the prospectus, the interest rate has been reset at 3.992%. This rate will be reset every five years.

Given their specific characteristics in terms of maturity and remuneration, the bonds are carried in equity for the amount of €1,350 million. Issuance costs net of tax have been recorded as a deduction from equity.

12.6. BREAKDOWN OF OTHER RESERVES

(€ millions)	Cash flow hedges	Net investment hedges	Foreign currency translation adjustments	Actuarial gains and losses	Equity instruments[(1)]	Debt instruments[(1)]	Total other reserves
At 1 January 2018 (restated)	**(18)**	**(1)**	**(1,997)**	**(97)**	**2**	**(2)**	**(2,114)**
Movements for the year	10	-	(330)	(9)	(4)	-	(333)
At 31 December 2018 (restated)	**(8)**	**(1)**	**(2,326)**	**(107)**	**(2)**	**(2)**	**(2,446)**
Movements for the year	(23)	-	(59)	(11)	(2)	1	(94)
AT 31 DECEMBER 2019	**(32)**	**(1)**	**(2,385)**	**(118)**	**(3)**	**(1)**	**(2,540)**

(1) Financial instruments at fair value through other comprehensive income.

12.7. OTHER INFORMATION ON ADDITIONAL PAID-IN CAPITAL, RETAINED EARNINGS AND RESERVES

12.7.1. Foreign currency translation adjustments

Foreign currency translation adjustments correspond to exchange gains and losses on translating the equity of foreign subsidiaries and receivables and payables included in the Group's net investment in these subsidiaries, at the closing rate.

Foreign currency translation adjustments by country at 31 December 2019

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	1 January 2019	Movements for the year	31 December 2019	1 January 2019	Movements for the year	31 December 2019	31 December 2019
Brazil	(1,847)	(8)	(1,855)	(2,899)	(64)	(2,963)	(4,817)
Argentina	(175)	(34)	(209)	(15)	(23)	(38)	(247)
Colombia	(295)	15	(281)	(354)	54	(300)	(581)
Uruguay	(34)	(35)	(69)	(46)	(19)	(64)	(133)
United States	20	-	20	1	-	1	21
Poland	14	1	15	-	-	-	15
Indian Ocean	(9)	-	(9)	(3)	-	(3)	(12)
Hong Kong	1	-	1	-	-	-	1
TOTAL FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**(2,326)**	**(59)**	**(2,385)**	**(3,315)**	**(51)**	**(3,367)**	**(5,752)**

Foreign currency translation adjustments by country at 31 December 2018

	Attributable to owners of the parent			Attributable to non-controlling interests			Total
(€ millions)	1 January 2018	Movements for the year	31 December 2018	1 January 2018	Movements for the year	31 December 2018	31 December 2018 (restated)
Brazil	(1,571)	(276)	(1,847)	(2,492)	(407)	(2,899)	(4,746)
Argentina	(156)	(20)	(175)	(13)	(2)	(15)	(190)
Colombia	(282)	(14)	(295)	(320)	(34)	(354)	(649)
Uruguay	(17)	(16)	(34)	(31)	(14)	(46)	(79)
United States	19	-	20	1	-	1	20
Poland	17	(4)	14	-	-	-	14
Indian Ocean	(8)	(1)	(9)	(3)	-	(3)	(12)
Hong Kong	1	-	1	-	-	-	1
TOTAL FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**(1,997)**	**(330)**	**(2,326)**	**(2,858)**	**(457)**	**(3,315)**	**(5,642)**

12.7.2. Notes to the consolidated statement of comprehensive income

(€ millions)	2019	2018 (restated)
Cash flow hedges and cash flow hedge reserve[(1)]	**(19)**	**13**
Change in fair value	(27)	14
Reclassifications to inventories	-	-
Reclassifications to profit or loss	-	6
Income tax (expense) benefit	7	(6)
Debt instruments at fair value through other comprehensive income (OCI)	**5**	**2**
Net change in fair value	6	2
Impairment losses	-	-
Reclassifications to profit or loss	-	-
Income tax (expense) benefit	(1)	-
Foreign currency translation reserves (Note 12.7.1)	**(110)**	**(779)**
Foreign currency translation adjustments for the year	(124)	(846)
Net investment hedges	-	-
Reclassifications to profit or loss	14	67
Income tax (expense) benefit	-	-
Equity instruments at fair value through other comprehensive income	**(1)**	**(2)**
Net change in fair value	(1)	(2)
Income tax (expense) benefit	-	-
Actuarial gains and losses	**(12)**	**(9)**
Actuarial gains and losses for the year	(18)	(15)
Income tax (expense) benefit	6	5
Share of other comprehensive income of equity-accounted investees	**(5)**	**(11)**
Cash flow hedges and cash flow hedge reserve – net change in fair value	(3)	(2)
Cash flow hedges and cash flow hedge reserve – reclassifications to profit or loss	-	(1)
Foreign currency translation reserve – adjustments for the year	(1)	(8)
Foreign currency translation reserve – reclassification to profit or loss	-	-
Equity instruments at fair value through other comprehensive income – change in fair value	(1)	(2)
Actuarial gains and losses – net gain or loss for the year	-	-
Income tax (expense) benefit	-	1
TOTAL	**(142)**	**(788)**

(1) The change in the cash flow hedge reserve in 2019 and 2018 was not material.

12.8. NON-CONTROLLING INTERESTS

The following table provides detailed information on material non-controlling interests.

	GPA				
(€ millions)	Total GPA[(1)]	o/w Via Varejo	Éxito[(2)]	Other	**Total**
Country	**Brazil**	**Brazil**	**Colombia**		
1 January 2018 (restated)	**4,182**	**1,222**	**1,149**	**42**	**5,373**
% of ownership interests held by non-controlling interests[(3)]	*66.9%*	*85.7%*	*44.7%*		
% of voting rights held by non-controlling interests[(3)]	*0.06%*	*37.5%*	*44.7%*		
Net profit (loss)	214	(9)	35	(5)	244
Other comprehensive income (loss)[(4)]	(423)	60	(29)	(4)	(456)
Dividends paid/payable	(46)	(2)	(24)	(33)	(103)
Other movements	7	1	93	49	149
31 December 2018 (restated)	**3,934**	**1,272**	**1,224**	**50**	**5,208**
% of ownership interests held by non-controlling interests[(3)]	*66.9%*	*85.7%*	*44.7%*		
% of voting rights held by non-controlling interests[(3)]	*0.06%*	*60.6%*	*44.7%*		
Net profit (loss)	88	(20)	32	(11)	110
Other comprehensive income (loss)[(4)]	(56)	(104)	8	-	(48)
Dividends paid/payable	(39)	-	(34)	(19)	(92)
Other movements	(2,226)	(1,148)	525	47	(1,654)
31 DECEMBER 2019	**1,702**	**-**	**1,755**	**67**	**3,523**
% of ownership interests held by non-controlling interests[(3)]	*58.7%*		*60.2%*		
% of voting rights held by non-controlling interests[(3)]	*0.06%*		[(5)]		
Average % of ownership interests held by the Group in 2019	*34.4%*		*52.7%*		
% of ownership interests held by the Group at 31 December 2019	*41.3%*		*39.8%*		

(1) GPA excluding Éxito.

(2) Éxito excluding GPA, including Uruguay and Argentina. GPA has had control of Éxito since November 2019.

(3) The percentages of non-controlling interests set out in this table cover the scope of Casino Group and do not include the Group's own non-controlling interests in sub-groups.

(4) Other comprehensive income (loss) consists mainly of exchange differences arising on translation of foreign subsidiaries' financial statements.

(5) GPA holds 97% of Éxito's share capital. Éxito remains the majority shareholder of the Group's subsidiaries in Argentina (mainly Libertad with a 100% interest) and Uruguay (mainly Disco and Devoto in which it holds 62.5% and 100%, respectively, of the economic rights).

At the General Shareholders' Meeting on 30 December 2019, GPA's shareholders approved the migration of the company's shares to Brazil's Novo Mercado B3 listing segment. Accordingly, all preferred shares were converted into ordinary shares at an exchange ratio of 1:1, and the migration/conversion was completed at the beginning of March 2020. These transactions marked the final steps in the Group's efforts to simplify its structure in Latin America (Note 2).

At 31 December 2019, Casino holds 99.9% of GPA's voting rights and 41.3% of its capital. On 2 March 2020, GPA's share capital comprised a single class of shares, of which Casino held 41.2%.

Summarised financial information on the main subsidiaries with material non-controlling interests

The information presented in the table below is based on the IFRS financial statements, adjusted where applicable to reflect the remeasurement at fair value on the date of acquisition or loss of control, and to align accounting policies with those applied by the Group. The amounts are shown before intragroup eliminations.

	GPA[1]		Éxito[2]	
(€ millions)	**2019**	2018 (restated)	**2019**	2018 (restated)
Net sales	12,290	11,416	4,053	4,153
Net profit from continuing operations	130	272	21	41
Net profit (loss) from discontinued operations	9	31	(4)	-
Consolidated net profit	**138**	**304**	**17**	**41**
Attributable to non-controlling interests in continuing operations	*83*	*182*	*34*	*35*
Attributable to non-controlling interests in discontinued operations	*5*	*32*	*(2)*	*-*
Other comprehensive income (loss)	(77)	(604)	12	-
Total comprehensive income (loss) for the year	**61**	**(301)**	**30**	**42**
Attributable to non-controlling interests	*33*	*(209)*	*39*	*6*
Non-current assets	7,896	7,600	4,884	3,987
Current assets	2,986	9,539	1,462	1,328
Non-current liabilities	(4,281)	(2,667)	(1,819)	(1,547)
Current liabilities	(3,541)	(8,608)	(584)	(1,757)
Net assets	**3,060**	**5,863**	**3,943**	**2,012**
Attributable to non-controlling interests	*1,702*	*3,934*	*1,755*	*1,224*
Net cash from operating activities	36	1,198	531	275
Net cash used in investing activities	(10)	(423)	(126)	(158)
Net cash from (used in) financing activities	404	(607)	(1,209)	199
Effect of changes in exchange rates on cash and cash equivalents[3]	(1,141)	(202)	901	(228)
Change in cash and cash equivalents	**(711)**	**(34)**	**97**	**88**
Dividends paid to the Group[4]	*20*	*33*	*20*	*14*
Dividends paid to owners of non-controlling interests during the period[4]	*31*	*51*	*34*	*24*

(1) GPA excluding Éxito.
(2) Éxito excluding GPA, including Uruguay and Argentina.
(3) In 2019, this item mainly reflected the simplification of Casino Group's structure in Latin America (Note 2) and more specifically GPA's acquisition of the shares held by Casino in Éxito and Éxito's sale of Ségisor shares to Casino.
(4) GPA and Éxito have an obligation to pay out 25% and 50% respectively of annual net profit in dividends.

12.9. DIVIDENDS

At the Annual General Meeting of 7 May 2019, the shareholders approved the payment of a €3.12 cash dividend per ordinary share for 2018. Including the interim dividend of €170 million paid in December 2018, the total payout recorded as a deduction from equity in 2019 represented €169 million.

During its meeting on 12 November 2018, the Board of Directors decided to pay an interim dividend for 2018 of €1.56 per share and this was duly paid on 5 December 2018. The interim dividend was paid on 108,756,207 shares, representing a total payout of €170 million recorded as a deduction from equity. In all, dividends paid in 2018 had a €338 million impact on equity.

Note that dividends for 2017 amounted to €341 million, including interim dividends of €173 million paid in 2017 and final dividends of €168 million paid in 2018.

The Group announced that it would not be paying any dividends in 2020 in respect of 2019. Decisions on future payouts will be taken in light of the Group's financial position, and will take account of the interests of the Company and compliance with its loan and bond agreements.

The coupon payable on deeply-subordinated perpetual bonds is as follows:

(€ millions)	**2019**	2018
Coupons payable on deeply-subordinated perpetual bonds (impact on equity)	**37**	**48**
of which amount paid during the year	37	36
of which amount payable in the following year	3	12
Adjustments	(2)	-
Impact on the statement of cash flows for the year	**46**	**48**
of which coupons awarded and paid during the year	37	36
of which interest awarded in the prior year and paid during the reporting year	10	12

12.10. EARNINGS PER SHARE

Accounting principle

Basic earnings per share are calculated based on the weighted average number of shares outstanding during the period, excluding shares issued in payment of dividends and treasury shares. Diluted earnings per share are calculated by the treasury stock method, as follows:

- numerator: earnings for the period are adjusted for dividends on deeply-subordinated perpetual bonds;
- denominator: the basic number of shares is adjusted to include potential shares corresponding to dilutive instruments (equity warrants, stock options and free shares), less the number of shares that could be bought back at market price with the proceeds from the exercise of the dilutive instruments. The market price used for the calculation corresponds to the average share price for the year.

Equity instruments that will or may be settled in Casino, Guichard-Perrachon shares are included in the calculation only when their settlement would have a dilutive impact on earnings per share.

12.10.1. Number of shares

Diluted number of shares used for the calculation		**2019**	2018
Weighted average number of shares outstanding during the period			
Total ordinary shares		108,969,224	110,169,352
Ordinary shares held in treasury		(1,045,090)	(1,780,356)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES BEFORE DILUTION	**(1)**	**107,924,134**	**108,388,996**
Potential shares represented by:			
Stock options		-	-
Non-dilutive instruments (out of the money or covered by calls)		-	-
Weighted average number of dilutive instruments		**-**	**-**
Theoretical number of shares purchased at market price		-	-
Dilutive effect of stock option plans		-	-
Free share plans		-	-
Total potential dilutive shares		-	-
TOTAL DILUTED NUMBER OF SHARES	**(2)**	**107,924,134**	**108,388,996**

12.10.2. Profit (loss) attributable to ordinary shares

(€ millions)		2019 Continuing operations	2019 Discontinued operations(1)	2019 Total	2018 (restated) Continuing operations	2018 (restated) Discontinued operations(1)	2018 (restated) Total
NET PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT		**(384)**	**(1,048)**	**(1,432)**	**(60)**	**(57)**	**(117)**
Dividend payable on deeply-subordinated perpetual bonds		(37)	-	(37)	(48)	-	(48)
NET PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(3)**	**(421)**	**(1,048)**	**(1,469)**	**(108)**	**(57)**	**(165)**
Potential dilutive effect of free share plans		-	-	-	-	-	-
DILUTED NET PROFIT (LOSS) ATTRIBUTABLE TO HOLDERS OF ORDINARY SHARES	**(4)**	**(421)**	**(1,048)**	**(1,469)**	**(108)**	**(57)**	**(165)**
BASIC EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT *(€)*	**(3)/(1)**	**(3.90)**	**(9.71)**	**(13.61)**	**(1.00)**	**(0.53)**	**(1.52)**
DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT *(€)*	**(4)/(1)**	**(3.90)**	**(9.71)**	**(13.61)**	**(1.00)**	**(0.53)**	**(1.52)**

(1) See Note 3.5.2.

Note 13 Other provisions

Accounting principle

A provision is recorded when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted when the related adjustment is material.

In accordance with the above principle, a provision is recorded for the cost of repairing equipment sold with a warranty. The provision represents the estimated cost of repairs to be performed during the warranty period, as estimated on the basis of actual costs incurred in prior years. Each year, part of the provision is reversed to offset the actual repair costs recognised in expenses.

A provision for restructuring expenses is recorded when the Group has a constructive obligation to restructure. This is the case when management has drawn up a detailed, formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to them before the period-end.

Other provisions concern specifically identified liabilities and expenses.

Contingent liabilities correspond to possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Group's control, or present obligations whose settlement is not expected to require an outflow of resources embodying economic benefits. Contingent liabilities are not recognised in the statement of financial position but are disclosed in the Notes to the financial statements.

13.1. BREAKDOWN OF PROVISIONS AND MOVEMENTS

(€ millions)	1 January 2019 (restated)	Additions 2019	Reversals (used) 2019	Reversals (not used) 2019	Changes in scope of consolidation	Effect of movements in exchange rates	Other	31 December 2019
Claims and litigation	484	105	(52)	(69)	5	(9)	(20)	444
Other risks and expenses	104	50	(19)	(22)	49	-	(45)	117
Restructuring	53	61	(53)	(6)	7	-	(12)	50
TOTAL PROVISIONS	**641**	**216**	**(125)**	**(97)**	**61**	**(9)**	**(76)**	**611**
of which non-current	*481*	*97*	*(50)*	*(59)*	*52*	*(9)*	*(53)*	*458*
of which current	*160*	*119*	*(74)*	*(38)*	*9*	*-*	*(23)*	*153*

Provisions for claims and litigation, and for other risks and expenses are composed of a wide variety of provisions for employee-related disputes (before a labour court), property disputes (concerning construction or refurbishment work, rents, tenant evictions, etc.), tax disputes and business claims (trademark infringement, etc.) or indirect taxation disputes.

Provisions for claims and litigation amount to €444 million and include €411 million for GPA (Note 13.2). Of this amount, additions to provisions, reversals of used provisions and reversals of surplus provisions, respectively, amounted to €86 million, a negative €29 million and a negative €73 million.

13.2. BREAKDOWN OF GPA PROVISIONS FOR CLAIMS AND LITIGATION

(€ millions)	PIS/Cofins/CPMF disputes[(1)]	Other tax disputes[(2)]	Employee disputes	Civil litigation	Total
31 December 2019	**13**	**302**	**68**	**28**	**411**
31 December 2018 (excluding Via Varejo)	31	316	65	26	439

(1) VAT and similar taxes.
(2) Indirect taxes (mainly ICMS tax on sales and services in Brazil).

In the context of the litigation disclosed above and below in Note 13.3, GPA is contesting the payment of certain taxes, contributions and payroll obligations. The bonds posted by GPA pending final rulings from the administrative courts on these various disputes are included in "Other non-current assets" (Note 6.9). GPA has also provided various guarantees in addition to these bonds, reported as off-balance sheet commitments (Note 6.11).

	2019			2018		
(€ millions)	Bonds posted by GPA[(1)]	Assets pledged as collateral[(2)]	Bank guarantees[(2)]	Bonds posted by GPA[(1)]	Assets pledged as collateral[(2)]	Bank guarantees[(2)]
Tax disputes	53	187	2,029	53	189	2,033
Employee disputes	105	-	119	104	1	43
Civil and other litigation	18	3	104	17	3	97
TOTAL	**176**	**189**	**2,252**	**175**	**192**	**2,173**

(1) See Note 6.9.
(2) See Note 6.11.1.

13.3. CONTINGENT ASSETS AND LIABILITIES

In the normal course of its business, the Group is involved in a number of legal or arbitration proceedings with third parties or with the tax authorities in certain countries (mainly involving GPA – see below).

As stated in Note 3.3.5, no associates or joint ventures have any significant contingent liabilities.

■ Arbitration between GPA and Peninsula

On 12 September 2017, GPA received a request for arbitration from Fundo de Investimento Inmobiliáro Península ("Península") in order to discuss the calculation of rental charges and other operational matters related to leasing agreements concerning stores owned by Peninsula and operated by GPA. The agreements have a duration of 20 years as from 2005 and are renewable for another 20-year period at the sole discretion of GPA. They set out the method for calculating rental charges.

Despite the discussions concerning application of the lease terms, the request for arbitration has no impact on the operation of the leased stores, which is contractually guaranteed. At this stage of the arbitration process, it is not possible to make a reasonable estimate of the related risk. Based on the opinion of its legal advisors, the Company considers as possible the risk of an unfavourable ruling by the arbitral tribunal.

■ Proceedings brought by the DGCCRF (French competition authority) against AMC and INCAA and investigations by the French and European competition authorities

On 28 February 2017, the French Ministry of the Economy, represented by the Department of Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), brought an action against Casino in the Paris Commercial Court. The case involves a series of credit notes totalling €22.2 million issued in 2013 and 2014 by 41 suppliers. The DGCCRF is seeking repayment of this sum to the suppliers concerned together with a fine of €2 million.

Also, on 11 April 2017, the common purchasing entity INCA Achats, and its parent companies Intermarché and Casino, were prosecuted for economic imbalance and abusive commercial practices that allegedly took place in 2015 against 13 multinational companies in the hygiene and fragrance industry, with a fine of €2 million.

The proceedings in both cases are still in progress. The Group considers that it complied with the applicable regulations during negotiations with the suppliers concerned by both sets of proceedings. Consequently, no provision has been set aside for these matters.

Moreover, the Group is subject to regular inquiries by the French and European competition authorities.

In early February 2017, representatives of France's Competition Authority raided the premises of Vindémia Logistique and Vindémia Group and seized certain documents concerning their consumer goods supply and distribution activities on Reunion Island.

The Competition Authority has not issued a complaint at this stage. The Group is not currently able to predict the outcome of the investigation.

At the end of February 2017, representatives of the European Commission raided the premises of Casino, Guichard-Perrachon, Achats Marchandises Casino – A.M.C. (formerly E.M.C. Distribution) and Intermarché-Casino Achats (INCA-A), in connection with an investigation into fast-moving consumer goods supply contracts, contracts for the sale of services to manufacturers of branded products and contracts for the sale of fast-moving consumer goods to consumers.

In May 2019, representatives of the European Commission conducted additional raids of the premises of the same companies (except for INCA-A, which has since ceased operations and is in the process of being liquidated).

The European Commission has not issued any complaint at this stage. Applications filed by Casino Group to contest the legitimacy of the European Commission's series of raids are pending before the General Court of the European Union. The Group is not currently able to predict the outcome of this matter.

In June 2018, after giving notice in accordance with French law No. 2015-990 of 6 August 2015, the French Competition Authority launched an informal investigation into the creation of joint purchasing organisations in the food retailing sector. The investigation concerns in particular the Horizon central purchasing organisation set up between Auchan, Casino, Metro and Schiever. It is still in progress.

GPA tax, social and civil contingent liabilities

(€ millions)	**31 December 2019**	31 December 2018
INSS (employer's social security contributions)	100	95
IRPJ – IRRF and CSLL (corporate income taxes)	234	224
PIS, COFINS and CPMF (VAT and similar taxes)	448	447
ISS, IPTU and ITBI (service tax, urban property tax and tax on property transactions)	27	34
ICMS (state VAT)	1,355	1,329
Civil litigation	89	115
TOTAL	**2,254**	**2,244**

GPA employs consulting firms to advise it in tax disputes, whose fees are contingent on the disputes being settled in GPA's favour. At 31 December 2019, the estimated amount was €44 million (31 December 2018: €38 million)

Moreover, Casino has given a specific guarantee to its Brazilian subsidiary concerning notifications of tax adjustments received from the tax administration, for a total amount of BRL 1,409 million at 31 December 2019 (31 December 2018: BRL 1,317 million), including penalties and interest. Under the terms of the guarantee, Casino has undertaken to indemnify GPA for 50% of any damages incurred, provided those damages are definitive. Based on the commitment given by Casino to its subsidiary, the risk exposure amounts to BRL 705 million (€156 million) 31 December 2018: (BRL 658 million, representing €148 million). As the risks of liability are only considered possible, Casino has not recognised a provision in its financial statements for this amount.

GPA contingent assets

Exclusion of ICMS from the PIS/COFINS tax base

Since the adoption of the non-cumulative regime of PIS and COFINS tax credits, GPA has challenged the right to deduct ICMS taxes from the calculation basis for PIS and COFINS taxes. GPA's position was supported by a Brazilian federal supreme court (STF) ruling on 15 March 2017 that the ICMS tax should be excluded from the PIS and COFINS tax base.

Since the supreme court's ruling on 15 March 2017, the procedure has continued in line with the expectations of GPA and its advisors, without GPA's judgement being called into question concerning the reversal of the provisions, although the court has not yet handed down its final decision. GPA and its external legal advisors believe that this decision concerning the application method will not limit its rights under the legal proceedings brought since 2003 which are still in progress. However, an asset cannot be recognised for the tax credits until all the stages in the procedure have been completed. GPA estimates that these tax credits represent a potential asset of BRL 1,184 million (€262 million).

Note 14 Related-party transactions

Related parties are:

- parent companies (mainly Rallye, Foncière Euris, Finatis and Euris);
- entities that exercise joint control or significant influence over the Company;
- subsidiaries (Note 17);
- associates (primarily Mercialys) (Note 3.3);
- joint ventures (Note 3.3);
- members of the Board of Directors and Management Committee (Note 8.4).

The Company maintains normal relations with all its subsidiaries in its day-to-day management of the Group. The Company and its subsidiaries receive strategic advice from Euris, the ultimate holding company, under strategic advice and assistance agreements. The Company also receives other recurring services from Euris and Foncière Euris (provision of staff and premises). The expenses recorded during the year in respect of these agreements with Casino and its subsidiaries totalled €4.1 million, of which €3.5 million for strategic advisory services and €0.6 million for the provision of staff and premises.

In connection with the deployment of its dual model combining retail and commercial real estate activities, Casino and its subsidiaries are involved in a number of property development operations with Mercialys (Note 3.3.6).

Related-party transactions with individuals (Directors, corporate officers and members of their families) are not material.

Note 15 Subsequent events

Vesa Equity Investment

On 20 January 2020, Vesa Equity Investment announced that it had crossed the 5%-threshold of Casino, Guichard-Perrachon's share capital to reach 5.64% of the capital.

Rallye safeguard plan

On 2 March 2020, Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries.

Covid-19

First identified in the Asia-Pacific region, the Covid-19 epidemic has spread rapidly to the rest of the world during the first few months of 2020, prompting governments to take drastic health measures to control the spread of the virus (closure of schools, lockdowns, travel and mobility restrictions, closure of public places, etc.). These measures are having a huge economic impact in every country in which the Group operates and it is currently impossible to predict how long the measures will be in place or their ultimate impact on business and the economy. Sales have increased sharply due to panic buying and the fact that people can no longer eat in restaurants and canteens, and are eating all their meals at home. Given the uncertainty surrounding both future consumer behaviour trends and the pandemic's economic impact, it would nevertheless be premature to estimate Covid-19's financial impact on the Group at this stage.

Signature of an agreement with Aldi France to sell Leader Price stores and warehouses

On 20 March 2020, Casino Group announced it had signed a unilateral purchase agreement with Aldi France to sell 567 Leader Price stores and 3 warehouses for an enterprise value of €735 million (including an earn-out of €35 million contingent on the achievement of certain operating indicators during the transaction period). The Group remains owner of the Leader Price brand and will continue to distribute Leader Price-branded products to the Group's other banners and franchisees, particularly outside France.

The transaction is expected to be completed after consultation with employee representative bodies and is subject to approval by the French Competition Authority.

Note 16 Statutory Auditors' fees

Statutory Auditors' fees for the year ended 31 December 2019 *(€ thousands)*	EY	Deloitte
Statutory audit and review of the parent company and consolidated financial statements	6,162	3,261
Non-audit services	703	940
TOTAL	**6,865**	**4,201**

Services other than the statutory audit of the financial statements ("Non-audit services") by the Statutory Auditors to Casino, Guichard-Perrachon, the parent company, and to its subsidiaries, correspond mostly to procedures related to the issuance of statements and reports on agreed-upon procedures regarding data contained in the accounting records, or regarding internal control.

Note 17 Main consolidated companies

At 31 December 2019, Casino Group comprised 1,774 consolidated companies. The main companies are listed below.

	31 December 2019			31 December 2018		
Company	% control	% interest	Consolidation method	% control	% interest	Consolidation method
Casino, Guichard-Perrachon SA			**Parent company**			**Parent company**
FRANCE – RETAILING						
Achats Marchandises Casino (AMC)	100	100	FC	100	100	FC
Casino Carburants	100	100	FC	100	100	FC
Casino Services	100	100	FC	100	100	FC
Casino International	100	100	FC	100	100	FC
CD Supply Innovation	50	50	EM	50	50	EM
Distribution Casino France (DCF)	100	100	FC	100	100	FC
Distridyn	49.99	49.99	EM	49.99	49.99	EM
Easydis	100	100	FC	100	100	FC
Floréal	100	100	FC	100	100	FC
Geimex	100	100	FC	100	100	FC
Horizon Achats	44	44	EM	44	44	EM
Horizon Appels d'Offres	44	44	EM	44	44	EM
Intermarché Casino Achats (INCAA)	50	50	EM	50	50	EM
Monoprix group						
Les Galeries de la Croisette	100	100	FC	100	100	FC
Monoprix	100	100	FC	100	100	FC
Monoprix Exploitation	100	100	FC	100	100	FC
Monoprix On Line (formerly Sarenza)	100	100	FC	100	100	FC
Monop'	100	100	FC	100	100	FC
Naturalia France	100	100	FC	100	100	FC
Société Auxiliaire de Manutention Accélérée de Denrées Alimentaires "SAMADA."	100	100	FC	100	100	FC
Société L.R.M.D.	100	100	FC	100	100	FC
Franprix-Leader Price group						
Cofilead	100	100	FC	100	100	FC
DBMH	100	100	FC	100	100	FC
Distribution Franprix	100	100	FC	100	100	FC
Distribution Leader Price	100	100	FC	100	100	FC
Distri Sud-Ouest (DSO)	100	100	FC	100	100	FC
Franprix Holding	100	100	FC	100	100	FC
Franprix – Leader Price	100	100	FC	100	100	FC
Franprix – Leader Price Finance	100	100	FC	100	100	FC
HLP Ouest	70	70	FC	70	70	FC
Holding Spring Expansion	49	100	EM	49	49	EM
Holding Ile de France 2	49	100	EM	49	49	EM
Holdi Mag(7)	49	100	FC	49	49	EM
Holdev Mag	100	100	FC	49	49	EM
Gesdis(7)	40	100	FC	40	40	EM
Leader Price Exploitation	100	100	FC	100	100	FC
NFL Distribution	100	100	FC	100	100	FC
Parfidis	100	100	FC	100	100	FC
Pro Distribution	70	70	FC	70	70	FC
R.L.P. Invest	100	100	FC	100	100	FC
Sarjel	100	100	FC	100	100	FC
Sédifrais	100	100	FC	100	100	FC
Sofigep	100	100	FC	100	100	FC

Company	31 December 2019 % control	31 December 2019 % interest	31 December 2019 Consolidation method	31 December 2018 % control	31 December 2018 % interest	31 December 2018 Consolidation method
Codim group						
Codim 2	100	100	FC	100	100	FC
Hyper Rocade 2	100	100	FC	100	100	FC
Pacam 2	100	100	FC	100	100	FC
Poretta 2	100	100	FC	100	100	FC
Prodis 2	100	100	FC	100	100	FC
Property and Energy						
GreenYellow	73.62	73.62	FC	73.44	73.44	FC
L'immobilière Groupe Casino	100	100	FC	100	100	FC
Sudéco	100	100	FC	100	100	FC
Uranie	100	100	FC	100	100	FC
Mercialys group						
Mercialys (listed company)	**25.24**	**30.57**	**EM**	**25.27**	**39.22**	**EM**
Other businesses						
Banque du Groupe Casino	50	50	EM	50	50	EM
Casino Finance	100	100	FC	100	100	FC
Casino Finance International	100	100	FC	100	100	FC
Casino Restauration	100	100	FC	100	100	FC
Restauration Collective Casino	-	-	-	100	100	FC
MaxIT	100	100	FC	100	100	FC
RelevanC	100	100	FC	100	100	FC
Perspecteev	49	49	EM	21.8	21.8	EM
E-COMMERCE						
Cnova N.V. group (listed company)	**99.46**	**78.91**	**FC**	**99.44**	**76.15**	**FC**
Cdiscount	100	78.98	FC	100	76.22	FC
C-Logistics	100	82.28	FC	100	76.22	FC
INTERNATIONAL – POLAND						
Mayland Real Estate	100	100	FC	100	100	FC
INTERNATIONAL – BRAZIL						
Wilkes	100	100	FC	100	77.65	FC
GPA group (listed company)	**99.94**	**41.26**	**FC**	**99.94**	**33.09**	**FC**
Financeira Itaú CBD SA – Crédito, Financiamento e Investimento (FIC)[1][2]	50	35.76	EM	50	41.92	EM
GPA Malls & Properties Gestão de Ativos e Serviços. Imobiliários Ltda. (GPA M&P)[1]	100	100	FC	100	100	FC
Novasoc Comercial Ltda. (Novasoc)[1]	100	100	FC	100	100	FC
Sendas Distribuidora SA (Sendas)[1]	100	100	FC	100	100	FC
Via Varejo (listed company)[1]	**-**	**-**	**-**	**39.37**	**43.23**	**FC**
Banco Investcred Unibanco SA (BINV)[1][2][3]	-	-	-	50	21.62	EM
Indústria de Móveis Bartira Ltda. (Bartira)[3][5]	-	-	-	100	100	FC
C'nova Comercio Electronico[3][5]	-	-	-	100	100	FC

	31 December 2019			31 December 2018		
Company	% control	% interest	Consolidation method	% control	% interest	Consolidation method
INTERNATIONAL – COLOMBIA, URUGUAY AND ARGENTINA						
Éxito group (listed company)	**96.57**	**39.84**	**FC**	**55.30**	**55.30**	**FC**
Éxito Industrias SAS (formerly Distribuidora de Textiles y Confecciones SA Didetexco)(4)	97.95	97.95	FC	97.95	97.95	FC
Viva Malls Trust(4)(6)	51	51	FC	51	51	FC
Viva Villavincencio Trust(4)	51	26.01	FC	51	26.01	FC
Barranquilla Trust(4)	90	45.90	FC	90	45.9	FC
Logistica y transporte de Servicios SAS(4)	100	100	FC	100	100	FC
Tuya SA(4)	50	50	EM	50	50	EM
Grupo Disco (Uruguay)(4)	75.10	62.49	FC	75.10	62.49	FC
Devoto (Uruguay)(4)	100	100	FC	100	100	FC
Libertad (Argentina)(4)	100	100	FC	100	100	FC
INTERNATIONAL – INDIAN OCEAN						
Vindémia Distribution	100	100	FC	100	99.99	FC
Vindémia Logistique	100	100	FC	100	100	FC
BDM (Mayotte)	100	100	FC	71.44	71.44	FC
SOMAGS (Mauritius)	100	100	FC	100	100	FC
FRENCH AND INTERNATIONAL HOLDING COMPANIES						
Bergsaar BV	100	100	FC	100	100	FC
Forézienne de Participations	100	100	FC	100	100	FC
Géant Foncière BV	100	100	FC	100	100	FC
Géant Holding BV	100	100	FC	100	100	FC
Géant International BV	100	100	FC	100	100	FC
Gelase	100	39.84	FC	100	55.30	FC
Helicco	100	100	FC	100	100	FC
Intexa (listed company)	**98.91**	**97.91**	**FC**	**98.91**	**97.91**	**FC**
Marushka Holding BV	100	100	FC	100	100	FC
Quatrim	100	100	FC	-	-	-
Ségisor SA	100	100	FC	100	77.65	FC
Tévir SA	100	100	FC	100	100	FC
Tonquin BV	100	100	FC	100	100	FC

(1) The percentage interests correspond to the percentages held by the GPA sub-group. As regards Via Varejo, GPA held 39.37% of the voting rights and 43.23% of the shares, including 3.86% through a total return swap (TRS) at 31 December 2018. At 31 December 2019, the Group no longer held any shares in Via Varejo further to the sale on 14 June 2019 (Note 2).

(2) FIC and BINV finance purchases made by GPA's customers. These entities were created through a partnership between Banco Itaú Unibanco SA ("Itaú Unibanco"), GPA, and Via Varejo. They are accounted for by the equity method as GPA exercises significant influence over their operating and financial policies. At 31 December 2018, Via Varejo's 14.24% share of FIC's net assets was classified as held for sale in accordance with IFRS 5. BINV is a Via Varejo joint venture and was classified in full as held for sale at 31 December 2018.

(3) The percentage interests correspond to the percentages held by the Via Varejo sub-group.

(4) The percentage interests correspond to the percentages held by the Éxito sub-group. On 27 April 2015, Éxito signed a contractual agreement, initially with a two-year term, granting it more than 75% of the Disco voting rights and exclusive control over the sub-group's strategic decisions. On 29 December 2016, the agreement was extended until 30 June 2019 and was rolled over automatically until 30 June 2021.

(5) Via Varejo's main subsidiaries and joint ventures are Cnova Comercio Electronico, BINV and Bartira. The entire sub-group was classified as held for sale in accordance with IFRS 5 at 31 December 2018.

(6) The trust's governance is specified in the agreement between the parties. Éxito is the majority partner and FIC has rights with respect to certain Viva Malls business decisions concerning such matters as acquisitions and disposals in excess of a certain amount or the method of setting budgets and business plan targets. The agreement also states that Éxito is the sole provider of property management, administrative and marketing services for Viva Malls and that it is paid an arm's length fee for these services. A review of the substance of FIC's rights under the agreement confirms that their effect is solely to protect FIC's investment and that, consequently, Viva Malls is controlled by Éxito.

(7) As of 31 December 2019, the Group held potential rights conferring it control.

Note 18 Standards, amendments and interpretations published but not yet mandatory

STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AT THE REPORTING DATE BUT NOT YET MANDATORY

The IASB has published the following standards, amendments to existing standards and interpretations, adopted by the European Union but not mandatory at 1 January 2019.

■ Amendments to IAS 1 and IAS 8 – *Definition of Material*

These amendments are applicable as from 1 January 2020 on a prospective basis.

They amend and expand the definition of materiality in IAS 1 and IAS 8.

They also align the definition of materiality with the wording of the *IFRS Conceptual Framework*.

■ Amendments to References to the Conceptual Framework in IFRS Standards

These amendments are applicable as from 1 January 2020 on a prospective basis.

These amendments are designed to replace existing references to previous frameworks in various standards and interpretations, with references to the revised Conceptual Framework. The main standards and interpretations concerned are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32.

STANDARDS AND INTERPRETATIONS NOT ADOPTED BY THE EUROPEAN UNION AT THE REPORTING DATE

The IASB has published the following standards, amendments to standards and interpretations applicable to the Group which have not yet been adopted by the European Union:

Standard (application date for the Group subject to adoption by the EU)	Description of the standard
Amendments to IFRS 3 *Definition of a Business* (1 January 2020)	These amendments will be applicable on a prospective basis. They clarify the definition of a business and the application guidance for the assessment of whether an acquired set of activities and assets is a group of assets rather than a business. Under the amended definition, to be considered a business, the integrated set of activities and assets must create output in the form of goods and services delivered to customers, rather than being conducted and managed for the purpose of providing a return to investors or other owners, members or participants. In addition, an optional concentration test has been introduced to simplify the assessment of whether an integrated set of activities and assets is a group of assets and not a business.

These interpretations and amendments are not expected to have any material impact on the Group's consolidated financial statements.

2.8. PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

DETAILED SUMMARY OF NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

2.8.1. Statutory Auditors' report on the financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2019

To the General Meeting of Shareholders of Casino, Guichard-Perrachon,

OPINION

In compliance with the engagement entrusted to us by the general meeting of shareholders, we have audited the accompanying financial statements of Casino, Guichard-Perrachon for the year ended 31 December 2019. These financial statements were approved by the Board of Directors on 25 March 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

■ Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments in subsidiaries and associates

Risk identified	Our response
See Note "Accounting policies" and Note 6 "Long-term investments" to the financial statements	
As at 31 December 2019, the net carrying amount of investments in subsidiaries and associates, including merger losses recognised under "Other long-term investments" and allocated to equity investments, is recorded on the balance sheet of Casino, Guichard-Perrachon for a total amount of €16,792 million, i.e., approximately 82% of total assets. This amount includes the shares of Distribution Casino France for €4,809 million. Investments in subsidiaries and associates are impaired when their value in use, estimated in accordance with the methods described under "Long-term investments" in the "Accounting policies" note and in Note 6 "Long-term investments" to the financial statements, is lower than their carrying amount. We considered that the valuation of investments in subsidiaries and associates constitutes a key audit matter due to the materiality of these assets in the balance sheet of Casino, Guichard-Perrachon, Management's use of estimates and assumptions on which the determination of value in use is based, and the sensitivity of the valuation to certain assumptions.	We assessed the compliance of the methodology implemented by Management with the accounting standards in force. We also examined the estimates used by Management for the determination of the values in use. To do so, we analysed in particular, on a case-by-case basis: ▪ The documentation used to determine the value in use of the shares; ▪ The methods used to determine the estimated sale price when a subsidiary is being sold; ▪ The assumptions underlying the value in use when it is determined based on discounted future cash flows, in particular: - the consistency of cash flow projections with the medium-term budgets and business plans prepared by Management. We also assessed these projections based on the historical performance of the entity or subgroup concerned and the economic context in which the company or subgroup operates, - the methods and parameters used to determine the discount rates applied to estimated cash flows. With the assistance of our valuation specialists included in our audit team, we recalculated these discount rates, and compared them with the amounts used by leading financial analysts and with our internal databases, ▪ The sensitivity scenarios used by Management. Finally, we verified the arithmetical accuracy of the valuations produced by Management and assessed the appropriateness of the information disclosed in the notes to the financial statements.

Compliance with bank covenants

Risk identified	Our response
See Note 1 "Significant events" and Note 13 "Loans and financial liabilities" to the financial statements	
Certain loan and credit line agreements, as stated in Note 13 "Loans and financial liabilities" to the financial statements, provide for the obligation for the Group to comply with bank ratios in respect of the bank covenants as at 31 December 2019. In addition, during the fourth quarter of 2019, the Group finalised its refinancing plan, resulting in the raising of secured funding in the amount of €1.8 billion maturing in January 2024, including €1.0 billion raised by Casino, Guichard-Perrachon, and the extension of confirmed credit lines in France for €2 billion as a new confirmed revolving credit facility maturing in October 2023, the latter being subject to bank covenants applicable as from 31 March 2020. Any non-compliance with the bank covenants is liable to result in all or part of the debts concerned being immediately payable. We considered compliance with the bank covenants to be a key audit matter, as any failure to comply with these ratios could have impacts on the availability of the group's confirmed credit lines as described in the notes to the financial statements, the presentation of financial liabilities as current / non-current in the financial statements and, if relevant, the continuation of the company as a going concern.	Within the scope of our audit: ▪ We analysed the Group's bond and bank documentation, including in particular the covenants, in order to understand the definition of the ratios; ▪ We gained an understanding of the internal control procedures relating to the monitoring of the Group's liquidity and net financial debt, including the processes for (i) establishing cash flow forecasts, (ii) monitoring net financial debt and (iii) calculating the ratios and complying with the bank covenants; ▪ We verified the arithmetical accuracy of the calculation of the ratios produced by Management as at 31 December 2019. Finally, we assessed the appropriateness of the information disclosed in the notes to the financial statements, notably the information concerning compliance with the covenants relating to the financing concerned.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report, as approved on 25 March 2020, and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

Regarding any events that occurred and facts that became known after the date of the approval of the management report, relating to the effects of the Covid-19 crisis, Management has informed us that such events and facts will be communicated to the general meeting of shareholders called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-4 of the French Commercial Code (*Code de commerce*).

Corporate Governance Report

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by, or allocated to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Casino, Guichard-Perrachon by the general meeting of shareholders held on 29 April 2010.

As at 31 December 2019, our audit firms were both in their 10th year of uninterrupted engagement. Previously, ERNST & YOUNG Audit had been Statutory Auditor since 1978.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 27 April 2020

The Statutory Auditors

French original signed by:

ERNST & YOUNG et Autres		DELOITTE & ASSOCIÉS	
Yvon Salaün	Alexis Hurtrel	Frédéric Moulin	Patrice Choquet

2.8.2. Parent company financial statements

INCOME STATEMENT

(€ millions)	Notes	2019	2018
Operating income	1	192.1	174.3
Operating expenses	1	(188.3)	(178.4)
Operating profit (loss)		**3.8**	**(4.1)**
Net financial income (expense)	2	(465.3)	86.8
Recurring profit (loss) before tax		**(461.5)**	**82.7**
Net non-recurring income (expense)	3	(214.8)	1,050.6
Income tax benefit	4	355.1	404.7
NET PROFIT (LOSS)		**(321.2)**	**1,538.0**

STATEMENT OF FINANCIAL POSITION

Assets

(€ millions)	Notes	31 December 2019	31 December 2018
NON-CURRENT ASSETS			
Intangible assets		9.0	8.4
Amortisation and impairment		(3.2)	(2.9)
	5	**5.8**	**5.5**
Property and equipment		47.3	46.9
Depreciation and impairment		(28.8)	(25.1)
	5	**18.5**	**21.8**
Long-term investments[(a)]		20,653.4	18,499.7
Impairment		(2,824.5)	(1,022.2)
	6	**17,828.9**	**17,477.5**
Total non-current assets		**17,853.2**	**17,504.9**
CURRENT ASSETS			
Trade and other receivables	7	2,326.7	1,415.3
Marketable securities	8	28.1	33.1
Cash	8	193.7	1.4
Total current assets		**2,548.5**	**1,449.8**
Prepayments and other assets[(b)]	**9**	**56.2**	**72.5**
TOTAL ASSETS		**20,457.9**	**19,027.2**
(a) o/w loans due within one year		*45.7*	*6.7*
(b) o/w due in more than one year		*39.4*	*52.0*

Equity and liabilities

(€ millions)	Notes	31 December 2019	31 December 2018
Equity	**10**	**8,489.7**	**9,019.9**
Quasi-equity	**11**	**1,350.0**	**1,350.0**
Provisions	**12**	**245.1**	**318.7**
Loans and other borrowings	13	5,177.1	5,764.2
Trade payables		51.9	31.5
Tax and employee benefits payable		97.7	85.5
Casino Finance current account	13	4,945.8	2,170.9
Other liabilities	14	92.1	272.8
TOTAL LIABILITIES[(A)]		**10,364.6**	**8,324.9**
Deferred income and other liabilities[(a)]	**15**	**8.5**	**13.7**
TOTAL EQUITY AND LIABILITIES		**20,457.9**	**19,027.2**
(a) o/w: due within one year		*5,746.5*	*3,667.4*
due in one to five years		*3,674.1*	*2,818.6*
due in more than five years		*952.5*	*1,852.6*

STATEMENT OF CASH FLOWS

(€ millions)	**2019**	2018
Net profit (loss)	(321.2)	1,538.0
Elimination of non-cash items		
▪ Depreciation, amortisation and provisions (other than on current assets)	1,732.8	231.9
▪ (Gains) losses on disposals of non-current assets	-	(1,173.2)
▪ Other non-cash items	(20.5)	13.5
Cash from operating activities before change in working capital	**1,391.1**	**610.2**
Change in working capital – operating activities	(1,064.2)	(373.0)
Net cash from operating activities	**326.9**	**237.2**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of non-current assets	(1,251.5)	(75.1)
Proceeds from disposals of non-current assets	-	0.1
Proceeds from capital reductions by subsidiaries	45.6	200.0
Change in loans and advances granted	(948.8)	461.3
Net cash from (used in) investing activities	**(2,154.7)**	**586.3**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to shareholders	(169.4)	(338.0)
Share buybacks	(39.8)	(54.7)
Proceeds from new borrowings	1,000.8	201.0
Repayments of borrowings	(1,458.8)	(659.8)
Net cash used in financing activities	**(667.2)**	**(851.5)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(2,495.0)**	**(28.0)**
Cash and cash equivalents at beginning of year	**(2,359.4)**	**(2,331.4)**
Cash and cash equivalents at end of year	**(4,854.4)**	**(2,359.4)**
o/w:		
Casino Finance current account	(4,945.8)	(2,170.9)
Cash and cash equivalents	221.8	34.4
Bank overdrafts	(130.4)	(222.9)

Change in working capital

(€ millions)	**2019**	2018
Trade payables	20.4	(6.9)
Trade receivables	0.6	1.7
Current accounts	(103.3)	(55.5)
Other operating payables	40.7	51.8
Other operating receivables	(1,022.4)	(364.1)
CHANGE IN WORKING CAPITAL	**(1,064.2)**	**(373.0)**

Notes to the financial statements

Casino, Guichard-Perrachon is a French *société anonyme*, listed in compartment A of Euronext Paris. The Company will hereinafter be referred to as "Casino" or "the Company". The Company's registered office is at 1, cours Antoine Guichard, 42008 Saint-Étienne, France.

1. SIGNIFICANT EVENTS OF THE YEAR

Disposal plan of non-strategic assets

The €1.5 billion asset disposal plan announced in June 2018 was increased to €2.5 billion in March 2019. In August 2019, the Board of Directors validated additional asset disposal decisions for a target amount of €2 billion, bringing the asset disposal plan to €4.5 billion to be completed by the end of first-quarter 2021.

Rating downgrades

On 2 April 2019, Moody's announced that it was downgrading Casino's rating from Ba1/negative outlook to Ba3/negative outlook.

On 20 April 2019, Standard & Poor's announced that it was downgrading Casino's rating from BB/negative outlook to BB-/negative outlook.

These rating downgrades had no impact on the cost or availability of the Group's financial resources.

Initiation of safeguard proceedings concerning Casino Group's lead shareholders Rallye and Foncière Euris, Finatis and Euris

On 23 May 2019, Casino Group's lead shareholder Rallye and its parent companies announced that they had each requested and obtained the initiation of safeguard proceedings (*procédure de sauvegarde*) for a six-month period which may be extended by 6-12 months by decision of the relevant commercial court. The safeguard proceedings were initiated after the court acknowledged the financial difficulties experienced by the holding companies. They have the effect of freezing these companies' financial liabilities.

Each proceeding only concerns the entity for which it was initiated and none of them applies to either Casino, Guichard-Perrachon or its subsidiaries. Casino Group therefore continues to operate in the normal course of business and remains focused on executing the strategic plan announced to the market in June 2018, including the €4.5 billion disposal plan of non-strategic assets, a sharp reduction in the Group's debt in France and the achievement of the business objectives communicated to the market.

The initiation of safeguard proceedings for Rallye has had notably two impacts at the level of Casino, Guichard-Perrachon:

- rating downgrades by Standard & Poor's and Moody's. On 28 May 2019, Standard & Poor's downgraded the Group's credit rating to B/negative watch (from BB/negative outlook). On 31 May 2019, Moody's downgraded Casino's credit rating to B1/negative outlook (from Ba3/negative outlook);
- a reduction in the outstanding amount under the Negotiable European commercial paper ("NEU CP") programme.

On 25 November 2019, Rallye, Foncière Euris, Finatis and Euris announced that the safeguard period was to be extended for a further six months with the aim of obtaining court approval for their plans by the end of first-quarter 2020 at the latest.

On 2 March 2020, Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol, and for their parent companies, Foncière Euris, Finatis and Euris (see "Subsequent events").

Agreement for the sale of the subsidiary Vindémia

On 22 July 2019, Casino Group and GBH announced the signing of a unilateral purchase agreement with a view to the sale of Vindémia, a leading retailer in the Indian Ocean region, for an enterprise value of €219 million. The disposal is subject to clearance from the competition authorities. A provision for impairment of shares was recognised to reduce the carrying amount of the shares to the expected selling price (see Note 2).

Simplified structure of Casino Group in Latin America

On 26 June 2019, the Board of Directors of GPA, a subsidiary of Casino Group in Brazil, approved the formation of an *ad hoc* committee of independent directors to study a project that would simplify Casino Group's structure in Latin America.

On 12 September 2019, Casino announced that it had obtained the necessary authorisations to implement the planned simplification.

Accordingly, Casino announced the signing of:

- an agreement with GPA under which (i) GPA launched a cash-only tender offer on 100% of Éxito's share capital for COP 18,000 per share through a wholly-owned subsidiary, and (ii) Casino would tender its entire stake (55.3%);
- a share purchase agreement with Éxito for the acquisition by Casino of the shares held by Éxito in Ségisor (which itself directly and indirectly held 99.9% of the voting rights and 37.3% of the economic rights of GPA) for an amount of €1,055 million.

Further to implementation of the project, Casino Group holds 41% of GPA, which itself controls Éxito and its subsidiaries in Uruguay and Argentina.

Vesa Equity Investment acquires a stake in Casino

On 4 September 2019, Casino, Guichard-Perrachon and Vesa Equity Investment announced that Vesa Equity Investment held 5,020,139 Casino, Guichard-Perrachon shares, or 4.63% of the share capital.

On 20 January 2020, Vesa Equity Investment crossed the 5% threshold of Casino, Guichard-Perrachon's share capital (see Subsequent events).

Group refinancing plan

On 22 October 2019, Casino Group announced a plan to strengthen its liquidity and financial structure.

New loans were arranged for a total amount of €1,800 million, both maturing in January 2024:

- for Casino, Guichard-Perrachon: Term Loan B, for an amount of €1,000 million, paying interest at Euribor +5.5%;
- for Quatrim (indirectly wholly-owned by Casino, Guichard-Perrachon): a secured high-yield bond for an amount of €800 million paying an annual coupon of 5.875%.

Under the terms of the transaction, the Group pledged its principal assets:

- for Term Loan B, Casino has granted security rights over shares, the principal bank accounts and intragroup receivables of its main operating subsidiaries in France, of Casino Finance and the holding companies in France owning shares in the Group's Latin American operations;
- the high-yield bond issue by Quatrim is secured by shares in L'Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets in France.

The proceeds of the refinancing transactions were used as follows:

- to repay the bank credit facilities active at the time of the transaction;
- to finance the buyback of bond tranches maturing in March 2020, May 2021 and June 2022 for €239 million, €253 million and €292 million respectively, bringing their nominal amounts to €257 million, €597 million and €452 million. Taking into account the price of the buyback and accrued interest, the total amount disbursed by Casino came to €806 million;
- the repayment of a portion of the Ségisor loan with CA-CIB, for €198 million.
- the payment of commissions and fees in connection with the transaction.

The residual amount of €192.7 million was deposited in an escrow account and will contribute to redeeming the bond debt falling due in March 2020.

On 19 November 2019, Casino announced that it had signed a new €2 billion syndicated revolving credit facility maturing in October 2023, or in October 2022 if the bond tranche maturing in 2023 has not been refinanced at that date. The syndicate comprised 21 French and international banks, and the credit facility can be used by Casino, Guichard-Perrachon, Casino Finance and Monoprix. It includes similar change of control clauses to the previous financing documentation.

The credit facility contains two covenants that will be tested on a quarterly basis from 31 March 2020, based on consolidated indicators from the France Retail and E-commerce segments (see Note 13).

The €2.25 billion existing Casino and Monoprix credit facilities maturing in 2021 and 2022 have been reduced in line with the amounts extended in the new syndicated credit facility.

The existing bilateral credit lines have been repaid in full and terminated.

On 22 October 2019, Standard & Poor's decided to downgrade Casino's rating for the bonds issued under its EMTN programme from BB- to B/negative outlook. Standard & Poor's also decided to downgrade Casino's rating for deeply-subordinated perpetual bonds (TSSDI) from B- to CCC, and to assign a B+/negative outlook to the secured high-yield bond issue and Term Loan B.

On 23 October 2019, Moody's decided to downgrade its rating for Casino, Guichard-Perrachon from B1/negative outlook to B2/negative outlook, and to downgrade its ratings for the bonds issued under its EMTN programme from B1/negative outlook to B3/negative outlook and for its deeply-subordinated perpetual bonds (TSSDI) from B3 to Caa1/negative outlook.

2. SIGNIFICANT ACCOUNTING POLICIES

General information

The parent company financial statements have been prepared in accordance with regulation no. 2014-03 issued by the French accounting standards setter (*Autorité des normes comptables* – ANC) on French generally accepted accounting principles, updated by regulation no. 2018-01 of 20 April 2018.

The accounting policies applied are consistent with those used for the previous year.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities and income and expenses, as well as the disclosures made in certain notes to the financial statements.

Due to the inherent uncertainty of assumptions, actual results may differ from the estimates. Estimates and assessments are reviewed at regular intervals and adjusted where necessary to take into account past experience and any relevant economic factors.

The judgements, estimates and assumptions are based on the information available when the financial statements are drawn up and mainly concern the measurement of investments in subsidiaries and associates (Note 6).

Intangible assets

Intangible assets are measured at cost or transfer value and primarily correspond to goodwill and software.

Where appropriate, an impairment loss is recognised to bring the carrying amount down to fair value, determined mainly on the basis of profitability criteria.

Software is amortised over a period of three years.

Property and equipment

Property and equipment are recognised at their cost or transfer value in the statement of financial position.

Depreciation is calculated using the straight-line or reducing-balance method, depending on the asset's specific characteristics. Differences between straight-line depreciation and reducing-balance depreciation charged for tax purposes are recorded in provisions for accelerated depreciation.

The main depreciation periods (useful lives) are as follows:

Asset category	Depreciation period
Buildings	50 years
Fixtures, fittings and refurbishments	5 to 25 years
Machinery and equipment	5 to 10 years

The depreciable amount is the cost of property and equipment less residual value (nil).

Property and equipment acquired through mergers or asset transfers are depreciated over the period remaining following the depreciation applied by the company that originally held the assets concerned.

Long-term investments

Investments in subsidiaries and associates are recognised at their cost or transfer value.

They are tested for impairment at each period end, to verify that their carrying amount is not greater than their value in use.

Value in use is estimated based on several criteria including the investee's equity and its adjusted net asset value as estimated by the discounted cash flows method or based on observable inputs, when available (share price, expected sale price in the case of subsidiaries held for sale), or based on analyses performed by internal or external experts. Further information is provided in Note 6 "Long-term investments".

If an investment's value in use is less than its carrying amount, an impairment loss is recognised for the difference (with the exception of treasury shares recorded under long-term investments and held for cancellation).

Additions to and reversals of impairment of investments in subsidiaries and associates are recognised in financial income and expense. Exceptionally, where impaired investments are sold during the period, any reversals of impairment on those shares are recognised in non-recurring items in order to present the disposal gain or loss net of reversals.

A similar method of determining fair value is also used where appropriate for other long-term investments.

Investment acquisition costs are capitalised and amortised for tax purposes over five years using the accelerated method.

Company accounting policy consists of recognising technical deficits arising from merger transactions on a line-by-line basis in non-current assets. In practice, all such deficits are recognised in long-term investments due to the Company's activity as a holding company.

Marketable securities

Marketable securities are recognised at cost in the statement of financial position.

Where appropriate, an impairment loss is recorded when probable realisable value is lower than cost.

In the case of treasury shares, when the average share price for the last month of the year falls below the carrying amount, an impairment loss is recognised for the difference.

Impairment losses on other categories of investment securities are determined by comparing cost and the average share price of the investee for the last month of the year.

Receivables

Receivables are stated at nominal value. Provisions are booked to cover any default risks.

Foreign currency translation adjustments

Liabilities and receivables denominated in foreign currencies are translated into euros at the closing rate. Gains or losses arising on translation are recorded in the statement of financial position as "unrealised foreign currency exchange gains" or "unrealised foreign currency exchange losses", respectively. A provision is recorded for unrealised foreign currency exchange losses.

Provisions

The Company records a provision when it has an obligation toward a third party, the amount of the obligation can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The Company grants its managers and other employees retirement bonuses determined on the basis of their length of service.

The projected benefit obligation representing the full amount of the employee's vested entitlements is recognised as a provision in the statement of financial position. The amount of the provision is determined using the projected unit credit method taking into account social security contributions.

Actuarial gains and losses on retirement benefit obligations are recognised in the income statement using the corridor method. Under this method, the portion of the net cumulative actuarial gain or loss that exceeds 10% of the greater of the defined benefit obligation and the fair value of the plan assets is recognised in earnings over the expected average remaining working lives of the employees participating in the defined benefit plan.

The Company has also set up stock option and share grant plans for executives and employees.

A liability is recognised when it is probable that the Company will grant existing shares to plan beneficiaries based on the probable outflow of resources. The outflow of resources is measured on the basis of the probable cost of purchasing the shares if they are not already held by the Company or their "entry cost" on the date of their allocation to the plan. If the stock options or share grants are contingent upon the employee's presence in the Company for a specific period, the liability is deferred over the vesting period.

No liability is recognised for plans settled in new shares.

No provision is recognised if the Company has not yet decided at the reporting date whether to settle the plans in new or existing shares.

Other provisions concern specifically identified liabilities and expenses.

Financial instruments

The Company may use various financial instruments to manage its exposure to currency and interest rate risks. In such cases, the nominal amounts of forward contracts entered into by the Company are included in off-balance sheet commitments and gains and losses arising on interest rate hedges are recognised in the income statement on a proportional basis over the term of the hedge.

The Company may also use derivative instruments to cover the shares of its subsidiaries. A provision is recognised when the fair value of these derivatives is negative.

Recurring profit (loss)

Recurring profit (loss) includes all income and expenses relating to the Company's ordinary activities.

Net non-recurring income (expense)

Non-recurring income (expense) results from events or transactions that do not correspond to Casino, Guichard-Perrachon's ordinary activities as a holding company in view of their nature, frequency or materiality.

Income tax

Casino, Guichard-Perrachon, is the head of a tax group that includes the majority of its subsidiaries. At 31 December 2019, the tax group consisted of 630 companies. Each company in the tax group accounts for taxes as if it were taxed on a stand-alone basis. The tax benefit that results from deducting the tax losses of Casino, Guichard-Perrachon and other members of the tax group from the tax group's taxable profit is recorded in the accounts of Casino, Guichard-Perrachon.

2.8.3. Notes to the financial statements

Note 1 Operating profit (loss)

BREAKDOWN

(€ millions)	2019	2018
Revenue from services (excluding taxes)	166.2	168.0
Other income	25.9	2.5
Reversals of provisions and impairment losses	-	3.8
Operating income	**192.1**	**174.3**
Other purchases and external expenses	(166.4)	(149.4)
Taxes and duties	(3.2)	(3.5)
Employee benefits expense	(12.2)	(18.2)
Depreciation, amortisation, impairment and provisions:		
▪ non-current assets	(3.9)	(4.0)
▪ liabilities and expenses	(1.8)	(2.1)
Other expenses	(0.8)	(1.2)
Operating expenses	**(188.3)**	**(178.4)**
OPERATING PROFIT (LOSS)	**3.8**	**(4.1)**

Other income mainly includes bank fees incurred in connection with the Group's refinancing transaction (see Significant events of the year) rebilled to subsidiaries Casino Finance and Monoprix and initially recognised in "Other purchases and external expenses".

REVENUE FROM SERVICES (EXCLUDING TAXES)

(€ millions)	2019	2018
Seconded employees	6.0	7.5
Banner royalties	41.9	45.2
Other services	118.3	115.3
REVENUE FROM SERVICES (EXCLUDING TAXES)	**166.2**	**168.0**

As Casino Group's parent and holding company, Casino, Guichard-Perrachon's revenue mainly corresponds to royalties received from subsidiaries for the use of trademarks and brands owned by the Company, as well as services billed to subsidiaries.

In 2019, Casino, Guichard-Perrachon generated 87% of its net revenue with companies based in France, versus 89% in 2018.

AVERAGE NUMBER OF EMPLOYEES

(Number of employees)	2019	2018
Managers	11	12
Supervisors	-	-
Other employees	1	1
TOTAL	**12**	**13**

Note 2 Net financial income (expense)

(€ millions)	**2019**	2018
Income from investments in subsidiaries and associates:		
▪ Monoprix	-	79.5
▪ Casino Participations France	225.0	280.0
▪ Tévir	1,245.0	200.0
▪ Other	11.3	8.6
Total	**1,481.3**	**568.1**
Other investment income	7.3	3.4
Other financial income(1)	23.8	23.7
Reversals of provisions and impairment losses(2)	32.2	54.6
Net gains on disposals of marketable securities(3)	2.3	11.6
Financial income	**1,546.9**	**661.4**
Financial expenses:		
▪ Interest on bonds	(213.2)	(250.6)
▪ Interest on perpetual deeply-subordinated bonds	(39.2)	(48.3)
▪ Interest on Term Loan B	(6.7)	-
▪ Other financial expenses(1)	(55.3)	(29.0)
▪ Amortisation and impairment(2)	(1,695.3)	(228.6)
▪ Net losses on disposals of marketable securities(3)	(2.4)	(18.1)
Financial expenses	**(2,012.2)**	**(574.6)**
NET FINANCIAL INCOME (EXPENSE)	**(465.3)**	**86.8**

(1) Other financial income and other financial expenses mainly include interest income and expenses on current accounts, income and expenses on bond exchanges, exchange gains and losses as well as disposal losses on shares sold in connection with the Mercialys total return swap (TRS) for €25.1 million in 2019 versus €1.4 million in 2018.

(2) The main movements in provisions and impairments in 2019 were as follows:
- *amortisation of bond redemption premiums for €24.6 million;*
- *impairment losses on investments in subsidiaries and associates in an amount of €1,669.5 million, including Distribution Casino France (€1,578.3 million) and Vindémia (€84.4 million);*
- *reversal of the provision for losses on the total return swap (TRS) on GPA shares for €3.0 million;*
- *reversal of the provision for losses on the total return swap (TRS) on Mercialys shares for €28.9 million.*

The main movements in provisions and impairments in 2018 were as follows:
- *amortisation of bond redemption premiums for €18.4 million;*
- *impairment losses on investments in subsidiaries and associates in an amount of €163.5 million, including Vindémia Group (€132.7 million) and Casino Restauration (€30.5 million);*
- *provision for losses on the total return swap (TRS) on GPA shares for €2.0 million;*
- *additions to the provision for losses on the total return swap (TRS) on Mercialys shares for €44.0 million;*
- *reversals of impairment losses on investments in subsidiaries and associates in an amount of €53.6 million, including Distribution Casino France (€35.9 million) and Banque du Groupe Casino (€17.6 million).*

(3) Sales of treasury shares resulted in a loss of €0.1 million in 2019 versus a loss of €6.5 million in 2018.

Note 3 Net non-recurring income (expense)

(€ millions)	2019	2018
Gains (losses) on disposals of property and equipment and intangible assets	-	-
Gains (losses) on disposals of investments in subsidiaries and associates[1]	-	1,173.3
(Gains) losses on disposals of assets	**-**	**1,173.3**
Additions to provisions	(134.2)	(78.5)
Reversals of provisions[1]	45.5	4.5
Other non-recurring expenses	(142.0)	(56.3)
Other non-recurring income	15.9	7.6
NET NON-RECURRING INCOME (EXPENSE)	**(214.8)**	**1,050.6**

(1) On disposal of investments in subsidiaries and associates, any reversals of provisions are presented under "Gains (losses) on disposals of investments in subsidiaries and associates".

In 2019, non-recurring income (expense) mainly comprised:

- the provision for losses corresponding to the adjusted negative net worth of Casino Restauration for €90.5 million;
- costs relating to litigation and measures to defend the Group's interests for €30.9 million;
- expenses relating to the Company's refinancing for €54.6 million (see Significant events of the year);
- restructuring costs totalling €7.9 million;
- expenses relating to changes in the scope of consolidation for €24.6 million, mainly corresponding to expenses incurred in simplifying the Group's structure in Latin America (see Significant events of the year).

In 2018, non-recurring income (expense) mainly comprised:

- the €1,173.3 million gain on the transfer of Géant Holding BV securities to Trévir;
- provision for losses corresponding to the adjusted net worth of Casino Restauration for €74.9 million;
- costs relating to litigation and measures to defend the Group's interests for €16.6 million;
- restructuring costs for €11.4 million;
- business acquisition and disposal costs for €9.0 million.

Note 4 Income tax benefit

(€ millions)	2019	2018
Recurring profit (loss)	(461.5)	82.7
Net non-recurring income (expense)	(214.8)	1,050.6
Profit (loss) before tax	**(676.3)**	**1,133.3**
Income tax – Group relief	355.1	404.7
NET PROFIT (LOSS)	**(321.2)**	**1,538.0**

Casino, Guichard-Perrachon is the head of the French tax group.

The income tax benefit recorded by the Company corresponds to the tax saving that results from setting off the tax losses of Casino, Guichard-Perrachon and its loss-making subsidiaries against the taxable profits of the other companies in the tax group.

The tax group reported a taxable profit in 2019. Taking into account the prepayments made during the year and the use of tax credits available to the tax group, the Company had a tax liability of €0.8 million in 2019.

The tax group had €867.6 million of tax loss carryforwards at 31 December 2019.

It also had an unrecognised deferred tax asset of €3.9 million at that date, arising from timing differences between the recognition of certain items of income and expense for tax and financial reporting purposes.

Note 5 Property and equipment and intangible assets

BREAKDOWN

(€ millions)	2019	2018
Goodwill	4.0	4.0
Other intangible assets	5.0	4.4
Amortisation and impairment	(3.2)	(2.9)
Intangible assets	**5.8**	**5.5**
Land and land improvements	0.2	0.2
Depreciation	(0.1)	(0.1)
	0.1	**0.1**
Buildings, fixtures and fittings	2.9	2.9
Depreciation	(2.0)	(1.9)
	0.9	**1.0**
Other property and equipment	44.1	43.8
Depreciation	(26.6)	(23.1)
	17.5	**20.7**
Property and equipment	**18.5**	**21.8**
TOTAL PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS, NET	**24.3**	**27.3**

MOVEMENTS FOR THE YEAR

(€ millions)	Cost	Depreciation, amortisation and impairment	Net
At 1 January 2018	**54.2**	**(24.0)**	**30.2**
Increases	1.2	(4.0)	(2.8)
Decreases	(0.1)	-	(0.1)
At 31 December 2018	**55.3**	**(28.0)**	**27.3**
Increases	0.9	(3.9)	(3.0)
Decreases	-		
AT 31 DECEMBER 2019	**56.2**	**(31.9)**	**24.3**

Note 6 Long-term investments

BREAKDOWN

(€ millions)	**2019**	2018
Investments in subsidiaries and associates	19,585.7	18,428.7
Impairment(1)	(2,805.9)	(1,004.1)
	16,779.8	**17,424.6**
Loans	989.7	41.0
Impairment	-	-
	989.7	**41.0**
Other long-term investments	78.0	30.0
Impairment	(18.6)	(18.1)
	59.4	**11.9**
LONG-TERM INVESTMENTS	**17,828.9**	**17,477.5**

(1) In accordance with the accounting policies described in the introductory section of the notes to the financial statements, the Company estimated the value in use of its long-term investments at 31 December 2019. The estimates took into account the organisation of direct control over the various operating subsidiaries or indirect control through the Casino Participations France (France) and Tévir and Ségisor (international) holding companies. Where the subsidiaries' adjusted net asset value was estimated using the discounted cash flows method, the projected after-tax cash flows were determined using the rates shown below.

ASSUMPTIONS USED IN 2019 FOR INTERNAL CALCULATIONS OF VALUES IN USE

Region	**2019 perpetual growth rate(1)**	**2019 after-tax discount rate(2)**	2018 perpetual growth rate(1)	2018 after-tax discount rate(2)
France (retail)	1.7%	5.6%	1.9%	5.6%
France (other)	1.7% and 2.2%	5.6% and 7.9%	1.9% and 2.4%	5.6% and 7.7%
Argentina	5.0%	21.1%	4.9%	14.4%
Brazil(3)	4.8%	8.4%	5.4%	10.1%
Colombia(3)	3.0%	8.0%	3.0%	9.0%
Uruguay	7.0%	11.9%	6.1%	11.2%

(1) The inflation-adjusted perpetual growth rate ranges from 0% to 1.5% depending on the nature of the CGU's business/banner and country.

(2) The discount rate corresponds to the weighted average cost of capital (WACC) for each country. WACC is calculated at least once a year during the annual impairment testing exercise by taking account of the sector's levered beta, a market risk premium and the Group's cost of debt for France and the local cost of debt for subsidiaries outside France.

(3) At 31 December 2019, the market capitalisation of the listed subsidiaries GPA, Éxito and Cnova was €5,202 million, €1,683 million and €856 million, respectively.

The Company performed impairment tests on each of its investments by comparing their net carrying amount to their value in use. The impairment testing resulted in the recognition of a net impairment charge of €1,802.3 million, recognised in net financial expense for €1,669.5 million and in non-recurring expense for €132.8 million, bringing total impairment to €2,824.5 million at 31 December 2019 (including the technical deficits allocated to investments in subsidiaries and associates).

Changes impacting the calculation inputs, such as (i) a 100-basis point increase in the discount rate, (ii) a 25-basis point decrease in the perpetual growth rate used to calculate terminal value or (iii) a 50-basis point decrease in the EBITDA margin for cash flow projections used to calculate terminal value could lead to the recognition of additional impairment losses on investments in subsidiaries and associates, as follows:

- for the French businesses, additional losses of €1,349 million, €319 million and €733 million as a result of sensitivity to changes in the above three calculation inputs, respectively, mainly impacting Distribution Casino France shares;
- for the International businesses, additional losses of €66 million, €6 million and €41 million as a result of sensitivity to changes in the above three calculation inputs, respectively, mainly impacting Tévir shares.

A list of the Company's subsidiaries and associates is provided at the end of this document.

MOVEMENTS FOR THE YEAR

(€ millions)	Cost	Depreciation, amortisation and impairment	Net
At 1 January 2018	**17,913.6**	**(912.3)**	**17,001.3**
Increases	3,371.1	(163.5)	3,207.6
Decreases	(2,785.0)	53.6	(2,731.4)
At 31 December 2018	**18,499.7**	**(1,022.2)**	**17,477.5**
Increases	2,203.2	(1,802.3)	400.9
Decreases	(49.5)	-	(49.5)
AT 31 DECEMBER 2019	**20,653.4**	**(2,824.5)**	**17,828.9**

The increase in the cost of long-term investments mainly corresponds to:

- the purchase of 50% of the Ségisor shares (French holding company which holds voting shares in its Brazilian subsidiary GPA) from Éxito for €1,054.6 million;
- the take-up of the Banque du Groupe Casino and Casino Restauration rights issues for €12.5 million and €132.8 million, respectively.
- the arrangement of loans with Casino Finance, Monoprix and Distribution Casino France for €413.0 million, €295.0 million and €236.0 million, respectively.

The decrease in the cost of long-term investments mainly corresponds to the Vindémia capital decrease for €45.6 million.

Note 7 Trade and other receivables

(€ millions)	**2019**	2018
Trade receivables	**54.3**	**55.9**
Other operating receivables	13.4	5.0
Other receivables	1,602.5	586.8
Current account advances	658.0	769.1
Provision for impairment of other receivables	(1.5)	(1.5)
	2,272.4	**1,359.4**
TRADE AND OTHER RECEIVABLES	**2,326.7**	**1,415.3**

Other receivables consist mainly of:

- tax credits in respect of corporate patronage for €150.3 million, less the €0.8 million balance of the 3.3% social contribution surtax for 2019 due to the French tax authorities;
- accrued income in an amount of €1,479.4 million, mainly comprising Casino, Guichard-Perrachon's share of the 2019 profits of companies whose articles of association provide for profit to be distributed as of the balance sheet date. These items amounted to €1,470.0 million and concerned Tévir and Casino Participations France for €1,245.0 million and €225.0 million, respectively.

All of the Company's trade and other receivables are due within one year except for tax credits in the amount of €126.7 million.

In 2018, accrued income amounted to €485.6 million and other receivables included tax credits in respect of corporate patronage for €102.3 million.

Note 8 Casino Finance current account and net cash and cash equivalents

(€ millions)	**2019**	2018
Casino Finance current account	**(4,945.8)**	**(2,170.9)**
Treasury shares	28.0	33.1
Mutual fund units (FCP and SICAV)	0.1	-
Marketable securities	**28.1**	**33.1**
Cash	**193.7**	**1.4**
Bank overdrafts	(0.9)	(1.8)
Negotiable European commercial paper(1)	(129.5)	(221.2)
Bank credit facilities	**(130.4)**	**(223.0)**
NET CASH AND CASH EQUIVALENTS	**(4,854.4)**	**(2,359.4)**

*(1) Negotiable paper due within one year. This is the new umbrella name for "*certificats de dépôt*" and "*billets de trésorerie*".*

Wholly-owned subsidiary Casino Finance is the cash pooling entity for the Group's French companies. The current account with respect to this subsidiary pays interest at Eonia plus a spread.

Cash and cash equivalents mainly comprise funds in escrow in connection with the Group refinancing plan for €192.7 million, which will be used to redeem the tranche of bonds due in 2020 (see Significant events of the year).

TREASURY SHARES

	2019	2018
NUMBER OF SHARES HELD		
At 1 January	**961,761**	**106,777**
Shares purchased	1,766,080	5,830,193
Shares sold	(1,898,542)	(4,975,209)
AT 31 DECEMBER	**829,299**	**961,761**
VALUE OF SHARES HELD *(€ MILLIONS)*		
At 1 January	**33.0**	**5.0**
Shares purchased	72.6	215.7
Shares sold	(77.6)	(187.7)
AT 31 DECEMBER	**28.0**	**33.0**
Average purchase price per share *(€)*	33.82	34.37
% of share capital	0.76	0.88
Share in equity *(€ millions)*	64.9	78.9

In February 2005, Casino, Guichard-Perrachon signed a liquidity agreement with Rothschild & Cie Banque.

The agreement authorised Rothschild & Cie Banque to trade in the Company's shares on Euronext Paris on its behalf, in order to ensure a liquid market for the shares and ensure share price stability. The Company allocated 700,000 ordinary shares and the sum of €40.0 million to the liquidity account when it was set up. The Company transferred additional funds to the account on 25 September 2015 (€30 million) and on 28 December 2015 (€50 million). The 700,000 shares were subsequently cancelled by decision of the Board of Directors on 14 June 2016.

In January 2019, the Group signed a new liquidity agreement with Rothschild Martin Maurel, effective 1 January, to take account of the changes in regulations governing such agreements, in accordance with AMF decision 2018-01 dated 2 July 2018. The new agreement, which came into effect on 1 January 2019, replaces the previous one. On the date of signature of the contract in January 2019, €30 million in cash was held in the liquidity account and no shares.

At 31 December 2019, no shares were held in the liquidity account.

At that date, the Company held 829,299 ordinary shares with a par value of €1.53 each.

Their quoted market value at 31 December 2019 was €34.6 million. Based on the share price at that date, no impairment was deemed necessary.

Note 9 Prepayments and other assets

(€ millions)	2019	2018
Bond issue premium	54.8	69.4
Prepaid expenses	1.2	2.8
Unrealised exchange losses	0.2	0.3
PREPAYMENTS AND OTHER ASSETS	**56.2**	**72.5**

Bond issue premiums are amortised on a straight-line basis over the life of the bonds.

The change in this item in 2019 reflects (i) a €10.0 million increase in connection with Term Loan B (see "Significant events of the year") and (ii) the amortisation charge for the year for €24.6 million.

Note 10 Equity

CHANGES IN EQUITY, BEFORE AND AFTER ALLOCATION OF NET PROFIT

(€ millions)	2019	2018
Share capital	165.9	167.9
Additional paid-in capital	3,847.0	3,884.8
Legal reserve:		
▪ before allocation of net profit	17.3	17.3
▪ after allocation of net profit(1)	17.3	17.3
Available reserve	207.5	207.5
Long-term capital gains reserve	56.4	56.4
Retained earnings:		
▪ before allocation of net profit	4,510.4	3,311.4
▪ after allocation of net profit(1)	4,189.2	4,507.1
Profit for the year:		
▪ before allocation of net profit	(321.2)	1,538.0
▪ after allocation of net profit(1)	-	-
Interim dividend:		
▪ before allocation of net profit	-	(169.7)
▪ after allocation of net profit(1)	-	-
Regulated provisions	6.4	6.3
EQUITY		
before allocation of net profit	**8,489.7**	**9,019.9**
after allocation of net profit(1)	**8,489.7**	**8,847.2**

(1) For 2019, subject to approval by the Annual General Meeting.

CHANGES IN EQUITY

(€ millions)	2019	2018
At 1 January	**9,019.9**	**7,874.4**
Profit for the year	(321.2)	1,538.0
Dividend payout for the prior year	(169.4)	(168.2)
Interim dividend	-	(169.7)
Capital reduction(1)	(2.0)	(1.9)
Decrease in additional paid-in capital(1)	(37.8)	(52.8)
Other movements	0.1	0.2
AT 31 DECEMBER	**8,489.7**	**9,019.9**

(1) The decrease in equity was mainly due to the cancellation of 1,303,186 shares by the Board of Directors on 13 June 2019, representing a total of €39.8 million, of which €2.0 million corresponding to the shares' aggregate par value.

MOVEMENTS IN SHARE CAPITAL AND NUMBER OF SHARES

	2019	2018
At 1 January	**109,729,416**	**110,996,996**
Shares issued to minority shareholders in connection with mergers	-	28
Cancellation of shares	(1,303,186)	(1,267,608)
AT 31 DECEMBER	**108,426,230**	**109,729,416**

At 31 December 2019, the Company's share capital was made up of 108,426,230 ordinary shares with a par value of €1.53 each.

POTENTIAL DILUTION

	2019	2018
Number of shares at 31 December	108,426,230	109,729,416
Share equivalents:		
▪ exercise of stock options	-	-
▪ share grants	-	-
TOTAL NUMBER OF POTENTIAL SHARES	**108,426,230**	**109,729,416**

The Board of Directors has decided to grant existing shares in respect of share grants outstanding at 31 December 2019. Accordingly, share grants are not potentially dilutive.

Note 11 Quasi-equity

In 2005, Casino, Guichard-Perrachon issued €600 million worth of perpetual deeply-subordinated bonds (TSSDI). The bonds are redeemable solely at the Group's discretion and interest is due only if the Group pays a dividend on its ordinary shares in the preceding 12 months. The bonds pay interest at the 10-year constant maturity swap rate plus 100 basis points, capped at 9%. In 2019, the average interest rate was 1.65%.

On 18 October 2013, the Company issued €750 million worth of perpetual hybrid bonds. The bonds are redeemable at the Company's discretion with the first call date falling on 31 January 2019 (unused) and the second set for 31 January 2024. The bonds paid interest at 4.87% until 31 January 2019. Since then, as specified in the prospectus, the interest rate has been reset at 3.992%. This rate will be reset every five years.

These bonds are classified as "quasi-equity" as they:

- are issued for an indefinite term with no specific redemption date;
- correspond to direct commitments with no collateral and are subordinated to all other liabilities.

Accrued interest on the bonds is reported under "Miscellaneous borrowings".

Note 12 Provisions

BREAKDOWN

(€ millions)	2019	2018
Provision for foreign exchange losses	0.2	0.3
Provision for other liabilities	236.8	313.0
Provision for expenses	8.1	5.4
TOTAL PROVISIONS	**245.1**	**318.7**

At 31 December 2019, provisions for other liabilities included:

- a €193.8 million provision corresponding to the negative fair value of the total return swaps (TRS):
  - on GPA shares for €178.8 million. This provision amounted to €181.8 million at 31 December 2018,
  - on Mercialys shares for €15.1 million. This provision amounted to €44.0 million at 31 December 2018;
- a €32.6 million provision for losses corresponding to the support provided by Casino, Guichard-Perrachon to Casino Restauration. This provision amounted to €74.9 million at 31 December 2018.

Other provisions for liabilities and expenses correspond to specifically identified liabilities and expenses.

MOVEMENTS FOR THE YEAR

(€ millions)	**2019**	2018
At 1 January	**318.7**	**200.9**
Additions	3.9	124.7
Reversals[(1)]	(77.5)	(6.9)
At 31 December	**245.1**	**318.7**
O/w		
Operating additions (reversals)	1.7	(1.7)
Financial additions (reversals)	(31.0)	45.8
Non-recurring additions (reversals)	(44.3)	73.7
TOTAL	**(73.6)**	**117.8**

(1) Including reversals of surplus provisions for liabilities and expenses for €3.0 million in 2019 and €1.6 million in 2018.

RETIREMENT BENEFIT OBLIGATIONS

Provision for retirement benefits *(€ millions)*	Provision at 1 January 2019	Movements for the period	Provision at 31 December 2019	Unrecognised actuarial gains and losses	Obligation at 31 December 2019
Projected benefit obligation	2.1	0.9	3.0	(0.4)	2.6
Fair value of plan assets	-	-	-	-	-
PROVISION	**2.1**	**0.9**	**3.0**	**(0.4)**	**2.6**

Movements in the provision *(€ millions)*	Discounting adjustment	Benefits/ contributions paid	Service cost	Recognised actuarial gains and losses	Cost for the period	Expected return on plan assets	Movements for the period
Projected benefit obligation	-	-	0.9	-	0.9	-	0.9
Fair value of plan assets	-	-	-	-	-	-	-
MOVEMENTS IN THE PROVISION	**-**	**-**	**0.9**	**-**	**0.9**	**-**	**0.9**

The main actuarial assumptions used in 2019 to calculate the retirement benefit obligations were as follows:

- discount rate: 0.6% (determined by reference to the Bloomberg 15-year AA corporate composite index);
- rate of future salary increases: 1%;
- retirement age: 64;
- mortality table: TGH05/TGF05;
- social security contributions rate: 35%.

Note 13 Loans and other borrowings

BREAKDOWN

(€ millions)	31 December 2019	31 December 2018
Bonds (including accrued interest)	4,002.3	5,496.6
Bank borrowings	1,006.7	-
Bank overdrafts	0.9	1.8
Negotiable European commercial paper	129.5	221.2
Bank borrowings	**5,139.4**	**5,719.6**
Miscellaneous borrowings	37.7	44.6
LOANS AND OTHER BORROWINGS	**5,177.1**	**5,764.2**

MATURITY OF BORROWINGS

(€ millions)	31 December 2019	31 December 2018
Due within one year	555.6	1,101.4
Due in one to five years	3,669.0	2,810.3
Due in more than five years	952.5	1,852.5
TOTAL	**5,177.1**	**5,764.2**

NET DEBT

(€ millions)	31 December 2019	31 December 2018
Loans and other borrowings	5,177.1	5,764.2
Marketable securities(1)	(28.1)	(33.1)
Cash(1)	(193.7)	(1.4)
Casino Finance current account(1)	4,945.8	2,170.9
NET DEBT	**9,901.1**	**7,900.6**

(1) See Note 8.

Loans and other borrowings include €159.1 million in accrued interest on bank loans and overdrafts.

OUTSTANDING BOND ISSUES

	Interest rate	Effective interest rate	Amount (€ millions)	Term	Due
2020 bonds 2012-2020	Fixed rate 5.24%	5.28%	257.2	8 years	March 2020
2021 bonds 2011-2021	Fixed rate 5.98%	6.53%	597.2	10 years	May 2021
2022 bonds 2017-2022	Fixed rate 1.87%	2.55%	452.1	5 years	June 2022
2023 bonds 2013-2023	Fixed rate 4.56%	4.47%	719.7	10 years	January 2023
2024 bonds 2014-2024	Fixed rate 4.50%	4.88%	900.0	10 years	March 2024
2025 bonds 2014-2025	Fixed rate 3.58%	3.62%	444.2	10 years and 2 months	February 2025
2026 bonds 2014-2026	Fixed rate 4.05%	4.09%	508.3	12 years	August 2026
TOTAL BONDS (A)			**3,878.7**		
Term Loan B	Variable rate (Euribor[1] +5.50%)	6.63%	1,000.0	4 years and 2 months	January 2024
TOTAL BANK BORROWINGS (B)			**1,000.0**		

(1) Euribor with a zero floor.

OTHER LOANS AND BORROWINGS

(€ millions)	Amount
Bank overdrafts	0.9
Negotiable European commercial paper	129.5
Miscellaneous borrowings	8.9
Accrued interest on borrowings	159.1
Total other loans and borrowings (C)	**298.4**
TOTAL LOANS AND OTHER BORROWINGS (A) + (B) + (C)	**5,177.1**

LIQUIDITY RISK

The Group's liquidity policy is to ensure that it has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The liquidity analysis is performed both for the France Retail segment (taking into account the cash pool operated with most French subsidiaries) and for each of the Group's international subsidiaries.

All subsidiaries of the Casino, Guichard-Perrachon holding company scope submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2019, the Casino, Guichard-Perrachon's liquidity position comprised:

- confirmed, undrawn lines of credit for a total of €2,220 million, the entire amount of which is due in more than one year;
- available cash totalling €194 million (of which €193 million held in escrow);

Casino, Guichard-Perrachon had the following financing facilities at 31 December 2019:

- unsecured bonds for €3,879 million,
- Term Loan B for €1,000 million.

Casino, Guichard-Perrachon also raises funds through negotiable European commercial paper (NEU CP) issues, under which €129 million was outstanding at 31 December 2019. These issues are made under a programme capped at €2,000 million, with the availability of funds depending on market conditions and investor appetite.

The main liquidity risk management methods consist in:

- diversifying sources of financing to include capital markets, private placements, banks (confirmed and unconfirmed facilities), negotiable European commercial paper (NEU CP) issues and discounting facilities;
- diversifying financing currencies to include the euro, the Group's other functional currencies and the US dollar;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's payment obligations at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of financing facilities and, where appropriate, refinancing them before they fall due.

MANAGEMENT OF SHORT-TERM DEBT

Access to the European negotiable commercial paper (NEU CP) market is subject to market conditions and investor appetite for Casino debt. Market access has been limited since May 2019 amid heightened volatility (Rallye safeguard proceedings, downgrade in the Group's credit rating by S&P's and Moody's, and general market volatility). Outstanding commercial paper issues represented €129 million at 31 December 2019 versus €221 million at 31 December 2018.

MANAGEMENT OF MEDIUM- AND LONG-TERM DEBT

To manage its medium- and long-term liquidity, the Group prepared for the February 2021 maturity of its euro-denominated RCF and in September 2019 refinanced all of its confirmed credit facilities via a new €2 billion confirmed credit line maturing in October 2023 (or in October 2022 if the bond tranche maturing in June 2022 has not been redeemed at that date). This new credit line was subscribed by 21 French and international banks, and can be used by Casino, Guichard-Perrachon, Monoprix and Casino Finance. The refinancing transactions extended the average maturity of the Group's confirmed credit facilities by two years, from 1.6 years at 31 December 2018 to 3.6 years at end-2019.

The Group also proved its ability to raise funds on the capital and private placement markets in two transactions carried out in November 2019 in the form of a €1 billion secured term loan for Casino, Guichard-Perrachon and an €800 million secured bond issue by Quatrim. These two instruments fall due in January 2024 and were heavily oversubscribed. They enable the Group to finance the tender offer on the bonds maturing in 2020, 2021 and 2022 for a nominal amount of €784 million and to repay the drawn credit lines to date for a total amount of €630 million. The average maturity of the Group's debt increased to 3.8 years from 3.3 years previously.

The terms applicable to the new facilities reflect the downgrade of Casino, Guichard-Perrachon's credit ratings by Moody's (B2/negative outlook) and S&P's (B/negative outlook) following the introduction of safeguard proceedings for Rallye and its parent companies. The table below shows Moody's and Standard & Poor's ratings for the Group's financial instruments following its refinancing:

Financial instrument rating	Moody's	Standard & Poor's
CGP	B2/negative outlook (23 October 2019)	B/negative outlook (28 May 2019)
Secured high-yield bonds issued by Quatrim	B1/negative outlook (19 November 2019)	B+/negative outlook (22 October 2019)
Term Loan B	B1/negative outlook (19 November 2019)	B+/negative outlook (22 October 2019)
Bonds issued under the EMTN programme	B3/negative outlook (23 October 2019)	B/negative outlook (28 May 2019)
Deeply-subordinated perpetual bonds (TSSDI)	Caa1/negative outlook (23 October 2019)	CCC (28 May 2019)

The high-yield bond issue by Quatrim is secured by shares in L'Immobilière Groupe Casino, a wholly-owned subsidiary of Quatrim which holds property assets for the Casino banners in France (excluding Monoprix and Franprix-Leader Price property assets and certain assets disposed of/pending disposal).

For its new revolving credit facility (RCF) and Term Loan B, Casino has granted security rights over shares, the principal bank accounts and intragroup receivables of its main operating subsidiaries and holding companies in France holding shares in the Group's Latin American operations.

The revolving credit facility is also subject to maintenance covenants tested quarterly as from 31 March 2020.

Excluding these financing arrangements, Casino, Guichard-Perrachon's debt is not secured by collateral or secured assets.

CASINO, GUICHARD-PERRACHON DEBT COVENANTS

a. Covenants at 31 December 2019

At the reporting date, Casino, Guichard-Perrachon's debt was subject to the following hard covenants to be met at each year-end:

Type of covenant	Main types of debt subject to covenant	Frequency of tests	Ratio at 31 December 2019
Consolidated net debt[(1)]/ Consolidated EBITDA[(3)] < 3.5	€198 million syndicated credit line	Annual	3.29x
Consolidated net debt[(2)]/ Consolidated EBITDA[(3)] < 3.5	USD 25 million syndicated credit line	Annual	2.33x

(1) Net debt as defined in these loan agreements may differ from net debt presented in the consolidated financial statements (Note 11.2). It corresponds to gross borrowings and debt including hedging instruments with a negative fair value, less (i) cash and cash equivalents, (ii) financial assets held for cash management purposes and short-term financial investments, (iii) derivatives with a positive fair value classified as hedges of debt and (iv) financial assets arising from a significant disposal of non-current assets.

(2) For these facilities, the definition of net debt includes the net assets held for sale attributable to owners of the parent.

(3) EBITDA (earnings before interest, taxes, depreciation and amortisation) corresponds to trading profit (loss) plus recurring net depreciation and amortisation expense.

These covenants were respected at 31 December 2019.

b. Additional covenants as from 31 March 2020

Starting 31 March 2020, Casino, Guichard-Perrachon's France Retail and E-commerce segments will be required to comply with the covenants set out below, calculated each quarter on a rolling 12-month basis (not tested at 31 December 2019):

Type of covenant (France and E-commerce)	Main types of debt subject to covenant	Frequency of tests
Debt[(1)]/EBITDA[(2)]: < 7.75[(3)]	RCF for €2,000 million	Quarterly
EBITDA[(2)]/net finance costs: > 2.25		

(1) Debt as defined in the loan agreements reflects loans and borrowings for the France Retail and E-commerce segments as presented in Note 11.2.1 to the consolidated financial statements, as well as certain GPA holding companies reported in the Latam segment (notably Ségisor).

(2) EBITDA as defined in the loan agreements reflects trading profit/loss for the France Retail and E-commerce segments, adjusted for (i) net depreciation, amortisation and provision expense, (ii) repayments of lease liabilities, and (iii) interest expense on lease liabilities.

(3) 7.75x at 31 March 2020, 7.50x at 30 June 2020, 7.25x at 30 September 2020, 5.75x at 31 December 2020, 6.50x at 31 March 2021, 6.00x at 30 June 2021 and 30 September 2021, and 4.75x as from 31 December 2021.

Casino, Guichard-Perrachon's bonds and negotiable European commercial paper (NEU CP) issues are not subject to any financial covenants.

c. Other clauses and restrictions

Documentation for the RCF, Term Loan B and high-yield bond issue put in place as part of the Group's refinancing in late 2019 include the usual restrictions for high-yield borrowings applicable to the Group as a whole (excluding the Latam segment and companies less than 50%-owned, but including certain holding companies reported in the Latam segment, notably Ségisor). These restrictions concern Casino, Guichard-Perrachon dividend payments, sales of assets as defined in the documentation, additional borrowings, and additional security interests and collateral.

The Term Loan B and high-yield bond also include incurrence covenants which only apply upon the occurrence of certain specific events or to enable certain transactions to proceed, in particular:

- an incurrence covenant will apply in the event special dividends are paid in addition to ordinary dividends[(1)], as follows: gross debt/EBITDA (France Retail + E-commerce): < 3.5x;
- leverage and secured debt leverage covenants or a fixed charge coverage ratio (FCCR) as defined in the documentation may be applied on an independent or additional basis, depending on the transactions planned:
  - FCCR: EBITDA[(2)]/Fixed charges[(2)]: > 2,
  - Secured debt leverage: Consolidated leverage[(2)]/EBITDA[(2)]: < 2.

The Group's loan and bond agreements include the usual clauses for such contracts, notably *pari passu*, negative pledge and cross-default clauses. Most loan documentation concerning the debt remaining after Casino's November 2019 refinancing transactions contains change-of-control clauses, defined as the acquisition of control over Casino by a third party other than Rallye and its affiliates. Activation of the change-of-control clauses would trigger the early redemption of loans or the cancellation of confirmed credit lines at the individual discretion of the lenders.

Change-of-control clauses are included in all of Casino's bond financing documentation relating to the debt remaining after its November 2019 refinancing transactions, except in the documentation for the €600 million in deeply-subordinated perpetual bonds (TSSDI) issued in 2005. Change of control is established when two criteria are met:

- a third party, other than Rallye and its affiliates, acting alone or in concert, acquires shares conferring more than 50% of Casino's voting rights; and
- this change of control directly triggers a downgrade of Casino's long-term credit rating (by at least one notch in the event that Casino's rating is not investment grade).

The impact on the Group's bond issues are as follows:

- for bonds issued under the EMTN programme, representing a cumulative nominal amount of €3,879 million at 31 December 2019, each bond investor would be entitled to request from Casino the early redemption of all its bonds at par, at its individual discretion;
- for €750 million worth of TSSDI issued in 2013, the interest would be raised by an additional spread of 5% per annum and Casino, Guichard-Perrachon would be entitled to buy back all of the bonds at par.

The documentation for the refinancing transactions also includes change-of-control clauses for three entities:

- Casino, Guichard-Perrachon (RCF/Term Loan B/Quatrim high-yield borrowings): an entity other than Rallye or one of its affiliated entities holds more than 50% of Casino's share capital or if substantially all of the Group's assets are sold/transferred;
- Casino Finance (RCF): a third party (other than Rallye or its affiliates) takes control of Casino Finance;
- Monoprix (RCF): Monoprix is no longer controlled by Casino and/or its subsidiaries or if the percentage of ownership interest or voting rights held (by Casino and/or its subsidiaries) is lower than 40%.

A change of control would offer the lenders the possibility of cancelling their commitments at their individual discretion (limited to one-third of the nominal amount of the RCF in the event of a change of control of Monoprix). In the case of the high-yield bond issue, Quatrim, the wholly-owned subsidiary of Casino, Guichard-Perrachon that issued the bonds, would launch a tender offer (at a specified price) in which investors could participate.

(1) 50% of net profit attributable to owners to the parent, with a minimum of €100 million per year from 2021 and an additional €100 million that may be used for one or several distributions during the life of the debt.

(2) As defined in the loan agreements.

Note 14 Other liabilities

(€ millions)	**31 December 2019**	31 December 2018
Related companies	25.9	240.3
Sundry liabilities	66.2	32.5
OTHER LIABILITIES	**92.1**	**272.8**
▪ due within one year	92.1	272.8
▪ due in more than one year	-	-

Other liabilities include €46.1 million in accrued expenses.

Note 15 Deferred income and other liabilities

(€ millions)	**31 December 2019**	31 December 2018
Deferred income	8.0	13.2
Unrealised exchange gains	0.5	0.5
DEFERRED INCOME AND OTHER LIABILITIES	**8.5**	**13.7**

Note 16 Transactions and balances with related companies

No agreements for material amounts have been entered into with related parties, within the meaning of Article R. 123-198 of the French Commercial Code (*Code de commerce*), that were not concluded in the ordinary course of business on arm's length terms.

Note 17 Off-balance sheet commitments

COMMITMENTS ENTERED INTO IN THE ORDINARY COURSE OF BUSINESS

(€ millions)	**31 December 2019**	31 December 2018
Undrawn confirmed lines of credit(1)	2,220.3	2,295.0
TOTAL COMMITMENTS RECEIVED	**2,220.3**	**2,295.0**
Bonds and guarantees given(2)	3,328.2	1,507.8
Deficits allocated to tax group subsidiaries(3)	1,328.1	1,172.3
TOTAL COMMITMENTS GIVEN	**4,656.3**	**2,680.1**

(1) Including €2,000 million that can can be used by Casino, Guichard-Perrachon, Monoprix and Casino Finance.

(2) Including €2,727.1 million to related companies and €69.1 million to joint ventures at 31 December 2019. The amount of €3,328.2 million does not include the security rights given in connection with the new RCF and Term Loan B (see Significant events of the year and Note 13).

(3) The tax consolidation agreement (see Note 4) specifies that tax savings arising from tax losses transferred to the tax group will not be repaid to the subsidiary in cash or through a current account. Tax group subsidiaries are only entitled to tax loss allocations in the event that they become profitable again and only for the amount of tax they would have paid at the tax rate in force at 31 December 2019 in the absence of a tax consolidation agreement.

OTHER COMMITMENTS

(€ millions)	**31 December 2019**	31 December 2018
Seller's warranties given in connection with:		
▪ the disposal of Ségisor and Gelase shares	-	236.0
▪ GPA tax disputes(1)	156.0	148.2
TOTAL COMMITMENTS GIVEN	**156.0**	**384.2**
Written put options in Uruguay(2)	103.4	116.7
Seller's warranties given in connection with:		
▪ Total return swap on GPA shares(3)	153.0	150.0
▪ Total return swap on Mercialys shares(4)	197.7	109.1
TOTAL RECIPROCAL COMMITMENTS	**454.1**	**375.8**

(1) Like many companies with operations in Brazil and given the complexity of the country's tax laws, GPA is involved in a significant number of tax disputes. With the exception of the specific warranty discussed below, Casino does not underwrite any tax-related risks. Casino granted a special warranty to its Brazilian subsidiary covering the reassessments received from the tax authorities for a total amount of BRL 1,409 million (including interest and fines) at 31 December 2019 and under which Casino undertakes to compensate GPA for 50% of any damages incurred, providing those damages are definitive. Casino's exposure as a result of the commitment given to its subsidiary is therefore BRL 705 million, or €156 million at the 31 December 2019 exchange rate. Casino has not recognised a provision in its financial statements for this amount as the risks of liability are only considered possible rather than probable.

(2) Uruguay: Casino has granted a put option on the percentage of share capital held by the family shareholders. The option is exercisable until 21 June 2021. Its price is based on Disco Uruguay's consolidated operating profit, with a floor of USD 41 million plus interest at 5% per year. A mutual mechanism is in place between Casino and Éxito in the event that the option is exercised: Casino has granted a put option to Éxito and Casino holds a call option from Éxito.

(3) In December 2011, the Company entered into a total return swap (TRS) with a financial institution covering 7.9 million American Depositary Receipts (ADRs) representing 3% of GPA's capital. It will be settled in cash. The contract was amended on 27 October 2017 to extend the TRS's maturity to June 2020. At 31 December 2019, the swap covered 7.8 million ADRs (2.9% of GPA's capital) and a notional amount of €332 million.

The instrument's negative fair value of €178.8 million at 31 December 2019 (versus €181.8 million at 31 December 2018) was recognised in provisions. The amount disclosed in the table above corresponds to the difference between the notional amount and the provision.

(4) On 25 July 2018, in connection with the asset disposal plan, the Group decided to reduce its interest in Mercialys through the block sale of 15% of Mercialys' capital under a total return swap (TRS) contract with a bank, which is tasked with selling the shares on the market over a period ending on 28 December 2020.

The instrument's negative fair value of €15.1 million at 31 December 2019 (versus €44.0 million at 31 December 2018) was recognised in provisions. The amount disclosed in the table above corresponds to the difference between the notional amount and the provision.

Note 18 Currency risk

	31 December 2019		31 December 2018	
(in millions of foreign currency)	USD	BRL	USD	BRL
Assets	6.5	-	6.5	-
Liabilities	(251.3)	-	(337.1)	-
Net balance sheet position	**(244.7)**	**-**	**(330.6)**	**-**
Off-balance sheet positions	(288.0)	(704.6)	(576.3)	(658.5)
TOTAL NET POSITION	**(532.8)**	**(704.6)**	**(906.9)**	**(658.5)**

Note 19 Equity risk

(€ millions)	2019	2018
Carrying amount of treasury shares	28.0	33.0
Market value (end-December share price of €41.71)	34.6	35.0
Impairment	-	-
Sensitivity to a 10% fall in share price	-	(3.3)

Note 20 Gross compensation and benefits of Directors and officers

(€ millions)	2019	2018
Compensation paid	1.6	1.6
Loans and advances	-	-

Note 21 Consolidation

Casino, Guichard-Perrachon is consolidated by Rallye SA, whose registered office is located at 83, rue du Faubourg Saint-Honoré - 75008 Paris, France (Siren no.: 054 500 574).

Note 22 Subsequent events

VESA EQUITY INVESTMENT

On 20 January 2020, Vesa Equity Investment announced that it had crossed the 5%-threshold of Casino, Guichard-Perrachon's share capital, and that it held 5.64% of the capital.

RALLYE SAFEGUARD PLAN

On 2 March 2020, Casino, Guichard-Perrachon was informed by its lead shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries.

COVID-19

First identified in the Asia-Pacific region, the Covid-19 epidemic has spread rapidly to the rest of the world during the first few months of 2020, prompting governments to take drastic health measures to control the spread of the virus (closure of schools, lockdowns, travel and mobility restrictions, closure of public places, etc.). These measures are having a huge economic impact in every country in which the Group operates and it is currently impossible to predict how long the measures will be in place or their ultimate impact on business and the economy. Consolidated sales have increased sharply due to panic buying and the fact that people can no longer eat in restaurants and canteens, and are eating all their meals at home. Given the uncertainty surrounding both future consumer behaviour trends and the pandemic's economic impact, it would nevertheless be premature to estimate Covid-19's financial impact on the Group and the Company at this stage.

SIGNATURE OF AN AGREEMENT WITH ALDI FRANCE TO SELL LEADER PRICE STORES AND WAREHOUSES

On 20 March 2020, Casino Group announced it had signed a unilateral purchase agreement with Aldi France to sell 567 Leader Price stores and 3 warehouses for an enterprise value of €735 million (including an earn-out of €35 million contingent on the achievement of certain operating indicators during the transaction period). The Group remains owner of the Leader Price brand and will continue to distribute Leader Price-branded products to the Group's other banners and franchisees, particularly outside France.

The transaction is expected to be completed after consultation with employee representative bodies and is subject to approval by the French Competition Authority.

2.8.4. Five-year financial summary

	2019	2018	2017	2016	2015
FINANCIAL POSITION AT THE REPORTING DATE					
Share capital *(€ millions)*	165.9	167.9	169.8	169.8	173.2
Number of outstanding voting shares	108,426,230	109,729,416	110,996,996	110,996,996	113,197,686
RESULTS OF OPERATIONS *(€ MILLIONS)*					
Net sales (excluding taxes)	166.2	168.0	162.7	160.7	139.4
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	1,081.2	1,383.6	297.2	386.9	629.2
Income tax expense	(355.1)	(404.7)	(301.1)	(265.2)	(314.2)
Employee profit-sharing for the period	-	-	-	-	-
Net profit (loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	(321.2)	1,538.0	394.2	405.5	444.0
Total profit paid as dividends[1]	-	342.4	346.2	346.3	353.2
PER SHARE DATA *(€)*					
Weighted average number of shares outstanding during the period[2]	107,924,134	108,388,996	110,734,374	111,185,050	112,826,784
Earnings per share after tax and employee profit-sharing but before depreciation, amortisation and provisions	13.31	16.50	5.40	5.86	8.36
Earnings (loss) per share after tax, employee profit-sharing, depreciation, amortisation and provisions	(2.98)	14.19	3.56	3.65	3.94
Dividend paid per share[1]	-	3.12	3.12	3.12	3.12
EMPLOYEE DATA					
Number of employees (full-time equivalent)	12	13	14	16	16
Employee remuneration expenses[3] *(€ millions)*	9.3	14.6	8.9	11.2	6.7
Total benefits *(€ millions)*	2.9	3.5	3.9	3.6	2.3

(1) For 2019, subject to approval by the Annual General Meeting.
(2) Excluding treasury shares.
(3) Excluding discretionary profit-sharing.

2.8.5. Subsidiaries and associates

Company	Share capital	Equity	% ownership	Number of shares held	Carrying amount		Loans and advances granted by the Company	Guarantees given by the Company	2019 net sales (excluding taxes)	2019 net profit (loss)	Dividends received by the Company in the prior year
					Gross	Net					
A – DATA ON INVESTMENTS WHOSE CARRYING AMOUNT EXCEEDS 1% OF THE SHARE CAPITAL											
1. SUBSIDIARIES (AT LEAST 50%-OWNED)											
Distribution Casino France 1, cours Antoine Guichard 42008 Saint-Étienne, France	107	2,467	98.91	105,638,556	7,153	4,809	236	761	8,589	(1,751)	-
Casino Participations France 1, cours Antoine Guichard 42008 Saint-Étienne, France	2,274	2,528	100.00	2,274,025,819	2,274	2,274			-	228	225
Monoprix 14-16, rue Marc Bloch 92116 Clichy, France	78	2,102	100.00	9,795,630	2,526	2,526	295	156	218	394	-
Tévir 1, cours Antoine Guichard 42008 Saint-Étienne, France	640	4,492	100.00	640,041,110	3,182	3,182			-	966	1,245
Easydis 1, cours Antoine Guichard 42008 Saint-Étienne, France	63	41	100.00	3,953,968	106	106		7	529	1	-
Intexa 1, cours Antoine Guichard 42008 Saint-Étienne, France	2	3	97.91	990,844	7	7			-	-	-
Casino Finance 1, cours Antoine Guichard 42008 Saint-Étienne, France	240	1,137	100.00	239,864,436	900	900	413	97	-	48	-
Geimex 15, rue du Louvre 75001 Paris, France	-	27	99.96	9,996	108	108			202	7	7
Casino Services 1, cours Antoine Guichard 42008 Saint-Étienne, France	-	12	100.00	100,000	19	19			97	-	-
Casino Supply Chain 1, cours Antoine Guichard 42008 Saint-Étienne, France	-	-	100.00	1,001	3	-		-	-	-	-
Vindémia Group 5, impasse du Grand Prado 97438 Sainte-Marie, France	222	234	100.00	222,382,924	415	198		17	26	9	-
Casino Restauration 1, cours Antoine Guichard 42008 Saint-Étienne, France	1	(35)	100.00	1,000,000	236	-		5	90	(54)	-
Ségisor 1, cours Antoine Guichard 42008 Saint-Étienne, France	204	1,496	100.00	1,774,479,286	2,026	2,026		394	-	8	-
International											
Cnova NV 1, Beemdstraadt NL 5653 MA Eindhoven, Netherlands	17	379	64.81	223,680,850	452	452			1	(3)	-

Company	Share capital	Equity	% ownership	Number of shares held	Carrying amount		Loans and advances granted by the Company	Guarantees given by the Company	2019 net sales (excluding taxes)	2019 net profit (loss)	Dividends received by the Company in the prior year
					Gross	Net					
2. ASSOCIATES (10%- TO 50%-OWNED)											
Banque du Groupe Casino 6, avenue de Provence 75009 Paris, France	41	173	50.00	206,139	138	138			165	17	-
Uranie 1, cours Antoine Guichard 42008 Saint-Étienne, France	45	93	25.95	11,711,600	31	29			1	8	-
Casino Carburant 1, cours Antoine Guichard 42008 Saint-Étienne, France	5	6	32.04	1,627,904	4	2			365	(2)	1
B – AGGREGATED DATA FOR ALL OTHER SUBSIDIARIES OR ASSOCIATES											
1. SUBSIDIARIES (NOT INCLUDED IN SECTION A ABOVE)											
Various companies					5	3					3
2. ASSOCIATES (NOT INCLUDED IN SECTION A ABOVE)											
Other companies					4	2					
Total investments in subsidiaries and associates					**19,586**	**16,779**					
o/w consolidated companies					19,586	16,779					
▪ French companies					19,133	16,326					
▪ Foreign companies					453	453					
o/w non-consolidated companies					0	0					
▪ French companies					-	-					
▪ Foreign companies					-	-					

All key information on foreign subsidiaries in a given country is provided in Note 6.

As a result of the judgement applied when measuring the fair value of investments in foreign entities, provisions to cover the negative difference between the Company's share in the equity of subsidiaries of a given country and the value of the corresponding investment are not systematically recognised (see Note 6).

2.8.6. Statutory Auditors' special report on regulated agreements

*This is a free translation into English of the Statutory Auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (***Code de commerce***) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2019

To the Shareholders' Meeting of Casino, Guichard-Perrachon

In our capacity as Statutory Auditors of your Company, we hereby report on regulated agreements.

We are required to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying why they benefit the Company, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements , if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code concerning the implementation during the year of the agreements already approved by the Shareholders' Meeting.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

■ Agreements authorised and concluded during the year

We hereby inform you that we have not been advised of any agreement authorised and concluded during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

■ Agreements approved in prior years

a) with continuing effect during the year

In accordance with Article R. 225-30 of the French Commercial Code, we have been advised that the following agreements which were approved by the Shareholders' Meetings in prior years had continuing effect during the year.

● Advisory agreement entered into with Euris

Persons concerned

Mr. Jean-Charles Naouri (Chairman of Euris) and Euris (Director of your Company). Euris indirectly owns more than 10% of your Company's voting rights, and hence is a controlling shareholder within the meaning of Article L. 233-3 of the French Commercial Code.

Nature

Euris, as parent company, conducts the policies of its Group and participates in its strategy and development.

Accordingly, Euris participates in reflection on the orientation and development of the business, in studies and in the optimisation of the financial structure and resources of your Company. Euris also provides advice and assistance in strategic areas, on legal, governance, accounting and tax matters, communications, human resources and on the implementation of complex transactions, particularly relating to finance and development. In this respect, Euris provides your Company with studies and analyses both on a regular basis and occasionally, depending on the project or reflection in progress.

The strategic assistance costs incurred by Euris are shared annually between the subsidiaries concerned, in accordance with the invoicing methods adjusted in 2015 following the findings of an external financial expert, by applying the most generally accepted allocation keys and a 10% margin. Accordingly, with regard to the amounts invoiced to the holding companies of the Group (Finatis, Foncière Euris, Rallye and your Company), a primary key is applied, aimed at, for each of them, its share in the capital employed, i.e., its equity and net financial debt; then, with regard to the operational subsidiaries of your Company, a secondary key is applied aimed at dividing the cost proportionally to their revenue, with the Company paying 20% of this cost.

By an amendment dated 6 March 2017, the duration of the agreement was extended for a period of three years, maintaining the same method for allocating the costs incurred by Euris and the introduction of an annual clause to update the amount invoiced to the company on the basis of changes in the strategic assistance costs of Euris and its share in the allocation keys. The conclusion of this amendment (approved by your Shareholders' Meeting of 5 May 2017) was authorised by your Board of Directors in view of the reports issued by financial experts and an independent assessment confirming the relevance of the cost-allocation method used and its appropriateness for the assignment carried out, as well as legal opinions affirming the compliance with the corporate interests of your Company, of the renewal of the agreement as from 2017 and the adjustment of its duration to three years.

On 28 January 2020, your Board of Directors authorised the renewal of this agreement for three years according to the same terms and conditions and decided to reclassify it as an ordinary agreement concluded under normal conditions in view of the reports issued by financial and legal experts and the unanimous recommendation of your Audit Committee.

Terms and conditions

In financial year 2019, the amount excluding taxes invoiced to your Company totalled €870,000.

● Membership of Mr. Jean-Charles Naouri, Chairman and Chief Executive Officer, in a healthcare, death and disability insurance plan

Person concerned

Mr. Jean-Charles Naouri, Chairman and Chief Executive Officer of your Company.

Nature

The Chairman and Chief Executive Officer benefits from the healthcare, death and disability insurance plan. Your company is required to pay the corresponding employer contributions with respect to this plan.

In addition, the Chairman and Chief Executive Officer is also a member of group compulsory pension plans, the contributions to which are determined by national joint agreements.

Terms and conditions

In financial year 2019, the employer contributions relating to healthcare, death and disability plans amounted to €205,522 and €1,710, respectively.

● Cost payment agreement with Mercialys

Persons concerned

Mr. Jacques Dumas and Mr. Michel Savart (members of the Board of Directors of Mercialys)

Nature

On 13 December 2018, your Board of Directors, based on the opinion of the Audit Committee, authorised the signing of an agreement with Mercialys on 14 December 2018 under which your Company shall pay the specific costs incurred by Mercialys in connection with the sale by your Company of all or part of its interest in Mercialys, i.e.:

- external costs, primarily legal advice, upon production of supporting documents and within the overall limit of €200,000 excluding taxes until 31 December 2019;
- total exceptional compensation, including the related employer expenses, that would be paid by Mercialys to its top management (two corporate executive officers and the chief financial officer, who are key to organising and coordinating the sales process under optimal conditions) for a lump-sum amount equal to three months of fixed compensation for 2018, i.e., a total of €236,250, plus employer expenses for a total estimated amount of €303,200. This lump-sum amount was determined by Mercialys, taking into account, firstly, the time allotted by top management to assisting with the implementation of the sale and, secondly, objectives for the motivation and retention of the relevant managers. This amount, which falls within a range of 10% to 15% of the beneficiaries' total target compensation for 2018, was deemed to be appropriate and reasonable by your Board of Directors.

The payment by your Company of the exceptional compensation for the top management of Mercialys is subject, with respect to Mercialys' corporate executive officers, to the approval of this compensation by the Mercialys 2019 Shareholders' Meeting and confirmation, by Mercialys, that the managers have satisfied the conditions set by Mercialys, particularly their attendance at the Mercialys 2019 Shareholders' Meeting. On 25 April 2019, the Mercialys Shareholders' Meeting approved this compensation. As the corporate executive officers were present at the end of the Shareholders' Meeting, this agreement had continuing effect in 2019.

Terms and conditions

The total expense recorded by your company as of 31 December 2019 was €473,761.

b) without continuing effect during the year

In addition, we have been advised that the following agreements which were approved by the Shareholders' Meetings in prior years had no continuing effect during the year.

Real estate partnership agreement entered into with Mercialys

Persons concerned

Mr. Jacques Dumas and Mr. Michel Savart (members of the Board of Directors of Mercialys).

Nature

The partnership agreement (the "Agreement"), signed on 2 July 2012 between your company and Mercialys, for a term expiring on 31 December 2015, was the subject of successive adjustments and extensions, with the latest changes set forth in an amending act dated 31 January 2017, authorised by your Board of Directors' meeting on 15 December 2016 and approved by the Shareholders' Meeting of 5 May 2017. Pursuant to the terms of this amending act, the Agreement was extended to 31 December 2020 and various adjustments were made to improve the basis for collaboration between the parties, while maintaining the Agreement's general principles and the original balance of the respective rights and obligations of the parties.

The scope of the Agreement corresponds to the business of Mercialys (shopping malls and medium-sized retail stores, excluding food stores, i.e., supermarkets and hypermarkets).

The Agreement is based on the following principles:

- Privileged access, for the benefit of Mercialys, to the real estate projects developed by your Company and/or its subsidiaries in France in its area of business activity (priority right).

  The three types of projects that fall or may fall within the scope of the Agreement are:

  - "New Projects" corresponding to the projects falling within the scope of the Agreement, which your company has decided to develop and which your Company undertakes to present to Mercialys. The latter has the option of presenting to your Company any project, falling within or outside the scope of the Agreement, which Casino undertakes to study in order to determine whether or not it wishes to proceed with its development;
  - "Projects to be Confirmed" corresponding to "New Projects" approved by the governing bodies of the parties which undertake to do their utmost to have the projects validated;
  - "Validated Projects" corresponding to "Projects to be Confirmed" for which an order has been placed.

- The various steps and commitments provided for are as follows:
  - identification of "Projects to be Confirmed" (projects under development which do not yet have sufficient visibility or are not yet sufficiently secure for an order to be placed);
  - placing of the "Validated Projects" order (projects offering sufficient visibility and a sufficient level of profitability for the two parties);
  - confirmation of the order based on a final, specific project (except for customary flexibility/tenant requests), subject to obtaining final authorisations and provided that the pre-commercialisation rate of 60% of signed leases has been reached (in terms of value);
  - sale of the asset (transfer of ownership at the start of the project and payment by Mercialys on delivery with a 50/50 sharing of the "upside/downside"), with the option to base the value of the asset on a forecast internal rate of return (IRR).

  The Agreement provides for the option of setting up an accelerated project validation procedure through the direct signing of an officially recorded deed of sale after validation by the governing bodies.

- The valuation of projects based on forecast rent, with the conditions for setting and adjusting prices as follows:
  - setting of the price, when the order is placed, based on actual or forecast rent determined by an independent expert, capitalised on the basis of rates calculated in accordance with the type of assets in question (see below). The surface area taken into account is the "Gross Leasing Area" (GLA) of shopping malls after extension and including the food product sales area;
  - updating of the price upon confirmation of the order to take into account changes in lease commercialisation and capitalisation rates;
  - updating of the price upon sale based on the rental situation two months prior to public opening, without updating of the capitalisation rate.

In order to take into account any fluctuations in market conditions, the capitalisation rates are revised by the parties every six months. The applicable capitalisation rates for financial year 2019 were as follows:

First-half 2019

	Shopping malls		Retail parks		
Type of asset	Mainland France	Corsica and French overseas departments and territories (DOM TOM)	Mainland France	Corsica and French overseas departments and territories (DOM TOM)	City centres
> 20,000 m²	5.5%	6.0%	6.0%	6.4%	5.3%
5,000 to 20,000 m²	5.9%	6.4%	6.4%	6.7%	5.5%
< 5,000 m²	6.4%	6.7%	6.7%	7.3%	6.0%

Second-half 2019

	Shopping malls		Retail parks		
Type of asset	Mainland France	Corsica and French overseas departments and territories (DOM TOM)	Mainland France	Corsica and French overseas departments and territories (DOM TOM)	City centres
> 20,000 m²	5.6%	6.1%	6.1%	6.5%	5.4%
5,000 to 20,000 m²	6.0%	6.5%	6.5%	6.8%	5.7%
< 5,000 m²	6.5%	6.8%	6.8%	7.5%	6.1%

Notwithstanding the foregoing provisions, the Agreement provides that one or other of the parties may propose, for a given project, to calculate the forecast sale price based on a forecast internal rate of return ("IRR") for said project. This IRR will be calculated using the forecast business plan prepared for the project.

As an indication, the parties' aim is to target projects likely to generate a forecast IRR of around 8% to 10%.

- In consideration of the priority right to which Mercialys is entitled, Mercialys has undertaken not to invest in a "New Project" likely to have a significant impact on the site of a Casino Group food store, without the agreement of your Company, with a "New Project" being defined as:
  - any project developed on a new site including a food store with a retail surface area in excess of 1,000 m²; or
  - any existing shopping mall with a food product sales area in excess of 1,000 m² subject to an extension representing a floor area in excess of or equal to 30% of the existing shopping mall's surface area; or
  - any existing shopping mall with a food product sales area subject to an extension that would increase the sales area to over 1,000 m².

  This non-compete clause will be applicable throughout the entire duration of the Agreement and for a period of three years as from the expiration of the Agreement.
- Annual "rendez-vous" clause.

Trademark license agreement entered into with Mercialys

Persons concerned

Mr. Jacques Dumas and Mr. Michel Savart (members of the Board of Directors of Mercialys).

Nature

Under this agreement entered into on 24 May 2007, your Company grants Mercialys, for no consideration, a non-exclusive right to use, in France only, the "Nacarat" wordmark and figurative trademark, the "Beaulieu" wordmark and the "Beaulieu… pour une promenade" semi-figurative trademark.

Mercialys has a priority purchase right over these trademarks should your Company intend to sell them.

Paris-La Défense, 27 April 2020

The Statutory Auditors

French original signed by:

Ernst & Young et Autres		**Deloitte & Associés**	
Yvon Salaün	Alexis Hurtrel	Frédéric Moulin	Patrice Choquet

Chapter
3

Corporate Social Responsibility (CSR) and Non-Financial Information Statement (NFIS)

3.1. CSR COMMITMENTS AND GOVERNANCE

The CSR policy was drafted in line with Casino Group's ethical principles and its commitment to respect and promote the principles affirmed by:

- the Universal Declaration of Human Rights;
- the ILO fundamental conventions, including Convention 29 on forced or compulsory labour, Convention 87 on freedom of association and protection of the right to organise, Convention 98 on the application of the principles of the right to organise and collective bargaining, Convention 100 on equal pay for men and women workers for work of equal value, Convention 105 on the abolition of forced labour, Convention 111 on discrimination in employment and occupation, Convention 138 on the minimum age for admission to employment, and Convention 182 on the prohibition of the worst forms of child labour and immediate action for their elimination;
- the United Nations Global Compact, which the Group signed in 2009;
- the Women's Empowerment Principles, which the Group endorsed in 2016;
- the Paris Climate Agreement and the Montreal Protocol;
- the 17 Sustainable Development Goals (SDG) adopted by UN member states.

Casino Group is working directly and indirectly towards 12 SDGs, implementing policies to address the highest-priority issues (see SDG cross-reference table, pages 250-251).

The Group's CSR policy aims to pave the way for responsible consumer habits and improve the sustainability of its business model by fostering stakeholder trust through ongoing dialogue.

The implementation of the CSR programme is a growth driver for the Group as it helps to:

- boost employee motivation and engagement;
- attract top talent;
- enhance the Group's competitiveness by reducing its environmental impact, particularly in terms of energy use and waste;
- increase sales of responsible, innovative high-growth products, such as organic foods;
- foster long-term, trust-based relationships with customers, suppliers, shareholders, public authorities and other stakeholders.

The 2016-2020 "CSR Spirit" continuous improvement programme covers 15 priorities defined using materiality and impact analyses and an analysis of the Group's main risks.

Commitments and associated actions are carried out while respecting each host country's culture and local practices.

Committed employer
- Promote diversity
- Help young people enter the workforce
- Provide growth opportunities for employees
- Take action to protect employee health and well-being

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

Local corporate citizen
- Develop foundation programmes
- Develop solidarity partnerships

Environmentally proactive, climate-aware Group
- Reduce greenhouse gas emissions
- Increase energy efficiency
- Reduce and recover waste

Casino Group's commitment to sustainable development, affirmed beginning in 2002, is backed by organisation and governance involving managers at all levels of the Group and at the highest level of the organisation.

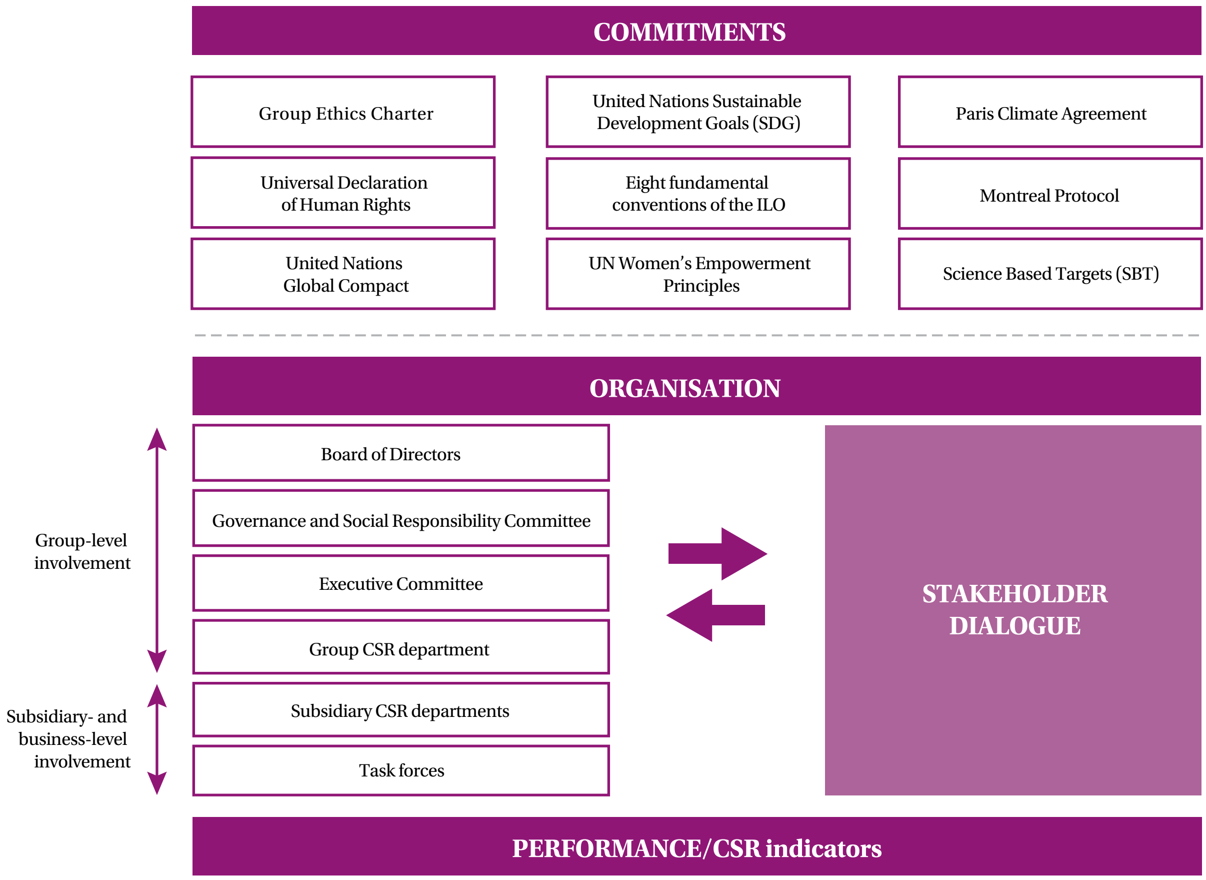
■ At Group level

The Board of Directors has entrusted the assessment and monitoring of corporate social responsibility issues to the Governance and Social Responsibility Committee, broadening its responsibilities. The Committee is tasked with examining, in connection with the Group's strategy, its ethical, socially responsible, environmental and societal commitments and policies, their implementation and their results, and providing opinions or making recommendations to the Board of Directors.

Within this framework, the Committee must ensure, alongside the Audit Committee, that systems for identifying and managing the main risks relating to these areas of responsibility are in place, and that they comply with legal and regulatory provisions. The Committee also examines the Group's policy on gender equality and its overall approach to diversity (previously assigned to the Appointments and Compensation Committee). It also contributes, alongside the Appointments and Compensation Committee, to discussions on the implementation of CSR criteria in the Chairman and Chief Executive Officer's compensation. The Committee's powers are set out in its Charter and the Board of Directors' Internal Rules (see Chapter 5).

At 25 March 2020, the Governance and Social Responsibility Committee was made up of four Directors, three of whom were independent according to the criteria of the Afep-Medef Code. It is chaired by the Lead Independent Director, who is also a member of the Audit Committee. Reports on the work of the Board of Directors, the Governance and Social Responsibility Committee and the Audit Committee in 2019 are presented in Chapter 5 of this document. At the Annual General Meeting, the Group's CSR policy is presented to shareholders to respond to any questions about its direction and objectives.

The Group's CSR department is rolling out the "CSR Spirit" continuous improvement programme in France and abroad in coordination with the various subsidiary CSR departments. It works under the General Secretary of the Executive Committee and reports to that committee.



In the subsidiaries and business lines

Casino Group has created CSR departments in its main subsidiaries in France and abroad, coordinated by the Group CSR department. The following committees also assist in deploying the CSR policy:

- the Human Resources Steering Committee;
- the Scientific Committee on Nutrition and Health;
- the Quality Committee for France;
- the CSR Committees in place locally.

The Group's six targets for 2020 and 2025 have been drawn up and validated by Group management, in line with the CSR progress approach and the business model.

These targets relate in particular to:

- professional equality (a five percentage point increase in women managers between 2015 and 2020);
- the proportion of organic products in sales: an increase in net sales generated by organic products in France (€1.1 billion in 2019). The Group expects to increase its net sales generated by organic products in France;
- animal welfare (all chicken eggs sold in Group stores in France under both private labels and national brands to be from free-range hens by 2020);
- packaging (fully recyclable plastic packaging in France by 2025);
- climate (18% reduction in the Group's greenhouse gas emissions between 2015 and 2025 for Scopes 1 and 2 and 10% reduction between 2018 and 2025 for scope 3 – see section 3.5.4.2.).

3.2. NON-FINANCIAL INFORMATION STATEMENT – NFIS

Pursuant to Article L. 225-102-1 of the French Commercial Code, the Company is required to prepare a consolidated Non-Financial Information Statement for 2019 complying with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in relation to those risks and the outcomes of those policies, including key performance indicators. The Non-Financial Information Statement must include, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, information on how the Company takes into account the human resources, environmental and societal consequences of its operations. Chapter 3, Chapter 1 and section 4.3. of Chapter 4 together comprise the Non-Financial Information Statement. For readers, a cross-reference table on pages 246 to 249 identifies the relevant information.

3.2.1. Business model

For a presentation of the activities and the business model, see Chapter 1 Presentation of Casino Group – section 1.4. Business model

3.2.2. Description of the main non-financial risks and challenges, and identification methodology used

Casino Group's main CSR risks and opportunities are identified and assessed through risk mapping and materiality analyses.

■ (i) Identification of the main CSR challenges via Group risk mapping and the risk assessment process

The identification of the main CSR risks related to the Group's direct and indirect activities is carried out by the Group Risks and Compliance department and the Group CSR department (see Chapter 4).

For 2019, the two departments defined a method for rolling out a CSR risk management process throughout the Group that takes into account stakeholder impacts.

As part of this process and in line with international industry standards, a specific CSR category was integrated into the Group's pre-existing risk catalogue. The category includes issues relating to duty of care and Sapin II legislation, as well as fraud and food waste.

On this basis, a specific CSR risk identification campaign was carried out in 2019 across all Group entities, by asking them to identify and evaluate their five main CSR risks based on their impact on the company and on stakeholders. For each risk, the entities indicated the control activities already in place and any action plans to be implemented in 2020 to reduce the level of residual risk.

To help them identify major risks, the Group Risks and Compliance department and the Group CSR department provided the entities with methodological support and tools. These included a risk catalogue containing a description of each risk, the stakeholders involved, the main impacts on said stakeholders, and the criteria and rules for determining the probability and impact of both the gross risk (before taking into account existing internal controls) and the net risk.

The management committee of each entity was asked to validate the results emanating from the identification process carried out jointly by the entity's CSR and Risks experts. Each responding entity's management committee met to validate the results of the risk identification and evaluation work carried out jointly by the entity's CSR and Risks experts.

In addition, a working group – comprising the Chairman of the Risk Prevention Committee, the Group Insurance Director, the Group CSR Director, the Risks and Compliance Director, the Group Ethics Officer and the Group Internal Control Director – carried out a specific review to identify major CSR risks at the parent company level.

The main risks identified in this way are presented in paragraph (iii) below.

This CSR risk identification process is integrated into the Group risk identification process carried out annually by the Risks and Compliance department, which also takes action to foster a risk culture throughout the Group.

More details are provided in Chapter 4 of this Universal Registration Document.

In addition, the analysis of corruption risks and influence peddling risks is conducted as part of a specific risk mapping process described in more detail in section 3.4.3. of this chapter.

(ii) Identification of the main CSR opportunities via materiality analyses

The Group conducts materiality analyses to identify and respond to its major human resources, societal and environmental challenges, and to advocate responsible economic growth and business development.

To assess and update the Group CSR Policy, a study of the most strategic challenges faced at the Group level was carried out in 2015. Commissioned from an external third party, this materiality analysis served to prioritise CSR issues, and confirmed the relevance of the 15 priorities underpinning "CSR Spirit" since 2011, particularly in view of stakeholder interests, sector practices, risk factors and opportunities liable to have an impact on the Group's development and the consistency of the initiatives implemented by each of the Group's subsidiaries. In 2019, a questionnaire sent to the Group's Top 200 managers in France served to validate the priority challenges with regard to their professions and their perception of the Group's CSR policy.

The study was backed up by analyses carried out at the Group's two biggest international subsidiaries so as to factor in the specific expectations of local stakeholders:

- In Colombia: in 2016, Éxito conducted a materiality study with a consulting firm to confirm and prioritise challenges while factoring in specific local expectations. It was updated in 2018 to facilitate the drafting in 2019 of priority areas of action for the coming years. These are in keeping with the Group's major challenges relating to food security, the line-up of responsible products, climate change and the social impacts of the supply chain.
- In Brazil: assisted by a consulting firm specialising in CSR, GPA developed its first materiality matrix in 2015. The associated work drew on documentary analysis, individual interviews with the company and external partners, and an online survey sent to GPA employees, suppliers and customers. It was rounded out in 2017, with the help of a specialised external firm, by an in-depth study taking into account the expectations expressed by the International Integrated Reporting Council (IIRC) and the 17 Sustainable Development Goals.

(iii) Main CSR risks and opportunities identified

The main CSR risks and opportunities identified in this way are presented for each of the four categories of information (social and environmental consequences, respect for human rights and the fight against corruption), in accordance with Article L. 225-102-1 of the French Commercial Code. The policies applied and the due diligence procedures implemented to prevent, identify and mitigate the occurrence of these risks are described in this chapter on the pages mentioned below, as are the outcomes of these policies, including key monitoring and/or performance indicators.

Main CSR risks	Description of the risks	Potential impacts	Due diligence policies	Policy outcomes and key indicators
Societal				
Food security	Risk of a health crisis due to: ▪ a product quality, compliance or safety issue; ▪ failure to implement product withdrawal/recall procedures, leading to food poisoning.	Impact on consumer health (food poisoning and indigestion). Impact on the company (image, reputation and financial impact).	**Responsible retailer approach** *See section 3.5.3.1.* Product quality: quality management system (dedicated organisation and experts, IFS standard, regular audits, quality analyses, procedures and tools for traceability, withdrawal/recall and crisis management). Product withdrawal policy.	Number of quality analyses (microbiological and physiochemical) on private-label products.

Main CSR risks	Description of the risks	Potential impacts	Due diligence policies	Policy outcomes and key indicators
Environment				
Climate change	Risk of non-compliance with the commitments made by the Group and approved by the Science Based Targets Initiative to reduce its carbon footprint, caused by: ▪ the absence of a reduction in the Group's greenhouse gas emissions due to the quantity of refrigerant leaks and the type of refrigerants used; ▪ the absence of a reduction in the Group's greenhouse gas emissions due to the Group's electricity consumption.	Increase in overall greenhouse gas emissions, resulting in an increase in extreme weather events. Impact on the products sold in stores, with changes to customers' purchasing behaviours. Impact on access to financing. Impact on the company (image, reputation and financial impact).	**Environmentally proactive, climate aware approach** *See sections 3.5.4.2. and 3.5.4.2.1.* Fighting climate change via a low-carbon strategy based notably on reducing refrigerant-related emissions through: preventive maintenance, increased use of refrigerants with low global warming potential, and the gradual replacement of existing refrigeration equipment. *For more information about the Group's management of climate change risk, see section 4.3.3.*	Greenhouse gas emissions in absolute value: Scope 1+2 (*tonnes CO_2 eq.)* Greenhouse gas emissions associated with refrigerants by square metre of retail space *(kg CO_2eq./sq.m.)* Greenhouse gas emissions associated with electricity consumption by square metre of retail space *(kg CO_2eq./sq.m.)*
Human rights/Environment				
Social and environmental impacts related to the supply chain	Risk of non-compliance by suppliers with the regulations and with the commitments made by the Group relating to: ▪ human rights and fundamental freedoms: child labour, forced labour, discrimination, freedom of association, minimum wage, health and safety, working conditions, etc.; ▪ water and soil pollution, greenhouse gas emissions, deforestation, sustainable resource management and waste management.	Impact on workers (health, safety, etc.) in the supply chain. Sanctions for non-compliance with duty of care legislation dated 27 March 2017. Impact on the company (image, reputation and financial impact).	**Responsible retailer approach** *See sections 3.5.3.3. and 3.5.3.4.* Monitoring and improving the social impacts of the supply chain: evaluation of the societal and human risks of its suppliers and sectors, auditing and improvement of the suppliers of private-label products based in countries at risk, in particular with regard to the duty of care, and the related plan provided for in I of Article L. 225-102-4 of the French Commercial Code.	Number of ICS audits (social and environmental) performed in plants involved in the production of private-label products for the Group. Part of active audited factories, located in a country at risk, with Acceptable status.

Main CSR risks	Description of the risks	Potential impacts	Due diligence policies	Policy outcomes and key indicators
Human resources				
Combating discrimination, promoting diversity and professional equality	Risk of non-compliance with the regulations and/or the commitments made by the company in relation to combating discrimination and promoting diversity.	Impact on the level of employee engagement and the company's attractiveness as an employer. Implications relating to the employer's liability for non-compliance with laws and regulations. Impact on the company's business performance. Impact on the company (image, reputation and financial impact).	**Committed employer approach** *See sections 3.5.1.1. and 3.5.1.2.* Promoting diversity and professional equality: initiatives designed to combat discrimination and stereotypes, foster the integration and retention of disabled workers, and promote generational diversity. Initiatives fostering gender equality in the workplace	Proportion of women managers
Corruption				
Corruption and business ethics	Risk of non-compliance with anti-corruption laws and regulations, including Sapin II.	Impact on the level of employee engagement. Sanctions for non-compliance with the Sapin II law. Impact on the relationship with stakeholders (trust, quality of the relationship, etc.). Impact on the company (image, reputation and financial impact).	**Respect for ethics and compliance** *See section 3.4.* Commitment to combating corruption: Group Ethics Committee, Code of Ethics and Conduct, corruption risk mapping, network of ethics officers, training and awareness of the Group's ethics and anti-corruption policy.	Number of confirmed cases of corruption

For more information, see section 4.3.3. Main risk factors – Corporate social responsibility (CSR) risks.

For more information about non-financial performance, see section 3.6. on pages 244 and 245.

Casino Group is also attentive to the CSR challenges encountered in its operations and related to its business model (see Chapter 1). In addition to the main CSR risks mentioned above, it accordingly also carries out actions contributing to:

- social dialogue/collective agreements and their impacts on company performance and working conditions (see section 3.5.1.3. of this chapter);
- development of a line-up of responsible products (see sections 3.5.3.2. and 3.5.4.5.);
- development of healthy products (see section 3.5.3.2.);
- respect for animal welfare (see section 3.5.3.5. of this chapter);
- the fight against food waste (see section 3.5.4.4. of this chapter);
- circular economy commitments (see section 3.5.4.3. of this chapter);
- customer satisfaction (see section 3.3.2.);
- the fight against food insecurity (see section 3.5.2.1. of this chapter);
- local roots (see section 3.5.4.2.4.).

Tax evasion risk was included in the CSR risk analysis and was deemed to be non-material.

3.3. STAKEHOLDER DIALOGUE

For many years now, the Group has maintained regular, constructive dialogue with local and national stakeholders in all its host countries. Open, meaningful discussions are encouraged for the purpose of developing and jointly creating projects and innovative partnerships. Dialogue takes place through various means depending on the stakeholders, at both entity and Group level.

3.3.1. Employees and their representatives

Human resources and CSR policies are built on regular dialogue with employees and their representatives. The Group conducts many initiatives in favour of social dialogue, and works to establish tools for listening to and exchanging with employees. These programmes and tools are described in section 3.5.1.3.

Embracing this concept, Management and the representative trade unions decided to implement a Casino CSR agreement in France in 2014. A second agreement has been signed for the 2017-2020 period.

In 2019, the CSR department presented a review of the actions taken to date, during a meeting of the monitoring committee set up with the representative trade unions.

Employee engagement and opinion surveys have also been carried out, notably at Monoprix, to gauge employees' expectations. In 2019, a questionnaire was sent to the Group's Top 200 managers in France to validate the priorities with regard to their professions and their perceptions of the Group's CSR policy.

3.3.2. Customers

Aimed at being in tune with customers and their expectations, the Group's policy for improving customer service promotes quality dialogue based on the following tools, broken down by banner:

- A dedicated organisation: each Group banner has a customer service centre open 24/7 by telephone (at a toll-free number), post or the Internet, where customers can obtain information on stores and products, and have their questions answered.
- Regular training programmes in customer satisfaction and listening to customers.
- Social networks: Casino Group and its banners have accounts on the various social networks to allow them to interact with their customers and answer their questions in real time.
- Satisfaction surveys and questionnaires in all the Group's banners. In France especially, all of the banners carry out customer surveys and organise store visits by specialised service providers. The questionnaires address a wide variety of issues that affect customer satisfaction, from store cleanliness and service quality to the range of products on offer. Measured in all Group entities, customer satisfaction is monitored and analysed. The Assaí brand in Brazil, for example, has maintained its customer satisfaction rate at over 96% since 2018. In Colombia, Éxito carries out about 100 customer surveys per store, in addition to online surveys. Nearly 59,000 customers were surveyed in 2019 to define and track the satisfaction rate, which was over 93%.
- Reports are prepared and forwarded to the relevant departments (purchasing, marketing, stores, etc.) so that corrective and preventive initiatives can be implemented.
- Loyalty programmes: the Group's main banners have established loyalty programmes to improve customers' satisfaction and monitor their needs. They are a key tool in meeting expectations, giving loyal customers access to preferential offers tailored to their shopping habits. For example, the Éxito programme brings together more than 5 million people and is Colombia's largest.

The system as a whole serves to measure customer satisfaction and understand customer expectations.

To meet consumer expectations in terms of responsible consumption, the Group adapts its store concepts and product ranges.

To this end:

- The Group continued to develop its banners dedicated to organic products during the year. These include Naturalia, which now operates more than 200 stores (188 in 2018), including four all-vegan stores, and Casino#Bio, which was inaugurated in 2019. Franprix followed up on the Noé concept created in 2018 by launching a new model called Darwin, focused on organic products, bulk goods and a reduction in the impact of plastics.

  In Colombia, Grupo Éxito opened its tenth Carulla Fresh Market store in late 2019 dedicated to responsible consumption, with an expanded selection of local organically grown products. Gluten-free products, low-sodium and/or low-sugar products, as well as vegetarian and vegan products are also available to meet the requirements of all customers.
- Casino Group develops organic product ranges and takes into account consumer expectations to adjust its offering. In 2019, for example, the Casino brand completely eliminated titanium dioxide in all food products and pledged to provide Nutri-Score nutrition labels on all its private-label food products by 2021 and to optimise the nutritional value of more than 1,000 products.
- Policies relating to ethics, animal welfare and the environmental impact of products are also of interest to consumers, mirroring the policies developed by the Group (see section 3.5.3.).

3.3.3. Suppliers

Since its inception, Casino Group has maintained close relationships with its suppliers.

It engages in regular and constructive dialogue:

(i) With its suppliers of private-label products, including SMEs.

In France, Casino Group has appointed a correspondent for SMEs to streamline their interactions with the AMC purchasing hub. This person also acts as a mediator in commercial disputes with all types of manufacturers. The SME correspondent works with the *Fédération des Entreprises et Entrepreneurs de France* (FEEF) and *Association Nationale des Industries Alimentaires* (ANIA), as well as with the *Club d'Entreprise Agro-développement*, and supports the Open Agrifood think tank. He or she also organises biannual meetings within the SME forum to take into account the expectations and challenges of SMEs in their markets. A charter facilitating business relations between SMEs and the Group's banners was recently renewed for three years with the FEEF.

To support French suppliers in their CSR initiatives:

- Casino Group encourages them to self-assess their CSR practices using the Valorise portal set up with trade organisations ANIA, FEEF, COOP de France and the *Fédération du commerce et de la distribution* (FCD), of which the Group is a member. The portal (www.valo-rise.com) is designed to make it easier for suppliers, from very small enterprises (VSEs) to large international corporations, to self-assess their CSR performance thanks to a single form that can be used for several retail banners. This platform enables suppliers to:
  - self-assess their CSR performance with a single online questionnaire, based on the ISO 26000 standard and organised into six subject areas: governance, environment, local communities/development, consumers, fair practice and human resources/human rights,
  - facilitate management of CSR initiatives,
  - promote engagement in CSR by stakeholders across the supply chain, and
  - ascertain suppliers' maturity levels.

In 2019, 236 Casino Group suppliers, covering 418 production sites, self-assessed their CSR policies (300 in 2018 and 171 in 2017).

- the banners also support the "Engaged Entrepreneurs" label developed by the FEEF to promote SMEs to consumers by providing reassurance as to a product's origin and production and helping people to shop more meaningfully;
- the Group's central purchasing hubs, in partnership with suppliers, develop innovative products that meet the expectations of consumers who are increasingly concerned about their health and the impact of their consumption behaviours on the environment.

In France, for instance, Casino Group's central purchasing hub (*Achat Marchandises Casino* – AMC) brought together 107 manufacturers at its CAP 2020 conference in 2019, which was attended by various banners including Monoprix, Franprix, Casino Supermarkets and Géant Casino. The objectives were to present the foundation of quality and CSR commitments shared by the Group's various units, and to offer to work together to develop or update products to meet Casino Group's expectations in terms of health and nutrition and packaging policies.

In Colombia, Éxito is supporting local producers by forming partnerships with recognised NGOs and organisations, such as the Clinton Foundation and the Salva Terra Foundation. Producers are offered a programme of technical assistance, productivity improvements, delivery management and other support, along with a pledge to buy their products at the best possible price, which helps to drive local social and economic development.

Attesting to its commitment to SMEs, in 2019 the Group received two Grés d'Or prizes rewarding the best collaborative projects between an SME and a retail banner. A panel of experts in media, consulting and services, selected by the FEEF, rewards sustainable partnerships that rely on innovative solutions for customers.

(ii) With its main national brand suppliers in order to share CSR objectives and priorities, and/or set up collaborative projects. For example, the Group conducts operations jointly with its suppliers for the benefit of the French Federation of Food Banks and non-profit *Handi'chiens*, to name just two.

(iii) With production chains: the Group has forged more than 140 long-term partnerships with farm cooperatives and farm produce production chains. It has notably created a "Charolaise Label Rouge" production chain for beef and an organic chicken production chain with farmers in Mayenne covering a five-year period, with guaranteed production volumes. The Group has also continued to develop a specific supply chain for eggs laid by free-range hens raised in France on feed that is 100% made in France and free from GMOs and antibiotics, to be sold under private-label brands. In January 2020, the Group was the first French retailer to remove all caged-hen eggs from sale across all its private-label and national brands.

3.3.4. Local authorities

With stores throughout France, in cities and rural areas, the Group contributes to the economic development of the areas where it operates.

The banners' business development teams and the External Relations department maintain ongoing dialogue with local authorities.

The Group has formats to suit the specific needs of all communities (Petit Casino, Spar, Vival, Monoprix, etc.). It also partners with various organisations, such as Maires Ruraux de France, Association des Petites Villes de France (APVF), Villes de France, France Urbaine, Centre-Ville en Mouvement (CVM), Association Nationale des Pays et des Pôles territoriaux (ANPP) and Sites et Cités Remarquables, to support the urban retail environment and, in certain cases, the revitalisation of town centres and rural areas.

Working closely with local authorities, Casino is helping rethink the balance between city centre and suburban retailing and is taking part in the nationwide "Action Cœur de Ville" programme. The Group engages in dialogue with local stakeholders when opening, developing or closing stores.

3.3.5. Local communities

The Group interacts with local communities through the work of its foundations in the areas of community outreach, education and workforce integration (see section 3.5.2.), as well as through initiatives conducted locally by its stores.

The stores in France organise several collections each year for local non-profits. Monoprix, for example, supports the Protection Civile teams in Paris through an annual collection of around 4,000 hygiene kits, which are donated to the teams each year.

In South America, through Instituto GPA and in cooperation with its local partners, Extra restructured its social investment strategy to focus on training in retail professions for disadvantaged people and on the distribution of food products.

The Group is committed to supporting food bank networks in France and abroad, and contributes by organising collections in its stores and supporting national collection initiatives (see section 3.5.2.1.).

3.3.6. Partner organisations (NGOs and associations)

Casino Group takes part in the work of the ILO Global Business and Disability Network, of which it is a founding member, as well as the Initiative for Compliance and Sustainability (ICS), the Consumer Goods Forum and the Businesses for Human Rights non-profit (*Entreprises pour les Droits de l'Homme*). It is a partner of the Earthworm Foundation, an NGO whose goal is to transform supply chains to make them more sustainable and to fight deforestation.

In France, the Group is a member of various specialist associations such as CSR watchdog *Observatoire de la Responsabilité Sociétale des Entreprises* (ORSE), the French Association for the ILO (AFOIT), Global Compact France, UN Women, working parents observatory *Observatoire de la Parentalité*, equal opportunity education network *Réseau National des Entreprises au Service de l'Égalité des Chances dans l'Éducation* and anti-exclusion foundation *Fondation Agir Contre l'Exclusion* as a founding member. For environmental challenges, the Group works with the Saint-Étienne-based eco-design and life cycle management unit Pôle Éco-Conception et Management du Cycle de Vie, retail association Perifem, and environmental bodies such as Éco-Systèmes, Citéo, Corepile and Recylum. In 2017, it entered into a partnership with three animal protection organisations – LFDA, CIWF and OABA – to contribute to the development of national labelling on animal welfare standards in the poultry sector (see section 3.5.3.5.). This partnership has helped to draw a baseline setting minimum welfare standards throughout animals' lives.

The international subsidiaries also foster dialogue with stakeholders. In Brazil, GPA is a member of the Ethos Institute, an industry CSR association, and supports the work of the Akatu Institute, which conducts information and engagement initiatives on responsible consumption. GPA also works with *Compromisso Empresarial Para Reciclagem* (CEMPRE), an industry association that seeks to encourage corporate waste reduction, reuse and recycling, and is a member of *Grupo de Trabalho para Pecuaria Sustentavel* (GTPS), a sustainable livestock working group, InPACTO, which aims to eradicate forced labour in Brazil, and the United Nations' Global Compact. In Argentina, Libertad supports IARSE (Argentine CSR Institute) and the Global Compact. In Colombia, Éxito interacts with various national stakeholders including the National Apprenticeship Service (SENA) and international bodies such as TFA 2020 and the Consumer Goods Forum, which it joined in 2007.

In 2019, the Group responded to various requests and questionnaires from recognised NGOs, particularly on the issues of climate change, animal welfare, pesticides and deforestation.

3.3.7. Financial and non-financial community

The Group maintains regular dialogue with socially responsible investment (SRI) players, including rating agencies and investment funds, by taking part in interviews and providing information when requested. The Group responded to several requests and questionnaires in 2019, relating to climate and nutrition issues, animal welfare and corporate governance. The Group gives priority to requests and questionnaires from the following non-financial ratings and similar agencies: Vigeo-Eiris, FTSE4GOOD, Sustainalytics, MSCI, ISS-OEKOM, Robecosam and CDP.

3.4. ETHICS AND COMPLIANCE

Casino Group believes that acting with integrity, fairness and honesty is crucial to sustainable performance. The Group reaffirms its ethical principles with stakeholders in the Group Ethics Charter, which includes nine commitments, and in the Supplier Ethics Charter (see section 3.5.3.3.).

Through its membership of the UN Global Compact since 2009 and its Group Ethics Charter, Casino Group affirms its commitment to combating corruption and complying with national and international laws, principles, standards and regulations, as well as principles of transparency and good governance.

The implementation of the compliance and anti-corruption programme is the responsibility of the senior management of each of the Group's entities, which implement the Code of Ethics and Conduct and roll out its guidelines in accordance with the specific features of their activities and/or geographical location, as well as applicable regulations, while reporting to the Group's Ethics Committee.

3.4.1. Group Ethics Committee

The Group Ethics Committee, established in 2016, is responsible for steering the ethics system, particularly the fight against corruption, and ensuring that it is taken into account by Group entities.

Its main role is to:

- validate the framework for the anti-corruption compliance programme and the associated procedures;
- promote the presentation, understanding and implementation of the Group's anti-corruption compliance programme;
- take into account the objectives defined by Group Senior Management;
- set up and supervise a network of ethics officers within the Group;
- ensure that the operating business units implement training and awareness initiatives;
- ensure the effective implementation of preventive measures adapted to the types of incidents identified by the operating units and corporate departments.

As part of their responsibilities, the Group Ethics Committee and the Group Ethics Officer ensure the implementation and proper functioning of an anti-corruption system in accordance with legal requirements. They rely on the work of the Risks and Compliance department and the Internal Audit department. The Group Ethics Officer reports to the Governance and Social Responsibility Committee and the Group Audit Committee every six months on the policies and action plans implemented.

3.4.2. Code of Ethics and Conduct

In addition to the nine principles of the Group Ethics Charter, a Code of Ethics and Conduct, applied within Casino Group, lays down the rules of conduct, principles and ethical obligations by which all members of personnel must abide at all times in their daily work.

Each employee is expected to act in strict compliance with laws and regulations, to be fair and honest, and to behave with exemplary professional ethics.

The Code of Ethics and Conduct sets out Casino Group's policy on business ethics and individual behaviour. It is applicable to all employees, managers and Directors of the Group and Casino Group companies, including subsidiaries and controlled companies. It describes the values that are central to Casino Group's culture: legal and regulatory compliance, integrity, loyalty, transparency, honesty and respect for others.

The Code, which illustrates these values using practical examples, covers the following topics: conflicts of interest, anti-corruption (including rules relating to gifts and invitations), relations with public officials (including the prohibition of contributions on behalf of Casino Group to election candidates, political parties, organisations or other political entities), use of intermediaries, free competition, confidentiality of information (including protection of confidential or sensitive information and prevention of insider trading), protection of personal data, protection of the Group's assets, accuracy and reliability of financial information.

Casino Group condemns corruption in all its forms and works steadfastly to ensure that its employees are committed to upholding this principle. It has made a firm commitment to comply strictly with anti-corruption regulations in France and its host countries, to pursue a process of continuous improvement in the identification and prevention of corruption risks and to sanction improper or non-compliant practices.

The values and rules are communicated to the Group's partners as part of its operations (service providers, suppliers, customers, public authorities, temporary workers, etc.).

3.4.3. Mapping corruption risks

To comply with the provisions of the Sapin II law, the Group drew up the first map of its main corruption and influence peddling risks at Group level in June 2017. The mapping was presented to the Group Ethics Committee and the Audit Committee, and then updated in June 2018 based on monitoring of the implementation of action plans drafted and adopted at central level and/or entity level in order to remedy certain areas of weakness identified through the risk mapping process. In the second half of 2018, Casino Group called on an external consultant to help it develop and roll out in two pilot entities a complementary bottom-up methodology for mapping corruption and influence peddling risks at entity level. This methodology will be gradually rolled out in 2019 and 2020 in all Group units under the supervision of the Risks and Compliance department.

3.4.4. Network of ethics officers – prevention and whistleblowing

In 2017, the Group appointed a Group Ethics Officer, a member of the Ethics Committee, and a Chief Risks and Compliance Officer, tasked with applying the Group's ethics framework, leading the network of ethics officers established in each entity in France, and interacting with international subsidiaries, which have an ethics or similar committee. Group employees may contact the network of ethics officers by means of confidential and secure whistleblowing lines to report any acts they deem contrary to the Group Ethics Charter.

The network of ethics officers ensures that employees understand Casino Group's principles and values, responds to questions, receives alerts, analyses and processes them, ensures confidentiality and, depending on their materiality, informs the Group Ethics Officer and the Group Ethics Committee, respecting the anonymity of the whistleblowers and the people being reported, in accordance with the requirements of the Sapin II Law.

In Brazil, Colombia and Argentina, whistleblowing systems for employees and external stakeholders are accessible 24/7. Promoted via internal or external communication media (entities' websites), they allow employees, customers, suppliers, shareholders and third parties with business or contractual relationships with the entity to report confidentially by email or phone any acts that may be in violation of principles of integrity, transparency, dignity or equality. Alerts submitted via these channels are transcribed into reports, which are in turn reviewed by the Ethics Committees of each of the entities concerned.

Statistics on the number of alerts received and processed, classified by type, are presented to the Governance and Social Responsibility Committee and the Group Audit Committee every six months.

3.4.5. Training and awareness

To develop a culture of ethics and transparency, training and awareness-raising mechanisms adopted within Casino Group's subsidiaries were continued in 2019.

In France, initiatives taken focus notably on:

- the training of more than 10,000 employees since 2017 on Casino Group policy in terms of ethics and fighting corruption. In particular, in 2019, 1,000 employees among the populations considered most vulnerable to the risk of corruption were trained in 12 face-to-face sessions by members of the Risk and Compliance department, including the Group Ethics Officer, and a specialised lawyer;
- awareness raising for entity management and executive committees via talks by the Group Ethics Officer at dedicated meetings;
- awareness raising for all employees, with the establishment of a display on all administrative sites setting out the principles of the Code of Ethics and Conduct, the sending of an explanatory brochure individually, and the distribution of messages via intranets;
- online tutorials on the following topics:
  - procedure for reporting alerts,
  - third-party referencing,
  - prevention of corruption (update of the version published in late 2016),
- the reinforcement of measures taken during the referencing process of suppliers and the training of buyers in the reinforced control expected of them.

Internationally, the following initiatives have been implemented:

In Colombia, the "Transparencia" programme is the subject of an annual poster campaign covering specific aspects of its ethics programme. New hires also follow an e-learning course covering the topics in Éxito's transparency policy.

In Argentina, a training programme has been rolled out to support the circulation of the Libertad Ethical Charter in order to raise employees' awareness about the fight against corruption.

In Brazil, GPA is organising training sessions as part of its anti-corruption system. The training is designed for managers considered to be at risk (especially in the Purchasing department), all newly hired employees, suppliers and service providers.

The assessment of the effectiveness of these mechanisms is recorded in the internal audit plan depending on the entity.

3.4.6. Other initiatives in the compliance programme

The other main initiatives in 2019 focused on the rollout of an annual declaration of engagement and absence of conflict of interest in populations in contact with third parties, a gift and invitation policy, a sponsorship and philanthropy policy, a sales intermediaries policy, and the setting of new key accounting controls.

The assessment of the effectiveness of these mechanisms is recorded in the internal audit plan depending on the entity.

3.4.7. Responsible lobbying

Casino Group, through the External Relations department, lobbies in order to consult, discuss with and inform elected officials involved in drafting legislation, and participates in the work of the various bodies that represent its sectors. It nurtures regular and open dialogue, which helps to build public policy.

It responds to requests for information from the ministries concerned by its activities and for testimony in parliamentary hearings as required. The Group acts in accordance with the OECD Principles for Transparency and Integrity in Lobbying, and in line with the commitments set out in its Ethics Charter. As such, it ensures compliance with national and international standards, laws and principles, including the fight against corruption.

In accordance with legal requirements, the Group reports to the French High Authority for the Transparency of Public Life (HATVP) on its activities with national public officials and the sums set aside for representing its interests. It declares its activities as an interest representative on the European Commission's Transparency Register. It is a member or partner of professional associations in its various business segments (retailing, logistics, distance selling, solar power generation, etc.), as well as associations of local elected officials, with whom it interacts on topics of general interest (the revitalisation of town centres in particular).

The External Relations department provides advice to store managers and developers of the Group's banners on their relations with elected officials, notably to remind them of the ethical rules governing relations with local authorities and decentralised public services.

The External Relations department assists employees in the various Group departments and entities in their interactions with public authorities.

3.4.8. Tax transparency

Casino Group's tax policy is implemented by a dedicated team with access to all resources, in terms of both training and documentation, necessary to (i) take into account changes to the law and (ii) support operating teams in France and abroad.

This policy is based on the following focuses and commitments:

- complying with all national tax legislation and paying all taxes due in all host countries in a timely manner;
- avoiding aggressive tax schemes aimed at evading taxes or transferring profits to countries with preferential tax regimes;
- cooperating in full transparency with the tax authorities. Casino Group maintains open, constructive relationships with the various administrative authorities, legislative bodies and courts in charge of performing tax audits, updating standards and settling disputes.

With regard to tax transparency, the Group complies with the recommendations of the Organisation for Economic Cooperation and Development (OECD), notably with regard to intragroup transactions, and does not use structures located in "non-cooperative" tax jurisdictions as defined by regulations. The Group also complies with the OECD recommendations aimed at combating base erosion and profit shifting.

The Group's tax policy has been made public and is available on its corporate website (www.groupe-casino.fr/en).

3.5. POLICIES AND INITIATIVES IN PLACE

3.5.1. Casino Group, a committed employer

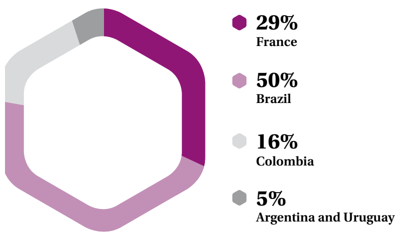
In every host country, Casino Group develops and implements innovative human resources and management policies that are sensitive to local cultures. These policies are designed to:

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

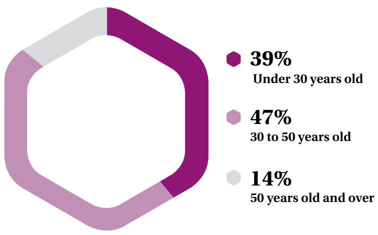
Each unit's human resources department is responsible for defining its policies in line with the core principles laid down by Group Human Resources, which are based on i) developing a shared culture of business, social and environmental performance; ii) creating synergies and deploying tools to improve human resources management; and iii) respecting the unique identity and culture of every subsidiary. The Group is a leading employer in most of its host countries, particularly France, Brazil and Colombia.

Casino Group has 219,132 employees, 52% of whom are women. 29% of employees are based in France and 71% in South America.

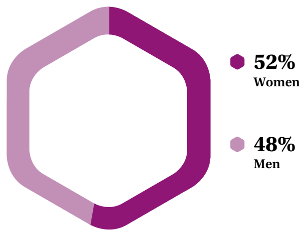
Workforce by country



Workforce by age



Workforce by gender



The vast majority of Group employees (94%) have been hired under permanent contracts, with fixed-term contracts used primarily to replace staff on leave or to support in-store teams during peak seasonal periods. 82% of employees work full time.

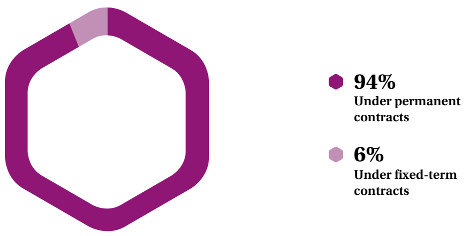
Trends in the Group's businesses resulted in the hiring of more than 110,576 people on permanent or fixed-term contracts in 2019, of which 45% on permanent contracts. Separations due to corporate reorganisations are the subject of extensive negotiations with employee representatives and are accompanied by a wide range of placement and support measures.

The Group's turnover rate was 24.6% in 2019, with significant differences between entities reflecting specific contexts. It was 11.3% at Cdiscount in France and 27.5% at Multivarejo in Brazil, which is below local rates.

■ Organisation of working hours

Casino is committed to respecting each employee's working hours, rest periods and regular holidays. Measures have been taken to address issues arising from atypical working hours (weekends, on-call) or specific needs (people with disabilities, for example) and to meet employee expectations for a more satisfying work-life balance.

Permanent/fixed-term workforce



Full-time/part-time workforce

Employee working hours comply with the local host-country legislation applicable to each unit. In addition, initiatives have been deployed concerning:

- part-time working: although most employees hold full-time contracts, the Group has undertaken in France to give priority to part-time employees when filling a new full-time position. Casino has established a proactive policy that since 2012 has enabled more than 3,000 people (an increase of 11% between 2018 and 2019) to switch from a part-time to a full-time contract;
- the issues involved in atypical working hours, such as night work, weekend work, inter-shift breaks (maximum number allowed), on-call or stand-by hours, etc. In France, Sunday work is governed by agreements negotiated with employee representatives, which reaffirm the Group's commitment to ensuring that employees working regular Sunday hours do so on a voluntary basis and are paid at an overtime rate. In addition, these agreements exceed the standards set in the industry-wide labour agreements for daily working hours, inter-shift breaks and minimum part-time working hours.

  Internationally, through internal policies or collective agreements, the subsidiaries also manage the organisation of working hours, the associated rules and the systems designed to compensate atypical hours with measures including payment for transport and meals, and rotating employee shifts on a voluntary basis.

  Systems are in place to track and verify working hours. For example, every Éxito warehouse has been equipped with a biometric time clock, accessible to employee representatives and union delegates, and entities have a dedicated system that employees can use to report problems with working hours or workload issues;
- the issues arising from specific needs, particularly those of employees with disabilities. In 2011, the Group introduced an initiative to support and assist employees acting as caregivers to a frail or highly dependent family member or loved one. This was followed in 2013 by a collective agreement on family caregiver leave that allows employees, under certain conditions, to take up to 12 working days of paid leave per year to care for a loved one. Since the beginning, more than 2,240 days of leave have been donated to the programme, enabling more than 280 family caregivers to take time off. Employees concerned can request a specially published caregiver booklet, get free, confidential advice on a dedicated platform and attend talks on various caregiving issues. In 2019, for France's National Day for Caregivers, donations to community funds of one working day to help caregivers were increased by an additional one and a half days per company;
- the work-life balance expectations of employees, particularly consideration for their service to the community and measures to develop support for employees that are parents. These measures are described in section 3.5.1.3.6.

3.5.1.1. PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

Casino Group has been committed to combating all forms of discrimination since 1993. Convinced that diversity is a driver of business performance, it is pursuing an assertive commitment to hiring people from diverse backgrounds, promoting equal opportunity at every level and in all business processes.

3.5.1.1.1. Combating discrimination and stereotypes

This commitment is based on several action principles, including fighting the stereotypes that underpin discrimination, building policies jointly with representative employee organisations, addressing all areas of discrimination and measuring the effectiveness of initiatives.

In 2009, Casino Group was the first French retailer to earn the Diversity Label, awarded by Afnor Certification to companies leading the way in this area. Following an audit, the label was renewed for four years in 2012 and again in 2016, when it was also extended to Monoprix. In France, the Casino banners and central services received dual recognition in 2019 when their Diversity Label and Workplace Equality Label were both renewed, following another audit by the *Association française de normalisation* (Afnor). The allocation of these labels was also extended to Monoprix banners and central services.

Led by the Group Human Resources department, these policies are deployed in every unit across the Group.

Commitment

The Group has pledged above all to fight discrimination based on national or ethnic origin, social background, gender, disability, age, sexual orientation, religious affiliation, union membership or physical appearance. It actively fights discrimination on the 23 criteria defined by French law and has been combating discrimination and promoting diversity at Group level for 26 years.

All of the Group's entities have formalised their commitment to promoting diversity in line with the Group policy.

- In France, the Group is a signatory of the Diversity Charter. The Casino and Monoprix banners hold the Diversity and Equality Label awarded by Afnor, demonstrating their commitment and the quality of their actions. The units also express their commitment through agreements negotiated with employee representatives. In 2017, for example, Monoprix signed a three-year diversity and quality of worklife agreement.
- In Colombia, Éxito has signed the Diversity Principles declaration and formalised a diversity and integration policy and related objectives approved by senior management and monitored by a diversity committee.
- In Brazil, through its Diversity Charter, GPA undertakes to roll out action plans in all subsidiaries in five priority areas: disability, ethnic or national origin, sexual orientation, gender identity, generational diversity and gender equality in the workplace.

The French and Brazilian entities are also signatories of the LGBT Commitment Charter, pledging to ensure equal rights and treatment for all employees regardless of their sexual orientation. In 2019, GPA also joined several initiatives designed to promote equality, combat stereotypes and end violence against women and girls.

Organisation

Each subsidiary's human resources department is responsible for promoting diversity in all its forms, calling on internal and external experts.

- In France, the diversity process is supported notably by a Diversity Promotion department and a network of more than 70 Diversity Outreach Correspondents and experts. Policy implementation is led by the Group Diversity Committee, which is made up of seven employee representatives and seven senior executives.
- In Colombia, the policy's implementation is driven by an 11-member Inclusion and Diversity Committee, which monitors the correct implementation of the Diversity and Social Inclusion Policy.
- In Brazil, GPA's Human Resources department implements various action plans and control procedures in collaboration with each banner's management team. It also receives support from committees, notably the LGBTQIA+ Pride Committee and the Madiba Committee, which fights racial discrimination. These committees are made up of employees and interact with human resources departments to draft action plans.

Action plans

● Awareness and training

The banners raise awareness and train the relevant managers and employees to (i) uphold and promote the application of the principle of non-discrimination in all its forms and at every stage of the human resources management process, particularly hiring, training, promotion and career development, (ii) reflect all of society's cultural diversity across the entire workforce, (iii) inform every employee of this commitment to non-discrimination and diversity, and (iv) inform them of its outcomes.

In France, several guidebooks have been published for employees, including:

- "Managing Religious Diversity in the Workplace";
- "Changing our Perception of Young People";
- "Physical Appearance: Deconstructing Stereotypes, Overcoming Prejudice";
- "Sexual Orientation and Gender Identity: Best Practices in the Workplace";
- "Gender Equality in the Workplace: Combating Everyday Sexism";
- "Disabilities in the Workplace: Fighting Stereotypes, Supporting Jobs for the People with Disabilities";
- "Understanding and Promoting Generational Diversity in the Workplace", deployed in 2019.

Diversity awareness campaigns are organised within the Group's entities. To this end:

- Cdiscount organised an awareness and information week for its employees in 2019 on diversity-related topics. Training modules relating to diversity and non-discrimination were also rolled out in 2019 for managers.
- GPA organised its third annual Diversity Week in 2019, featuring a wide variety of training sessions, conferences, debates, surveys and other events addressing such issues as disability awareness, non-discrimination on the basis of ethnic or national origin, generational diversity and LGBT rights. More than 1,500 employees and guests participated in these events, which included training sessions on diversity and unconscious bias.

● Responsible hiring

Non-discriminatory hiring methods and systems have been widely deployed across the Group.

- A non-discriminatory hiring course has been deployed in France for human resources teams, store managers and other people likely to be involved in the hiring process, with the aim of training all people concerned. Internationally, training is also offered more specifically to people involved in hiring.
- New, non-discriminatory recruitment methods are also used by Group banners, such as the simulation (role-play) recruitment method (SRM) used by Casino when opening new stores and the CV-free recruitment method aligned with its values that was adopted by Franprix in 2018. These two methods facilitate hiring based on the applicant's aptitudes, regardless of their educational background, by putting them in real-life situations (public speaking, debates, business games, etc.).

When hiring managers and supervisors, the Group asks applicants to take a satisfaction survey that covers diversity issues. In 2019, the satisfaction rate was 94%. These departments also use highly diversified sourcing channels to reach applicants from very diverse backgrounds, such as Mozaïk RH and the Foundation for Action Against Exclusion (FACE), and have participated in more than 40 job forums (including the "Hello Handicap" forum) and meetings with staffing agencies such as local employment offices and Second Chance Schools.

● Commitment control

Systems have been introduced to track the proper application of policies and procedures. In 2016, non-discrimination testing based on national or ethnic origin was conducted by a third party company, and covered additional tests related to sexual orientation. In 2017 and 2018, the French entities rolled out action plans based on the outcomes of this testing (training, securing the hiring process, raising the awareness of employees and management bodies, etc.).

At the end of 2017, an equal opportunity and diversity perception survey was carried out in the Casino and Monoprix units. Conducted by specialised firm Kantar TNS-Sofres, the survey polled 8,400 employees. It revealed a very good perception of the Group's commitment to diversity (87% of employees surveyed) and a high score for the equal opportunities climate (6/10, versus a nationwide average of 3.9/10). It also confirmed that diversity is a factor in hiring within Casino Group (90% of employees surveyed agree that there is no discrimination in hiring). Age was perceived as the first criterion of discrimination for 38% of respondents; corrective action has since been taken in that area, including guidelines and e-learning modules. The equal opportunity and diversity perception survey will be carried out again in 2020.

Lastly, a number of the Group's entities have discrimination counselling and advice units offering the possibility for all employees to blow the whistle, on a confidential basis, whenever they experience or witness actual or perceived discrimination.

■ 3.5.1.1.2. Acting for the integration and retention of workers with disabilities

Commitment

Casino Group has been assertively engaged in hiring and retaining employees with disabilities since 1995, and reaffirmed its commitment in October 2015 by signing the International Labour Organization's Global Business and Disability Network Charter. In 2016, GPA also signed a Charter for the Inclusion of People with Disabilities, created by the Brazilian Entrepreneurs' Network for the Inclusion of People with Disabilities with the support of the ILO. In 2019, Casino Group signed a manifesto for the inclusion of people with disabilities in the workplace with the French Secretary of State in charge of People with Disabilities.

The inclusion of people with disabilities is one of the internal objectives set for 2020 and is also a factor in determining a GPA manager's bonus, with the goal of increasing the percentage of people with disabilities in the workforce to 5% by 2020.

The Group defines commitments, action plans and performance targets in this area, in particular in a number of agreements with trade unions. The seventh such agreement, signed with employee representatives and covering the 2017-2020 period, provides for the hiring of 100 people with disabilities, the ramp-up of work/study programmes and a contingent of 120 interns. In 2017, Monoprix negotiated its fifth agreement, which includes undertakings to i) pursue an active hiring policy designed to bring in 180 new employees and 60 interns over the three-year period; ii) fund measures to retain employees who become disabled during their careers; and iii) conduct disability-related training.

Action plans

Action plans have been deployed across the Group by the human resources departments, with three underlying objectives:

- hire people with disabilities:

  To meet their targets for hiring people with disabilities, the banners are facilitating the recruitment process by partnering with dedicated organisations. Monoprix, for instance, has joined forces with *Cap Emploi*. Cdiscount participates in specialised job forums (*Forum Emploi Handicap*) and posts vacancies on specialised employment websites such as hanploi.com. In 2018, Casino made a commitment to FAGERH, a recognised national federation for the vocational rehabilitation of people with disabilities. GPA takes part in job forums for people with disabilities and hired 139 applicants in 2019.

  - In Colombia, some 100 people with disabilities were included in the "Inclusión laboral" programme initiated in 2006 in partnership with *Fundación para la integración de personas con discapacidad cognitiva*, a foundation specialised in the integration of people with cognitive disorders. 25 apprentices with cognitive impairment were trained in 2019. Since 2006, the "Inclusión laboral" programme has supported more than 2,300 people with disabilities who had been abused or had suffered from vulnerable situations or hardship.
  - In Brazil, GPA has taken various measures to facilitate the hiring of people with disabilities, including setting up a dedicated team and analysing difficulties faced by employees in their jobs. Via Instituto GPA, Extra renewed its partnership with Ser Especial to support the "Sementes" programme, enabling close to 90 people with disabilities to be trained in baking, pastry-making and customer service in 2019.

  The Group's entities are also developing partnerships with companies in the protected sector employing people with disabilities;

- educate and raise awareness:

  In 2018, Casino Group produced a specific guide and circulated it among employees in France.

  - In France, a number of employee awareness-raising and training initiatives have been established throughout the Group, particularly to mark the European Disability Employment Week, with activities, workshops and questionnaires to help raise awareness of all forms of disability. Guidebooks have been issued to Group managers and employees to help them integrate people with disabilities. Training modules are in place for recruitment teams and other stakeholders. They include "Overcoming Disability" used at Monoprix and Cdiscount, and two online courses deployed by Casino and Franprix: "Non-Discriminatory Hiring", which covers disabilities, and "Making Every Shopper Feel Welcome", which facilitates store access and improves the shopping experience for people with motor, sight, hearing, mental or psychological impairments.
  - Internationally, Éxito has produced a guide to help managers welcome people with Asperger's syndrome;

- allow people with disabilities to stay in employment throughout their working lives.

  The Group is committed to retaining employees who become disabled during their careers by deploying technical, organisational or technological solutions to realign their jobs or workstations, conducting ergonomic studies, performing career assessments and offering training.

Lastly, cause-related marketing campaigns are also organised to enhance shopper awareness. Casino, for example, has been conducting campaigns for several years to support non-profit organisation *Handi'chiens*.

Performance

The Group measures the performance of its policies in favour of people with disabilities by monitoring the share of the workforce concerned:

The Group has 8,546 employees classified as having a disability working under permanent or fixed-term contracts, representing an increase of 5% compared with 2018 and 28% since 2015. Compared to 2015, the number of employees classified as disabled in 2019 increased by 94% in Brazil. GPA banner Assaí, which is deploying a growing number of employee awareness and training initiatives, ended 2019 with 5.3% of its employees classified as disabled, an outstanding achievement for the retail industry in Brazil.

See Group performance indicators on pages 244 and 245.

3.5.1.1.3. Acting for intergenerational diversity

Commitment and action plans

As part of its commitment to breaking down the barriers to entry into the job market for young people, the Group has undertaken to:

- develop work/study programmes and offer young people initial job experience

  Programmes to facilitate the hiring and integration of work/study trainees have been introduced in every unit.

  - In France, Casino organised a Work/Study Celebration Day for the eighth consecutive year. The event, which is unmatched in the French mass retailing sector, brought together several hundred mentors and work/study trainees from educational backgrounds ranging from vocational trade certificates (CAP) to Master's degrees.
  - In South America, Éxito, Libertad and GPA partner with national apprenticeship organisations (schools, universities, SENAC in Brazil, SENA in Colombia) and participate in a wide range of job fairs. For example, Libertad has been running a vocational training programme since 2017 in association with Universidad Empresarial Siglo 21 in Córdoba, and is a partner in the "Primer Paso" plan initiated by the Córdoba provincial government. Éxito is participating in the Colombian Labour Ministry's "40,000 first jobs" programme to help break down the barriers to entry into the job market for young adults aged 18 to 28 and enable them to gain their first work experience in private companies;
- facilitate student guidance and integration

  The Group works very closely with schools and educational organisations to promote its jobs and diversify its sources of new hiring. Casino Group's recruitment teams took part in more than 110 initiatives in favour of the integration and hiring of young people in 2019, including information sessions on different jobs, store visits and help in preparing a resume and cover letter. They also visited 50 educational institutions;
- combat stereotypes

  A guidebook entitled "Changing our perception of young people" is handed out to all employees to help them understand preconceptions about young people and encourage intergenerational dialogue.

  A new guidebook entitled "Understanding and Promoting Generational Diversity in the Workplace" was created in 2019 to combat stereotypes and clarify the attitudes and behaviours expected of managers. The creation of this guidebook was prompted by the diversity survey conducted in 2018, which showed that age-based discrimination was a key concern among employees. Following the survey, a wide-reaching project was carried out, with the support of the *Entreprises pour la Cité* network. In 2019, 11,000 copies of the new guidebook were distributed to managers;
- undertake specific initiatives to help young people who are poorly qualified or from underprivileged backgrounds.

  Casino Group has pledged to recruit within a store's immediate employment area and to promote local employment. In 1993, it signed a national partnership agreement with the French Ministry for Urban Development (renewed in 2013), an agreement with local employment agencies and the Businesses and Neighbourhoods Charter sponsored by the Ministry for Urban Development.

  In France, Casino, Monoprix and Cdiscount are implementing agreements designed to deploy intergenerational initiatives, such as training, mentoring and special support, for young adults (under 26) and older employees. The Casino transmission of knowledge agreement sets a minimum percentage for the hiring of young people and older employees, the retention of a given percentage of young adults and a dedicated orientation programme called "C Duo Génération", which assigns a mentor to facilitate the integration of young employees, as well as housing assistance for work/study trainees.

Performance

Employees aged under 30 account for 39% of the consolidated workforce, while those aged 50 and over represent 14%. In 2019, Casino hired 3,133 people from disadvantaged neighbourhoods under permanent or fixed-term contracts, as well as 792 interns and work/study trainees. The Group employs more than 7,750 work/study trainees (see Key Performance Indicators, pages 244 and 245).

3.5.1.2. FOSTERING GENDER EQUALITY IN THE WORKPLACE

Gender equality is one of the Group's flagship commitments. The increase in the number of women executives within the Group is one of the two CSR criteria taken into account in the variable compensation of executives in France.

Since 2002, the Group has sought to enhance the gender diversity of its teams at every level of the organisation through an assertive policy on gender equality across job categories, career management, human resources processes (compensation, access to training, hiring and promotion) and parenthood. Casino Group was once again awarded the Afnor Workplace Equality Label in 2019.

The Board of Directors' diversity policy is presented in Chapter 5 of the Board of Directors' report on corporate governance (starting on page 297).

Commitment

The Group has made a number of commitments to external and internal stakeholders.

Casino Group has:

- pledged to uphold the Women's Empowerment Principles developed by UN Women, thereby strengthening its resolve and its initiatives aimed at combating discrimination and promoting gender equality in the workplace in France and Latin America;
- signed the Gender Equality Manifesto issued by the Group's C'avec Elles women managers network created in 2011 and renamed La Fabrique in 2019. In so doing, the members of the Executive Committee and all the Management Committees of the France units reaffirmed the Group's determination to lead the way in driving progress towards equal opportunity and gender equality. The Manifesto is organised around five priority objectives, supported by effective real-world initiatives: Combat gender discrimination and sexism – Guarantee equal opportunity for everyone throughout their careers – Hire women – Support parenthood – Encourage gender equality in the world.

In France, professional equality is the subject of agreements with the unions. The agreement signed by Casino includes undertakings to support equal pay, conduct a compensation survey and expand training programmes for managers when employees return from maternity, adoption or long-term parental leave.

In Colombia, Éxito's professional equality policy is coordinated by an Inclusion and Gender Diversity Sponsorship Committee. Éxito began the process of certifying its gender equality approach in 2016, with the goal of earning the "Equipares" label introduced by the Colombian Ministry of Labour with the support of the United Nations Development Programme (UNDP). The label was created to recognise and reward companies that have fostered conditions and implemented actions to promote gender equality, particularly through the transformation of their corporate culture. Éxito was awarded the label in 2019, in recognition of the commitments made and the initiatives carried out to promote gender equality in the workplace. In Brazil, GPA set up a Committee on Equal Opportunities for Women and Men in 2013 and, in 2018, signed the Manifesto for Equal Opportunities and the Women's Empowerment Principles with UN Women Brazil.

To steadily increase the proportion of women in managerial positions, each subsidiary's human resources department tracks six strategic indicators, whose performance outcomes are presented to the Governance and CSR Committee every six months.

Action plans

The Group's policy primarily aims to combat gender stereotypes and promote gender diversity across the organisation by:

- measuring progress to ensure effective action. The Group Human Resources department has developed a Diversity Scorecard to identify improvement avenues and priority areas;
- raising awareness among managers and all employees through training and communication initiatives. These initiatives are relayed in each business unit in France by a network of Diversity and Equality correspondents;
- increasing the proportion of women in the organisation by encouraging female applicants and identifying talented women for internal promotion and during "people reviews";
- fostering a healthy work-life balance. The Group has been implementing action plans to support employees with children for the past ten years.

The main initiatives undertaken in this area in 2019 included:

- **Measuring progress to ensure effective action:**

  A review is carried out twice a year, both in France and internationally, based on the six performance indicators defined in the Diversity Scorecard. During these reviews, trends are analysed and best practices are identified through benchmarking in order to update the banners' action plans. The Group also analyses the scores obtained by companies with more than 250 employees in the workplace gender equality index introduced by the French government. In 2019, the the weighted average index published by the Group was 90/100. Based on the pay analyses carried out to calculate the index, Casino France pledged, during the 2019 annual negotiation process, to dedicate a financial package to improving its index and in particular to rectifying situations where the gender pay gap is greater than 2%.

- **Increasing the proportion of women employees and managers:**

  The Human Resources department identifies and develops high-potential women employees to speed up their career advancement within the Group. Particular attention is paid during "people reviews" to ensure gender parity in the Group's talent development programmes.

  Various training programmes have been introduced specifically for women:

  - "Lead Her Ship" is an e-learning programme that aims to improve the managerial and leadership skills of women managers. Close to 200 women signed up for the latest session, which started in late 2019.
  - A face-to-face development programme for experienced women managers was introduced in 2013 with the help of a specialised consultancy.
  - In the development programme for senior managers and executives, women accounted for 40% of the participants in 2019 and benefited from coaching and training in such areas as finance and management.
  - The Group's gender diversity network La Fabrique (formerly known as C'avec Elles): Open to all Group managers, the network aims to promote gender equality and diversity in the workplace in order to achieve balanced representation at all levels of the organisation. The network organises personal development workshops, networking events and conferences on various topics. For the past four years, the network has also run a mentoring programme that enables network members to benefit from the support of a Group executive for one year. Nearly 130 members have participated in the programme to date.
  - Particular attention is paid to identifying and developing high-potential women in Latin America.

  In 2019, GPA introduced a leadership development programme designed to increase the proportion of women in positions of responsibility. A total of 214 women, including both head office and store managers, have already benefited from this programme, which earned GPA a Bronze Award from UN Women. Éxito continues to offer its "Mujeres Líderes de la Operación" programme, which attracted 13 participants in its first year. Designed to increase the proportion of women in operational management, the programme was renewed in 2019, with 15 participants. In addition, 1,422 women employees received training during the first half of the year to boost their skills in finance, negotiations and leadership. As part of the Equipares certification process, Éxito requires its recruitment agencies to propose female applicants. Conferences are organised in both Brazil and Colombia on various topics related to gender equality. A conference about breaking the glass ceiling was held in Cali on 3 September, bringing together 150 Éxito employees.

- **Raising awareness among managers and all employees:**

The Group implements targeted communication and action plans to combat sexism, in particular by:

(i) Conducting information campaigns to combat stereotypes
Communication plans are designed to combat stereotypes and support initiatives that promote diversity. In France, the Group deployed a communication campaign in March to coincide with International Women's Day. The aim was to challenge the gender stereotypes associated with our professions by showcasing the career paths of various male and female employees in the form of a mini-series. An information campaign was also carried out in 2019 to highlight the impact of the Group's 15-year-long commitment to gender equality through posters, flyers and digital communication initiatives. In Colombia, Éxito turned March into the "Mes de la Equidad" to celebrate gender diversity in the company. One day was dedicated specifically to women (8 March) and another to men (19 March), with various events organised to promote discussion and camaraderie. A communication campaign was also conducted throughout the month to raise awareness of gender equality issues among all employees.

(ii) Combating sexism
As part of its campaign to promote diversity and combat all forms of discrimination, the Group distributes guidebooks on various topics to its managers and recruiting teams in France.
In 2019 in France, specific action was taken to combat sexism and sexual harassment in the workplace, via an e-learning module designed for managers. Inspired by the guidebook on everyday sexism published in 2016, the e-learning module provides a detailed description of the legal framework and presents real-world examples in the form of a quiz. A network of sexual harassment correspondents was set up in France, together with a training plan for its members. In addition to this Group action plan, similar initiatives are also implemented by the banners. Franprix, for example, has provided sexism awareness training to 320 store managers via its mobile training system Acadibus.

(iii) Partnering with UN Women
The Group's commitment to UN Women continued during the year with the implementation of Diversity Scorecard action plans structured around the seven Women's Empowerment Principles. The seven principles provide a basis for analysing gender equality indicators and monitoring the quantitative and qualitative impact of the actions taken in each country.
The Group supported UN Women France's "Orange Day" campaign to combat violence against women via cause-related marketing across all banners in France. The campaign also provided an opportunity to raise employee awareness of this issue through internal communication initiatives in each Group entity. At Géant Hypermarkets and Casino Supermarkets, for example, stands were set up in stores and at the administrative offices in Saint-Étienne by local organisations dedicated to combating violence against women and providing support to victims. As part of the partnership with UN Women, Franprix has been relaying communication campaigns on violence against women since 2016. Two years ago, it also created an emergency internal mobility system to enable victims of violence to relocate to a different workplace within a few days. The system has already been used several times since its creation. The Monoprix Foundation selected three associations following a call for projects on "Women and Solitude" designed to help isolated women.

- **Fostering a healthy work-life balance**

The Group takes an assertive approach to supporting parents. As part of the annual negotiation process, the Group renewed the "Campus Parentalité" educational support platform and extended it to include Monoprix, Franprix and Cdiscount employees. The digital platform gives employees' children access to grade-specific lessons and exercises on school subjects and foreign languages, enabling their employee parents to provide effective homework support. More than 1,400 subscriptions have been recorded since the platform's launch.

The Group pursued its collaboration with French workplace well-being non-profit *Observatoire de la Qualité de Vie au Travail* (OQVT) during the year by contributing to the preparation of its guidebook on parenthood in the workplace. This collaboration enabled the Group to showcase its best practices, particularly in the area of "helping the helpers". It also participated in a cross-business working group on single parents, led by the OQVT at the request of the French ministry in charge of gender equality.

The Group also promotes paid paternity leave. The Casino banners have increased the duration of paternity leave to 14 days, versus the 11 days required by law. Cdiscount has introduced workshops to support women employees before and after maternity leave. These workshops take the form of discussion groups, to foster interaction and friendship among participants. GPA has carried out an assessment of the impact of motherhood on women's careers, notably by analysing turnover in the months following a return from maternity leave. Mothers are also protected from being dismissed for one year following their return from maternity leave.

Performance

The percentage of women in management was 39.5% in 2019, an increase of approximately 1 percentage point compared with 2017 (see Key Performance Indicators, pages 244 and 245).

3.5.1.3. PROVIDING AN ENVIRONMENT CONDUCIVE TO EMPLOYEE FULFILMENT

3.5.1.3.1. Encouraging social dialogue

The Group's commitment to social dialogue, the right to organise and the collective bargaining process is supported by innovative labour relations policies.

Commitment

The sixth commitment in the Group Ethics Charter, issued in 2011, is to "support effective social dialogue" across the enterprise. As a signatory of the United Nations Global Compact, the Group and its subsidiaries acknowledge their commitment to upholding freedom of association and the right to collective bargaining. The Supplier Ethics Charter specifies the Group's expectations regarding freedom of association, which must be respected across the supply chain.

Action plans

These commitments, which are led by the Group's human resources departments, are as follows:

(i) Participation in collective bargaining with employee representatives and implementation of the resulting agreements

Every unit across the Group has signed collective bargaining agreements with its representative unions, covering issues such as working hours and compensation. Specific agreements are also signed and monitored regularly.

Casino maintains regular dialogue with the trade unions.

More than 20 agreements and action plans are currently in force in Group entities in France, covering the employment of people with disabilities, gender equality, workplace health and safety, benefits and compensation, and more broadly CSR (Casino) in an agreement reaffirming the parties' determination to integrate CSR into the company's business and human resources model. The implementation of these agreements is regularly monitored and their outcomes are presented to the representative trade unions every year.

Numerous agreements were signed at Group level in 2019. At a time of significant change and transformation, several agreements were drawn up to reflect and support the changes being made. As a result, the following Group-level agreements were signed in France during the year:

- an agreement on strategic workforce planning designed to give every employee a clearer understanding of the process and make it more operational;
- an agreement on health, safety and well-being in the workplace to promote preventive measures in new priority areas (both cross-functional and for specific types of activities) and to create new opportunities to drive progress in the Group's policy on raising managers' awareness of workplace well-being issues;
- the 8th three-year agreement on the employment of people with disabilities, designed to maintain the Group's ambitious objectives in this area and integrate new legal requirements;
- an agreement on the composition of the Group Works Council;
- an agreement on health expenses, extending the social welfare policy and taking into account the changes introduced by recent government reforms;
- an agreement on discretionary profit-sharing to reaffirm the importance of "local" profit-shares and define new criteria for measuring employee engagement and contribution, based on operating performance;
- a consolidation of the agreements on the PEG and PERCO employee savings plans to integrate the various amendments made since their creation and enhance their readability;
- amendments to the agreements on the PEG and PERCO employee savings plans, the time savings account, statutory profit-sharing and social dialogue.

Measures in favour of employees are negotiated each year as part of annual negotiations with the trade unions on wage increases and improvements in benefits and working conditions. Measures and services that make life easier for employees, such as the development of telecommuting, are also implemented at Casino. These include an online advisory service that guides employees towards the appropriate support and a digital homework support platform, "Campus Parentalité", that helps employee parents by providing them with fun, educational resources for their children.

In South America, Éxito considers social dialogue to be one of the three strategic pillars of its human resources commitment, and has reaffirmed its compliance with national and international standards in agreements signed with its representative trade unions. These agreements cover the wage conditions of Éxito employees, bonuses and other financial benefits, guarantees granted to employee representatives (union recognition, freedom of association, training, etc.) and organisational rules applied to the company (working hours, special leave, etc.). In 2019, GPA maintained regular dialogue with over 300 trade unions, either directly or through federations. All GPA employees are represented by a trade union and covered by a collective agreement.

(ii) The allocation of facilities and equipment and the recognition of union involvement

Under the social dialogue agreement signed in France, the resources allocated to trade unions have been increased, so that they can perform their duties and represent employee interests more effectively. These resources include offices, equipment (mobile phones, computers, printers, internet access, etc.), and a contribution to operating costs in the form of a further 22,000 paid hours for representation purposes in addition to the allowance provided by law. The agreement also calls for skills and vocational training for employee representatives with an outside organisation, the introduction of a validation of acquired experience (VAE) programme, and the publication of a booklet reviewing the principles of trade union legislation and social dialogue for managers.

In South America, Éxito is actively committed to guaranteeing and supporting respect for union rights and social dialogue, with such policies as employer-paid transport and housing costs, protection of unionised employees, a confidential whistleblowing system and training for union representatives.

3.5.1.3.2. Measuring the employee relations climate and establishing tools to foster dialogue

Group entities conduct engagement studies with their employees.

- In France, a survey was conducted in 2019 among employees in stores and central services of the Monoprix units. The response rate was 84% (up 7 points vs. 2018) and the employee engagement rate was 71% (up 4 points vs. 2018). The survey findings were used to identify priority measures to be taken in 2020.
- Internationally, Éxito is rolling out a programme designed to measure and monitor the climate in the workplace, including the completion of Great Place to Work surveys every two years, the processing of employee suggestions and opinions collected using the "Buzón de Sentimientos" (opinion box) available in stores and warehouses, and the establishment of a workplace climate committee made up of management and operational staff who meet monthly to monitor the implementation of practical initiatives. on a site-by-site basis. The sites with the lowest scores are subject to special monitoring. The survey carried out at Éxito in 2019 recorded an engagement score of 87%, up from 80% in 2016. As part of its "Yo Soy Libertad" programme, Libertad in Argentina conducts internal satisfaction surveys among employees to measure and identify actions to be implemented to ensure harmonious labour relations within the company.

3.5.1.3.3. Incentivising compensation to drive individual, collective and CSR performance

The principles of Group executive compensation are presented in Chapter 6 (starting on page 355).

The Group's compensation policy takes into account each employee's:

a. skills;

b. level of responsibility; and

c. experience.

The Group is committed to offering at least the legal minimum wage, with fair, competitive compensation in line with market practices observed for each job and tailored to the specific local characteristics of each host country. Surveys are carried out regularly in France and other host countries to assess the competitiveness of the Group's compensation compared with its peers. These surveys mainly concern management positions and jobs that are difficult to fill.

To encourage individual and collective performance, most managers, supervisors and employees are eligible for variable compensation (bonuses) based on the fulfilment of quantitative and/or qualitative objectives.

Management bonuses are determined on the basis of:

a. Group financial objectives;

b. Group quantitative non-financial (CSR) objectives (see below);

c. individual quantitative and qualitative objectives; and

d. an assessment of Managerial Attitudes and Behaviours (MAB) for the population based in France, aimed at strengthening a management culture that upholds Group values. The MAB score accounts for 25% of the variable compensation.

Group quantitative non-financial (CSR) objectives:

The Group's CSR commitment is an integral factor in the assessment and variable compensation systems in place for all of its management teams, in France and internationally.

- As such, 10% of the target amount of the variable compensation of Casino Group's Chairman and Chief Executive Officer is based on the average rating given to Casino, Guichard-Perrachon by rating agencies FTSE Group and Vigeo Eiris, and management company RobecoSam (DJSI). The vesting conditions have been made more challenging, with a target level corresponding to the average of the scores obtained by Casino, Guichard-Perrachon in 2019 raised by one point, i.e., 75/100, and a minimum threshold set at the average score over the last two years, i.e., 73/100. The proportionate variable compensation fluctuates on a straight-line basis between these minimum and target thresholds (the target compensation is also the maximum compensation on this criterion).
- 5% of executive variable compensation in France (excluding Monoprix) is assessed based on a quantifiable Group CSR objective, consisting of two criteria:
  - the "percentage of women executives in the Group" to cover gender equality,
  - the "Group's annual electricity consumption per square metre of retail space" to cover the environmental policy.

  The members of Casino Group's Executive Committee, excluding the Chairman and Chief Executive Officer, for whom the quantifiable CSR criterion is described above, are also covered by this system.

  This decision reaffirms Casino Group's tangible commitment to making CSR central to its business and social model.
- In Brazil and Colombia, approximately 5% of the variable compensation of executives is similarly subject to the achievement of quantitative CSR targets covering environmental indicators (energy efficiency and reduction of the carbon footprint) and social indicators (gender equality and disability).

3.5.1.3.4. Providing benefits to employees and their families

Casino Group proposes employee benefits, which may include medical cover, death and disability insurance and other benefits compliant with the legislation and practices of each country, which top up the compulsory plans. This coverage is partially financed by the employer.

- In France, discretionary and statutory profit-sharing agreements and savings schemes are also in place, in particular for Casino, Monoprix and Cdiscount employees. Most employees also get discounts on their in-store purchases, as well as financial assistance for housing and recreation, notably thanks to the subsidies paid by these companies to their Social and Economic Committees (formerly works councils).
- Internationally, Éxito employees have access to the "Presente" fund, whose benefits include medical cover, an insurance programme and access to holiday parks at preferential rates.

3.5.1.3.5. Offering employee savings schemes

Statutory profit sharing

In France, the initial statutory profit-sharing agreement signed by Casino in 1969 has been frequently updated, while similar agreements are in place at Monoprix, Franprix and Cdiscount.

Incentive

The Group's first discretionary profit-sharing plan was signed in 1986 in France for employees of the Casino banner. The agreement signed on 29 March 2019 provides for a "solidarity" profit-share for stores and restaurants that enables the employees of these sites to benefit from the performance of their entire business segment, in addition to the profit-share based on the performance of each site. The agreement also defines a new criterion for support function employees, which takes their contribution to operating performance more directly into account. Other Group companies (including Monoprix, Cdiscount, Codim, and certain Franprix entities) have also set up discretionary profit-sharing schemes for their employees.

In this way, more than 77,000 employees in France are covered by a statutory and/or discretionary profit-sharing plan, which led to the payment of a total €36.2 million in respect of 2018 (€26.5 million in statutory profit-shares and €9.6 million in discretionary profit-shares).

Savings plan

In France, Group employees are offered the opportunity to invest in a savings plan in a number of ways, including the payment of their profit-shares into the plan, voluntary monthly or occasional payments, or the transfer of paid leave from their time savings account. Certain Group companies contribute to these savings by matching the investments made by their employees. under various terms and conditions.

At 31 December 2019, around 94,100 current and former Group employees in France were invested in a PEE and/or PERCO employee savings plan, representing total assets of €204.8 million or approximately €2,176 per investor. In 2019, the Group's French companies paid around €5.8 million in matching contributions into employee savings plans.

3.5.1.3.6. Fostering health, safety and well-being at work

Commitment

The Group is actively engaged in improving the safety and physical and mental health of its employees.

The related policies are being applied by each subsidiary's human resources department with the support of:

- management, which is responsible for implementing risk prevention plans and taking the necessary steps to eradicate situations at risk;
- employees, who are made aware of the issues so that they can be actors in their own safety and play a role in improving their working conditions;
- external personnel, who are required to comply with safety rules in the Group's stores.

Action plans

In France, the workplace health and safety process is governed by multi-year health, safety and quality of worklife agreements and action plans negotiated with employee representatives, which all provide for the implementation of initiatives and the tracking of their outcomes and indicators. A collaborative project with the Health, Safety and Quality of Worklife Correspondents network validated the new set of core health, safety and quality of worklife commitments in the divisions and subsidiaries.

The Group's process is based on three principles:

(i) Rolling out preventive measures to improve in-store safety and attenuate occupational risks

To improve its health and safety performance, the Group deployed an occupational risk prevention process several years ago that was defined in France with the trade unions and governed by agreements specifying the objectives, methods and expected outcomes concerning the prevention of psychosocial risks, workplace health and safety, and the prevention of difficult working conditions. Occupational risk assessment campaigns are conducted annually in every Group unit, with a focus on the prevention of musculoskeletal disorders and psychosocial risks. At the same time, the Group leads or takes part in working groups in connection with the recommendations issued by national reference bodies, in order to identify and prevent risks in jobs specific to the Group's business activities, such as logistics or shelf-stacking (process/working methods, lifting equipment, PPE, etc.), logistics or societal risks, such as those related to road safety.

To further attenuate occupational risks, a large number of training courses are offered in proper gestures and posture, safety rules, fire prevention and more. In 2019, Casino developed an e-learning module on occupational risk prevention for deployment in 2020.

Éxito pursued its occupational risk identification and management programme and GPA continued its PPRA (Environmental Risk Prevention Programme) and PCMSO (Medical Control and Occupational Health Programme) prevention programmes to assess potential environmental, medical, and accident risks, and adopt prevention plans. For 10 years, GPA has also carried out awareness-raising campaigns in all stores during Workplace Safety Awareness Week. Every two years, it also performs studies on workstation ergonomics in its stores and at the head office.

(ii) Improving the quality of life at work and the well-being of employees

To improve the quality of worklife and employee well-being, action programmes have been rolled out in every Group unit, in particular to:

- Increase motivation, reduce workplace stress and support employees in difficulty.

  In a demanding business environment and constantly changing world, Casino Group has chosen to invest in developing motivation, to enhance employee well-being and drive corporate performance, by encouraging the caring exercise of managerial responsibilities.

  In France, the Human Resources department initiated an outreach and training programme on caring management practices in 2014, with the support of the Executive Committee and the assistance of a doctor specialising in workplace well-being. The programme is designed to increase employee motivation by reducing workplace stress. These initiatives helped to raise the awareness of some 6,000 managers (including members of the Group Executive Committee, unit management committees, etc.) through presentations by external consultants (over 100 conferences organised to date) and the rollout of an e-learning platform where any manager can extend the learning experience and access practical, useful content (videos, quizzes, etc.). A network of more than 1,200 "buddies" has been deployed to identify employees who may be in difficulty, befriend them and steer them in the right direction, to the occupational physician, for example, or to managers, the HR department, or a support and assistance platform. The buddies receive dedicated training to assist them in their duties. The eight levers of caring management have been integrated into the managerial training curricula and the new hires induction programme. A "Caring Management Practices" module has been added to the "Trade and Retail" masters' programme at Jean Monnet University in Saint-Étienne, and 50 employees have completed it since its creation.

  To combat and prevent the antisocial behaviour that may be experienced in the workplace, employees are offered training and in-store sensitivity campaigns are conducted to raise customer awareness. An initiative was also undertaken in 2017 within retail stores in France to support employees who are victims of potentially traumatic events, including the introduction of an emergency number, the provision of legal, administrative and social assistance, and the creation of a listening and mediation unit for victims, with counselling by a clinical psychologist.

  To effectively assist employees facing administrative, legal or financial difficulties, the Group recommends an array of advisory and support services provided by specialised organisations, which assisted more than 680 people.

- Adjusting working conditions and fostering an appropriate work-life balance.

  To support a more satisfying balance between work and private life, an important vector of employee well-being, a number of initiatives have been deployed across the Group:
  - Adjustments to working hours (part-time options, family caregiver leave, see page 200). To improve work-life balance, GPA has rolled out two flextime programmes since 2018 that define the rules and procedures applicable to employees, particularly when a child is born.
  - Telework: agreements have been concluded with the unions in France for the adoption of telecommuting. In Colombia, the telecommuting programme piloted by Éxito since 2017 has been extended.
  - The right to disconnect: all employees in France have been given an information kit reviewing their "right to disconnect" from work-related electronic communications. Managers have participated in a module presenting the right to disconnect and the related best practices for using email and organising meetings.
  - Personal life: the Group recognises and encourages its employees in France to get involved in volunteer activities. In particular, Casino produced a guide reviewing the procedures for implementing volunteer projects and informed employees about the possibilities for training and for certifying the skills acquired during their volunteer work. Éxito is continuing its "*tiempo para ti*" (time for you) employee programme, which is designed to facilitate a healthy work-life balance with flexible hours and days off for personal or family activities or for graduations. Some 100,000 hours have been used in 2019 to support Éxito employees.

(iii) Conducting awareness and screening campaigns on major public health issues

The Group organises information and prevention days to raise employee awareness about major public health issues.

Casino holds "At the Heart of Health" days that offer head office, store and warehouse employees an opportunity to meet with healthcare professionals (occupational physicians, cardiologists, nurses, nutritionists, health and well-being specialists, etc.), participate in workshops (smoking prevention, nutrition, cardiac rehabilitation, hearing and sight screenings, workplace ergonomics to prevent musculoskeletal disorders, yoga and sophrology in the office, etc.), get blood tests (cholesterol, blood sugar, etc.) and receive individual support.

Furthermore, in 2017, the Group joined with France's National Cancer Institute to sign the Charter of 11 "Cancer and Work" Commitments, reaffirming its pledge to effectively improve support for employees who have developed cancer, by maintaining them on payroll and preparing for their return after remission. An e-learning course on "providing support for people experiencing health-related vulnerability" has been developed. Cancer awareness and prevention initiatives are also carried out in partnership with non-profit organisation *Ligue Contre le Cancer*, including the promotion of breast, colon and skin cancer screenings among employees and customers of Casino supermarkets.

Internationally, Éxito also conducts anti-cancer and cardiovascular health awareness campaigns among its employees.

French and foreign units act for their employees' physical and psychological health and well-being by facilitating sport through an offer of specially negotiated prices for fitness clubs and by conducting an annual flu vaccination campaign. 52% of Multivarejo employees in Brazil were vaccinated in 2019, as well as 2,500 employees at GPA headquarters, during an outbreak of measles.

Performance

The Group measures the performance of its health, safety and well-being at work policies by monitoring indicators showing the frequency and severity rates of work-related accidents and the absenteeism rate attributable to work-related accidents and occupational diseases.

The accident frequency rate was 14.4 in 2019, and the severity rate was 0.62.

The absenteeism rate due to accidents and illness was 3.4% in 2019.

See Group performance indicators on pages 244 and 245.

3.5.1.3.7. Managing talent and supporting career development

Since the beginning, Casino has been committed to providing career growth opportunities for its employees, who are the driving force behind its operating performance. The diversity of the Group's job families, its global footprint and its multi-format retailing model offer employees a myriad of opportunities for mobility and professional growth. Internal mobility is a priority for the Group, and one of the keystones of its human resources policy. Casino, for example, is committed to filling 50% of management positions by promoting from within.

The mobility policy has two major objectives:

- facilitate employee career development within the Group, develop and retain talent;
- ensure that the Group has adequate resources to meet its current and future needs. To this end, the Group is increasing the number of opportunities for employees to transfer to jobs seen as harder to fill.

Several systems are in place within the Group:

- performance appraisals and/or professional interviews;
- career and mobility committees tasked with identifying needs and facilitating internal mobility. The agreement on anticipating and supporting changes and transformations within Casino Group signed in 2018 reinforced the Group's commitment to developing and facilitating internal and external mobility by improving connections between Group companies. It provides for the creation of a service shared by all French banners, dedicated to internal mobility;
- the "C'ma Carrière" team, dedicated to mobility within the Group;
- succession plans and, in France, the career development, employability and skills agreement, which facilitates the implementation of individualised training paths;

- high-potential talent programmes, such as the Group-level "Young International Talents" initiative designed to nurture the potential of future international managers, enhance the international culture of the Group's teams, develop synergies, facilitate the sharing of best practices among the units and retain talent by offering compelling career opportunities. Another example is the "Talent Pool" in France, which comprises three programmes for employees with three to ten years' experience, identified internally by human resources teams through individual reviews or by the Development Committee/Career Committees. These programmes are all focused on helping participants to build their career plans and measure their potential, while providing carefully crafted support to enhance their performance. These types of programmes are also in place in local Group subsidiaries.

3.5.1.3.8. Developing employability with training

Training is one of the key pillars of employee growth and sustained employability.

In line with Group targets, each subsidiary's human resources department offers training plans to support growth and career development and to guarantee the smooth integration of new hires. These plans are carefully aligned with changing jobs and skills requirements, with employee expectations, as expressed in their annual performance reviews, and with changes in the organisation and in legal and regulatory obligations.

In every unit, training focuses on four main subjects:

- health, safety and quality rules and practices, in compliance with the Group's occupational health and safety policies and applicable legislation;
- technical training in the Group's businesses, which plays a key role in successfully deploying the Group's strategy to increase professionalism and maintain its leadership in the fresh produce segment. The number of training courses for food professionals (butchers, fishmongers, and pastry chefs) was further increased in 2019;
- training in customer service, a strategic concern for the Group. In 2019, Éxito continued to train customer service employees via its *Servicio Superior* programme, with a participation rate of 88%;
- management and leadership training. Assaí continued to roll out its trainee operations programme in 2019, which is educating the future leaders of tomorrow. In all, 120 new leaders participated in the programme during the year. In addition, the "Grow Programme" helped to hone the leadership and management skills of more than 2,300 section managers. Some 3,000 executives were trained in leadership with Éxito's *Escuela de Liderazgo* programme in 2019.

Training in the Group is delivered by dedicated teams:

- "Campus Casino", "Académie Mandarine" and Franprix's "Acadibus", which takes trainers from store to store, together with a team of employees to fill in for the store employees while they receive training.
- "Assaí University" in Brazil offers classes taught by retail industry professionals in five key areas – cash & carry, leadership, trading, operations and development. Multivarejo also has its own university.
- Éxito's "training schools", dedicated to mass-retailing jobs increasingly shifted their courses to digital formats in 2018 in order to reach more employees. As part of this process, digital training courses were created in the apparel, butcher shop, pastry, and fruit & vegetables schools for the Éxito, Surtimax and Carulla banners. Éxito also created a virtual school dedicated to the digital professions in 2018. At end-2019, Éxito had 145 training programmes, including 45 digital courses.

The Group believes that its training capabilities are a powerful driver of employability and upward social mobility:

- The banners in France are expanding the number of trade certification programmes, such as those delivering professional qualification certificates (CQP) These certificates are recognised nationwide in the French retailing industry. More than 180 Group employees completed their certificate in 2019.
- The French banners are also stepping up schemes for unskilled employees like the CléA certificate attesting to proficiency in basic knowledge and vocational skills, which is aimed at people with a lack of trade certifications. Since 2018, more than 220 Group employees have earned CléA certification. The French banners are also supporting employees in validating their acquired experience under France's VAE programme, which allows them to earn a diploma based on their job experience. Assaí provides its employees and their families with the "Learn + school Training" programme for basic skills. In 2019, Multivarejo organised two Development Week sessions, offering nearly 30 training courses on such topics as new project management methods, the expectations of the digital generation, and management techniques. In total, 1,170 employees participated in these training sessions.

Performance

The Group measures the performance of its policies, including the total number of hours of training completed during the year and the number of hours of training per person. Both indicators improved in 2019, with a 26% increase in the overall number of training hours completed during the year and five extra hours of training per person compared with 2018 (see Key Performance Indicators, pages 244 and 245).

3.5.2. Casino Group, a local corporate citizen

As a local retailer with strong roots in city centre, suburban and rural communities, Casino Group contributes to local economic development, community outreach and support, social cohesion and the fight against poverty and exclusion. It encourages its banners to get more involved in community support partnerships with food banks and other leading non-profit associations, to develop local in-store community initiatives and to support the actions of its foundations. The Group is dedicated to meeting the diverse needs of associations present in its host communities.

Through its foundations and outreach partnerships, the Group is engaged in four main types of programme: food aid for the most vulnerable, support for children in difficulty, initiatives to break down the barriers to entry into the job market for underprivileged youth and the fight against social exclusion in all its forms.

3.5.2.1. SUPPORTING FOOD RELIEF

Many people in the Group's host countries live below the poverty line and rely on food aid for sustenance. The Group actively supports food bank associations in these countries, and contributes to them i) by organising daily in-store recovery of produce and still edible products nearing their sell-by date and ii) by participating in national collection drives.

In 2019, the Group's collection and donation initiatives resulted in the donation of nearly 21,900 tonnes of products, the equivalent of over 43 million meals to food banks or other social welfare organisations. Almost 3,200 tonnes were collected during the nationwide campaign and 18,700 tonnes donated by the Group's stores and warehouses.

In France, the Group is helping the most deprived members of society by encouraging its stores and customers to support the French food bank network (FFBA). It first partnered with FFBA in 2009, and renewed its association for a further three years in 2019. Under this agreement, through its banners, the Group acts by donating products with a short best-before date and takes part in the nationwide food bank collection day at the end of November each year, with the participation of volunteers. These donations go not only to local food banks, but also to a number of French charitable associations, such as the French Red Cross, *Secours Populaire* and *Restos du Cœur*.

GPA has implemented a similar approach in Brazil. Since 2013, it has organised an annual "Dia de Solidariedade" (solidarity day) in the Group's stores in the country. Driven by countless volunteer employees, it is a day devoted to the collection of essential food products, which are then redistributed to vulnerable families and the homeless. Instituto GPA has set up a matching contribution representing 15% of the total collected. In 2019, the event was hosted for a seventh time, resulting in the collection of more than 1,300 tonnes of products.

In Argentina, Libertad has been supporting the *Red Bancos de Alimentos* food bank network since 2013, and in Colombia, Grupo Éxito is continuing the partnership put in place several years ago with local food banks and donated around 1,900 tonnes of goods in 2019.

3.5.2.2. SUPPORTING CHILDREN IN NEED

In France, Brazil and Colombia, Casino Group is committed to helping children through a variety of programmes deployed by its four foundations to provide educational opportunities and combat child malnutrition.

3.5.2.2.1. Education through theatre and music

Created in 2009, the Casino Foundation helps foster social inclusion by supporting the education of children through theatre, offering them a collective artistic experience, access to culture, self-expression and interaction with others.

It has developed two major theatre-based programmes:

- "Artistes à l'École", established in partnership with France's Ministry of National Education and the Odéon-Théâtre de l'Europe and giving around 2,000 children the opportunity to attend a two-year comprehensive artistic and cultural education course covering an introduction to theatre and the theatrical professions, drama and playwriting workshops and stage productions.

  Projects are selected by an artistic committee comprising members of the Foundation's Board of Directors, as well as artistic and educational experts. Participants of the fourth two-year programme, which began in September 2018, worked throughout 2019 and will finish their curriculum in June 2020. The Foundation is supporting 12 "Artistes à l'École" drama projects and in November 2019 chose the winner, who will present his or her production in May 2020 at the Odéon Theatre.
- the "Parrains engagés" programme, which supports charitable projects aiming to teach children through drama. Priority is given to projects put forward and sponsored by Group employees. In 2019, around ten education-through theatre-projects run by associations were selected nationwide by a committee of Group employees. The projects, which reached more than 330 children in 2019, were especially designed to use drama to raise cultural awareness among young audiences.

The Casino Foundation gets employees involved in its commitment to theatre through "Tous en scène", a national giving programme conducted every year in Casino, Franprix Leader Price and Cdiscount stores, as well as in the Group's restaurants, warehouses and offices. The fifth edition raised over €110,000 for the Foundation's partner associations, *Apprentis d'Auteuil*, *L'Envol* and *Tréteaux Blancs*, to develop ten new theatre projects that benefit children in difficulty.

In Brazil, GPA is also committed to fostering social inclusion through education.

Founded in 1998, Instituto GPA offers educational programmes for young people from disadvantaged neighbourhoods in the cities of São Paulo, Osasco and Santos, including a musical education programme known as "Musica & Orquestra Instituto GPA" to allow young talents to bloom. In over 15 years' existence, the programme has trained more than 15,000 disadvantaged children between the ages of 10 and 18. It offers two years of free music theory and practice classes for young people from underprivileged backgrounds. The orchestra performs in stores as well as in theatres and at festivals in Brazil and abroad.

3.5.2.2.2. Fighting childhood malnutrition

As a major pillar of its action for children, *Fundación Éxito* in Colombia has developed national expertise widely recognised by stakeholders in the fight against childhood malnutrition. It takes action through its "Gen Cero" programme, which aims to ensure that no Colombian child under five suffers from malnutrition by 2030. Through its numerous partnerships formed with major Colombian public authorities, *Fundación Éxito* provides financial support to ensure healthy, balanced diets for children and pregnant women from disadvantaged backgrounds, while raising awareness about better nutrition. The latest national survey has shown that the percentage of malnourished children in Colombia declined by around three points between 2010 and 2015. In 2019, more than €5 million was invested in programmes reaching more than 64,600 children.

Fundación Éxito organises a growing number of initiatives aimed at raising awareness about childhood malnutrition. Such initiatives include the "Lactatón", an event held for a fifth consecutive year in 2019 and bringing together over 20,000 women in support of breastfeeding.

Fundación Éxito also organises a childhood nutrition competition every year and in 2019 gave awards to eight childhood nutrition projects and initiatives aimed at supporting children in their first 1,000 days of life.

3.5.2.3. HELPING YOUNG PEOPLE ENTER THE WORKFORCE

The Group has deployed a number of programmes to support local community associations that are helping young people from underprivileged backgrounds to enter the world of work. It is involved in several partnerships to support young people, including the Civic Service Agency, the Civic Engagement Institute, the Business Network for Equal Opportunity in Education, *Nos Quartiers ont du Talent* (NQT) and *Talents des Cités*. The Group has also been working alongside public authorities since 1993 to help young people enter employment and, through programmes such as "La France bouge, les entreprises s'engagent", supports the French Labour Ministry's inclusion policy.

- Casino Group has been heavily involved with community service since 2011, when it signed the Charter for the Promotion of Community Service in Business, under which companies commit to recognise experience gained during service and to promote the system among their recruitment teams. Created in 2010, the French government's Civic Service programme enables young people aged 16 to 25 to volunteer for public interest projects for periods ranging from 6 to 12 months in one of the nine priority areas recognised by the government. Within this framework, the various Group entities take part in events to promote the skills acquired during Civic Service. In 2019, Casino Group took on young community service volunteers during the "Trampoline" days organised by *Unis-Cité*, to help them promote the value of their experience. The recruitment teams organised a round table with the young Civic Service volunteers present for the Bastille Day parade on the issue of job seeking and how to best present their experience in recruitment interviews. The Group also took part in Promotion of Civic Service Club meetings with the aim of presenting the skill set acquired by young people during their service. Monoprix also supports *Unis-Cité*, which offers many Civic Service volunteering opportunities.
- In 2019, Casino Group and its banners organised the sixth edition of "Cap sur le Groupe Casino", which offers middle school students from disadvantaged backgrounds vocational guidance. Around 200 students came to learn about he Group's businesses during a half-day spent in one of the eight sites involved in the event. In partnership with *Le Réseau*, an association created in 2007 by large companies and France's Ministry of National Education, this unifying event attests to the Group's commitment to the professional integration of young people and to equal opportunities.
- Since February 2016 and the signing of the Local Employment Development Charter, Casino Group has partnered with the City of Paris as part of the "1,000 Sponsors for 1,000 Jobs" programme, which has brought together 60 employee volunteers, guided by teams from the City of Paris and its partners, to actively assist Parisian job seekers. Monoprix works closely with Second Chance Schools, *Unis-Cité*, local initiatives, and Epide (an organisation helping young people enter the job market) to offer coaching, internships for school-leavers who lack basic skills and paper qualifications, recruitment sessions, CV-writing workshops, tours of stores and other opportunities.
- Franprix continues its initiatives to help disadvantaged young people to enter the workforce. For example, the banner organised practical internships for the reintegration of young people in difficulty, coupled with soft skills training. Several actions are developed for "young dropouts", including store visits, information workshops, internships and recruitment.
- Through the Instituto GPA, Extra is continuing its training activities for disadvantaged young people and, in partnership with the government of Rio de Janeiro, also supports the NATA professional training centre where over 360 students from low-income families can train for jobs in the baking, pastry and dairy sectors. The institute also finances the education of high-potential young people, in renowned high schools in Brazil. In 2019, 43 students were sponsored through its "Prosperar" programme.

3.5.2.4. FIGHTING SOCIAL EXCLUSION

Casino Group acts as a vector of social cohesion in its host communities and engages in a wide range of local initiatives to reach out to people suffering from exclusion. The Group addresses these highly diverse community needs not only through its foundations, but also through the actions undertaken by its banners, stores and offices.

In 2011 in France, Casino Group initiated a partnership with microDon, a social economy enterprise, to launch and roll out the "Arrondi en caisse" programme at Franprix stores and then at Monoprix stores. More than €1 million in donations has been collected by Franprix since the programme was set up, to support associations such as *Secours Populaire Français*, *La Cloche*, *Emmaüs Défi* and the *Étincelles* network, which fight against exclusion and help people enter the job market. Meanwhile, Monoprix collected over €1.5 million in 2019 for the *Institut Curie* cancer research foundation and non-profits *Petits frères des pauvres* and *ZUPdeCO*. The scheme has been extended to encompass the "Arrondi sur salaire" programme to allow Monoprix employees to donate from their salary to the *Fondation Nicolas Hulot pour la Nature et l'Homme*, *Emmaüs* and the *Institut Curie*.

To mark its tenth year of initiatives, in 2019, the Monoprix Foundation decided to refocus its programmes on eliminating isolation in society, particularly for homeless people. The Foundation continues the work it began in 2009 with its partners, and in 2019 funded 17 projects aimed at combating isolation in cities and providing access to basic necessities. The Foundation has also launched another call for projects on the theme of "Women and Isolation" in partnership with Ulule, a crowdfunding platform. More than 100 proposals were received, 12 projects funded and three awards presented (the Jury Award, the Social Innovation Award and the Employee Award), entitling them to additional funding from the Foundation.

Cdiscount has partnered with "Un Rien c'est Tout" to reaffirm its support for community life through practical social cohesion projects. The e-retailer's customers can now make donations starting at 1 euro with just one click when paying for their shopping basket, for one or more causes: the right to dignity with the *Secours Populaire*, childhood and education with *L'Académie Younus*, health with the association *Fête du Mur*, or the environment with *Défi Numérique*.

Franprix has entered into a partnership with Emmaüs Défi to help people in extremely precarious situations to find a sustainable way out. Since the end of 2018, more than 20 employees have been given permanent contracts at Franprix stores, helping them to escape exclusion for the long term. In February 2020, Franprix was awarded the "Human Resources" prize for this partnership at the ESSEC Grand Prix du Commerce Responsable.

3.5.2.5. ENCOURAGING THE CIVIC ENGAGEMENT OF EMPLOYEES

The Group encourages employees to make a difference in the civic life of their communities, considering that this type of engagement fosters personal and professional growth.

After an internal survey confirmed that employees were interested in volunteering with charitable associations, the Casino Foundation, which believes that civic engagement is a source of employee fulfilment and skills development, launched the "Citizen Engagement" skills-sharing volunteer programme in 2016. It includes access to a dedicated online catalogue of volunteer opportunities to work with the Casino Foundation's partner associations. More than 150 employees have completed volunteer work through the online platform since it was launched in 2017. A Citizen Engagement Guidebook has also been distributed to employees. In 2017, the Casino Foundation joined with the *Institut de l'Engagement* to create the Citizen Engagement Award, which honours employees who have volunteered to work with an association. The second edition of the Citizen Engagement Award took place in 2019 and two prizes were awarded in the Solidarity and Disability categories in recognition of employees' volunteering commitments. The Foundation continues to support volunteer employees through the "committed sponsors" programme, providing financial support to associations in which employees volunteer.

In another form of engagement, in December 2017, Casino Group signed an agreement with the French Ministry of the Armed Forces to support the nation's military reserve policy. In line with its citizens' commitments, the Group's objective is to facilitate the exercise of reserve periods by salaried operational reservists. Reservists among the Group's operational employees can now benefit from a more favourable and more protective contractual regime than the previous system, which it is hoped will encourage more volunteering. Lastly, to make this system an innovative, collective, shared commitment, the Group has established an "operational reserve leave fund" based on the donation of leave days by supportive non-reservist employees, with matching contributions from the employer. This enables the fund to finance the additional days of leave granted to reservist employees. Actions have also been taken in favour of the engagement of employees as volunteer fire fighters, who now receive a day's paid leave, and parent delegates in schools, who can benefit from an adjustment of their working time.

3.5.3. Casino Group, a responsible retailer

Food and nutrition are leading public health issues and major concerns in today's society. In response, Casino Group is pursuing a product policy combining safety, flavour, healthfulness, nutritional balance, environmental stewardship and sensitivity to production conditions. The Group's corporate by-line, "nourish a world of diversity", expresses this commitment to offering everyone affordable, top-quality products so that its customers can shop more responsibly.

The Group is driving progress towards these goals by improving its own private-label brands, encouraging national brands to align their practices with its CSR continuous improvement process, keeping consumers better informed about products and responsible shopping, and supporting its suppliers.

The Group is committed to improving the social and environmental conditions of its supply chain. It has also undertaken to (i) strengthen the social compliance initiative and audit plans for private-label production plants located in countries at risk; (ii) encourage suppliers and SMEs to deploy CSR programmes; and (iii) support local production chains.

3.5.3.1. ENSURING PRODUCT QUALITY

Product quality and safety are top priorities for the Group, across every private-label product range. From product specifications to store operations, an end-to-end system ensures that the Group sells safe, healthy products of the highest quality.

The quality management system deployed within the Group is based on:

- a Group Quality Charter shared with subsidiaries;
- a dedicated organisation and the expertise of teams:
  - the Group Quality department shares best practices and procedures with subsidiary Quality departments in such areas as product quality and safety policies, traceability, supplier audits, crisis management, and product withdrawal and recall,
  - the subsidiary Quality departments guarantee the quality standards applied to the private-label products and ensure that every product sold is safe for the consumer;
- International Featured Standards (IFS) and the work of the GFSI (Global Food Safety Initiative). Casino Group is a member of the Consumer Goods Forum's GFSI. The GFSI is a global benchmark for food safety standards throughout the supply chain;
- regular audits of the Group's production sites, with particular emphasis on health and safety risk management in compliance with the Hazard Analysis Critical Control Point (HACCP) principles. Casino Group audits:
  - suppliers of private-label food products. Supplier facilities that have not been IFS-certified are regularly inspected to ensure that they comply both with applicable legislation and with Casino Group's specific standards,
  - its warehouses, to verify that best practice procedures and guidelines are being properly followed. All Casino warehouses have earned final IFS Logistics certification,
  - hypermarkets and supermarkets in France, which are inspected twice a year in accordance with the Food Store Quality Standard;
- specifications shared with suppliers: demanding specifications are established for each private-label product. These specifications ensure that the supplier delivers a product that complies both with applicable legislation and the quality level expected by the banners in terms of ingredients, taste and the origin and traceability of the raw materials. These specifications, which are contractually binding on both the Group and the supplier, consist of descriptive technical data, compliance statements and analysis reports. They provide a clear, shared definition of the product upstream of its marketing;
- collaborative management tools shared with food manufacturers to ensure compliance with specifications and effective product tracking;
- traceability, withdrawal, recall and crisis management procedures and tools, implemented as needed;
- product quality controls conducted throughout the year:
  - in-store product control plans: in France, each private-label product is analysed several times by independent laboratories, while the banners' Quality departments conduct microbiology tests to manage any health risks,
  - monitoring sensory quality using sensory analyses conducted with consumers. Operations in France and Brazil have their own sensory evaluation laboratories,
  - grading of fresh fruit, vegetables and butcher meats in warehouses, with over 320,000 inspections of products sold in Casino stores each year,
  - each breach of compliance detected is analysed and addressed with an action plan.

The subsidiaries have also deployed their own programmes.

GPA, for example, improves and expands the following programmes every year:

- "Quality from the Source", which is improving the quality and traceability of fruit, vegetables and eggs by inspecting production conditions early in the process (such as water use, soil management and waste management), product transport and storage conditions, and the use of pesticides. Depending on the supplier's risk assessment, GPA controls and tracks, as required, the proper implementation of the defined corrective action plans and, if necessary, excludes suppliers that fail to comply with programme standards. Since 2017, 97 crops have been included and controlled under the programme;
- the "Programa Evolutivo de Qualidade" (PEQ) programme, which has been assisting suppliers of private-label products in terms of quality and food safety since 2013, and encourages them to obtain internationally recognised certification from an independent body through annual assessments. More than 300 such assessments were carried out in 2019.

Performance

The Group conducted a total of more than 21,900 microbiology tests and almost 23,000 physiochemical tests to control food, household and health/beauty private-label products.

3.5.3.2. TAKING ACTION TO PROTECT CONSUMER HEALTH

The Group's health and nutrition programme, initiated in 2005, capitalises on the experience and expertise it has acquired since 1901, when the first Casino private-label product was created. It has since been strengthened:

- in 2008, with the signing of a charter of voluntary nutritional progress commitments with the French Ministry of Health, under the National Health and Nutrition Plan (PNNS). Applying the charter in France led to improvements in more than 2,000 recipes and the inclusion of dedicated nutritional criteria in private-label food product specifications;
- in 2010, with the establishment of a Health Committee that meets four times a year to analyse data, the latest scientific trends and consumer expectations in the field of health. The Committee issues recommendations on controversial ingredients such as aspartame, endocrine disruptors, bisphenol and pesticides, and supports the Group in developing special private-label product lines in France, such as poultry raised without antibiotics and frozen vegetables that are guaranteed to be free of quantified pesticide residues.

Today, the Group is actively engaged in:

- improving the nutritional profile and ingredients of its private-label products by reducing their salt, fat or simple sugar content, replacing certain fats with others offering better nutritional profiles, and reducing exposure to controversial substances;

- developing product ranges for specific nutritional requirements, such as baby food, gluten intolerance, diabetes and low-fat products;
- introducing more legible nutrition labelling to better inform consumers;
- conducting research into innovative products and production methods;
- promoting a healthy lifestyle and balanced eating.

3.5.3.2.1. Improving the nutritional profile and ingredients of private-label products (controversial substances, GMO)

For many years, the Group has defined strict criteria in its private-label specifications both for food products (free from GMO ingredients, additives or flavourings, no irradiated ingredients, etc.) and for household and health/beauty products (no parabens, triclosan, etc.).

To actively contribute to the public debate on the connection between food and health and respond to stakeholder expectations, the Group has identified the controversial substances present in its private-label brands in France and undertaken to eliminate them as soon as possible. This process addresses the need to fight against cardiovascular disease, obesity and other chronic disorders, and to attenuate the risks related to endocrine disruptors, antibiotic resistance and allergens. The introduction of a set of core commitments for the Group's private-label brands is helping to align the banner-specific programmes over the 2018-2020 period. New commitments have also been added, aimed at removing 19 controversial additives.

- Since 1997, for example, the Group has guaranteed that the ingredients, additives and flavourings used in its private-label products sold in Casino, Monoprix and Franprix stores in France are entirely GMO-free. Outside France, the subsidiaries' private-label products comply with applicable legislation and labelling rules. In Brazil, for example, products are inspected, and indicate the presence of GMO ingredients in excess of 1%.
- Since 2008, the Casino brand has made a considerable effort to reduce the salt, sugar and fat in the recipes of more than 2,000 items, in accordance with PNNS recommendations. The new content standards have been incorporated into the product specifications. Monoprix has expressed its commitments in a Sustainable Nutrition Charter, which covers nutritional standards, the banning of controversial ingredients, the traceability of raw materials, and raw materials quality standards. The banner reduced the sugar content of some of its private-label products, including non-alcoholic drinks and cereal.
- Franprix is leading an in-depth programme across its entire food line in partnership with SIGA, a French start-up that has developed a system that rates how much processing a food product has undergone, to encourage people to eat a varied diet of healthy, natural, less processed food.

  As a result, in 2019, 17 of the 37 controversial substances identified, including irradiated ingredients, azo dyes, sweeteners, BHA and BHT, were removed from most of the private-label products, while 20 are in the process of being removed.
- Internationally, Éxito is pursuing the action plans to optimise its food products that were defined as part of the nutritional assessment conducted in 2015. The nutritional profiles of more than 3,400 products were reviewed in 2019, with a focus on continuing to enhance the healthcare product lines developed as part of the banner's "Bueno para ti" (Good for you) programme, which also includes a wide range of initiatives to build consumer awareness of the need for healthier lifestyles.

3.5.3.2.2. Offering organic products guaranteed to be free of pesticide residues

The Group's banners are developing and championing innovative farming initiatives that are beneficial for the environment, farmers and consumer health.

All the banners offer a wide range of certified organic products under the Monoprix Bio, Franprix Bio, Casino Bio private labels, and the Naturalia and Casino Bio stores. The Group is committed to continuing to expand its organic ranges (see section 3.5.4.5.).

In addition, the Group offers a large range of fruit and vegetables that are guaranteed to be free of pesticide residues. Launched in 2016, the Casino AgriPlus programme enables Casino stores to offer frozen and fresh fruit and vegetables guaranteed to be free of pesticide residues. This innovation stems from an engaged process of improving agroecological practices and quality, in order to address the leading concern of consumers by eliminating all traces of pesticides in food. The pesticide-free guarantee is backed by the precautions taken at each stage of the farm production cycle by Casino partners, who apply sustainable farming practices (carefully selected crop land and seeds, crop protection plan, etc.). The absence of quantified residual insecticides, fungicides, herbicides or other pesticides is verified by an accredited independent laboratory.

3.5.3.2.3. Offering products from animals raised without antibiotics

In order to combat the risks associated with antibiotic resistance, Casino Group has developed a range of products from animals raised without antibiotics, including chicken, pork and salmon ranges. Antibiotic resistance is a public health issue and the use of antibiotics in livestock farming is the second food risk concern cited by French consumers.

In addition, the Casino brand has been working for several years with livestock breeder associations to develop chicken and pork production chains that are antibiotic-free across the animal life cycle. This process is helping to combat antibiotic resistance, in line with the French Ministry for Agriculture's 2017 "Écoantibio plan" to reduce the use of antibiotics in farming by 25% over five years. All Casino private-label chickens (Casino Terre & Saveurs, Casino Bio and Casino) and Terre & Saveurs-label salmon are raised without antibiotics. The Monoprix banner also offers a range of products from animals raised without antibiotics, including salmon, sea bass, sea bream and trout in the seafood section, Monoprix and Monoprix Bio Origines chicken, and cooked ham.

In addition, all of the banners carry organic products (see section 3.5.4.5.) that guarantee the use of best production practices.

3.5.3.2.4. Developing specific product ranges

In addition to requiring suppliers to comply with nutritional and health criteria for private-label products, Casino Group markets several product ranges aligned with the nutritional needs of certain consumers who require gluten-free, sugar-free, lactose-free and other special diets. Casino, for example, offers sugar-free and gluten-free products developed in association with the French Diabetes Federation (FFD) and the French Association of People Living Gluten-Free (AFDIAG). Naturalia stores also carry a line of organic, AFDIAG-certified gluten-free products, as well as enhanced assortments of salt-free and lactose-free products. Taeq, the Group's private label marketed in Colombia and Brazil, also includes products suitable for gluten-free, sugar-free and lactose-intolerant diets. In 2019, five Taeq vegetable protein products were launched in Brazil, bearing the Brazilian Vegetarian Society's "Vegan Product" label.

3.5.3.2.5. Informing consumers about product nutritional profiles and encouraging balanced eating habits

The Group believes in providing consumers with better information about the nutritional qualities and health impact of its merchandise.

In France, private-label food products feature nutritional labels stating the energy value, quantity of protein, carbohydrates, sugar, fats, saturated fats, dietary fibre and salt, and any allergens in the list of ingredients, as well as the origin of meat in ready meals in particular. At its own initiative, the Casino brand displays these labels even on the product families that are not subject to regulations.

In 2020, the Casino brand pledged to label all its private-label products (around 3,000 items) with Nutri-Scores by 2021, while also re-working 1,000 recipes to enhance the nutritional value of its products. The colour-coded logo ranks products in five categories, ranging from the most nutritional (Green/A) to the least (Red/E), based on favourable nutrient and food content (fibre, protein, fruit and vegetables) and unfavourable nutrient content (calories, saturated fatty acids, sugars and sodium). Casino is also the first retailer to use Allergobox.com, a French website for people with allergies or food sensitivities. Its database now includes 3,300 Casino-brand food products that consumers can look up to see if they are compatible with their dietary restrictions.

Internationally, Éxito is continuing to roll out its voluntary nutritional labelling system across its products, based on the Guideline Daily Amounts (GDA) standards, which indicate the calorie and macro-nutrient content of food as a proportion of recommended dietary allowances (RDA). RDAs are based on scientific evidence of dietary requirements, and provide guidance on the average amount of key nutrients needed for a balanced diet. The system is part of the "Bueno para ti" (Good for you) programme launched in 2017, which covers gluten-free, organic and nutritionally beneficial products. In addition, customers can choose from a number of menus. Under the same programme, Éxito partnered with the Consumer Goods Forum to deploy the in-store "Dale un giro saludable a tu vida" (Give your life a healthy twist) initiative to raise shopper awareness. In 2019, initiatives such as "Challenge 21" were set up, aimed at raising shopper awareness about healthy living, including regular exercise, healthy eating and rest. Hints and tips are posted electronically as part of "Lunes de Vida sana" (Healthy Mondays). In Brazil, GPA further improved its nutritional labelling system on its Taeq private-label products, indicating the levels of saturated fats, fibre, sodium and vitamins, and continued to highlight the presence of any allergens or additives in the list of ingredients. All Libertad private-label food products also carry detailed nutritional labels.

3.5.3.3. MONITORING AND IMPROVING THE SOCIAL AND ENVIRONMENTAL IMPACTS OF THE SUPPLY CHAIN

One of the primary goals of CSR policy is to monitor and improve the social and environmental impacts of the supply chain by:

- deploying a process to assess social, human and environmental risks at suppliers and across the production chains;
- strengthening monitoring and improvement procedures for suppliers of private-label products based in countries at risk, particularly with respect to duty of care obligations;
- supporting local production chains;
- facilitating suppliers' CSR initiatives.

Commitment

Through the nine commitments in its Ethics Charter, the Group has reaffirmed its respect for the values, principles and human rights defined in:

- the Universal Declaration of Human Rights;
- the International Covenant on Civil and Political Rights;
- the International Covenant on Economic, Social and Cultural Rights;
- the eight Fundamental Conventions of the International Labour Organization (ILO) on freedom of association and the effective recognition of the right to collective bargaining (Convention 87: Freedom of Association and Protection of the Right to Organise and Convention 98: Right to Organise and Collective Bargaining); the elimination of all forms of forced or compulsory labour (Convention 29: Forced Labour and Convention 105: Abolition of Forced Labour); the effective abolition of child labour (Convention 138: Minimum Age and Convention 182: Worst Forms of Child Labour); the elimination of discrimination in respect of employment and occupation (Convention 100: Equal Remuneration and Convention 111: Discrimination).

It has also pledged to uphold:

- the 10 Principles of the United Nations Global Compact since 2009. The Group's commitments are reflected in these principles, particularly Principle 2: Businesses should make sure that they are not complicit in human rights abuses; Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour; Principle 5: Businesses should uphold the effective abolition of child labour; Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery;
- the Women's Empowerment Principles developed by UN Women, since 2016 (Principle 2: Treat all women and men fairly at work – respect and support human rights and non-discrimination).

The Group supports the 17 UN Sustainable Development Goals, particularly SDG 5 on gender equality; SDG 8 on decent work and economic growth; and SDG 12 on responsible consumption and production.

As a founding member of the Businesses for Human Rights (EDH) association, Casino Group supports cross-industry initiatives to identify and prevent risks in the areas of human rights violations, employee health and safety and serious damage to the environment.

The Group supports and takes part in multi-stakeholder initiatives, namely:

- the Consumer Goods Forum (CGF), by supporting its resolution calling for the eradication of forced labour;
- the Initiative for Compliance and Sustainability (ICS), of which it has been a member since 2000 and whose audit protocol it uses to monitor and improve working and environmental conditions in the production facilities;
- the Business Social Compliance Initiative (amfori BSCI), of which Casino Global Sourcing, the Group's internal sourcing subsidiary, has been a member since 2017, to strengthen its audit plans;
- the Accord on Fire and Building Safety since 2012, to support the multi-stakeholder efforts to improve safety conditions in factories in Bangladesh, in alignment with local practices;
- the *Associação Brasileira do Varejo Têxtil* (ABVTex) in Brazil, which brings together mass and speciality retailers to monitor and improve production conditions in local garment factories;
- the *Cerrado Manifesto* Statement of Support to protect Brazil's Cerrado from deforestation;
- Valorise, the web-based CSR self-assessment portal for suppliers, based on ISO 26000 and designed in collaboration with four French trade federations (ANIA, COOP de France, FCD and FEEF). The platform was launched in 2017 in partnership with seven other French-based retailers to identify and describe their suppliers' CSR programmes and to support them in deploying their CSR policies.

These commitments are promoted among:

- employees, through the Group Ethics Charter and the Code of Ethics and Conduct issued in 2017 to reaffirm, in particular, the Group's commitment to combating corruption (see section 3.4.2.);
- stakeholders, through the Group's support for global and industry initiatives (see the above paragraph) and its CSR strategy, deployed since 2011;
- suppliers, particularly through the Supplier Ethics Charter.

Lastly, Casino Group fosters open, constructive dialogue with stakeholders (see section 3.3.). In 2014, for example, it signed an initial CSR agreement with the four representative trade unions, which was renewed in 2017 for a further three-year period. Through the agreement, the parties acknowledge the importance of:

- encouraging suppliers to address CSR issues in their own supply chain and to promote their responsible products;
- their duty of care;
- the need i) to continue training buyers in the standards defined in the Supplier Ethics Charter and to take working conditions and environmental criteria into account when selecting suppliers; and ii) to audit supplier production facilities in countries deemed at risk and to assist them, to the extent possible or necessary, in deploying corrective action plans.

The Group's main initiatives in this area are described in section 3.5.3.4.

3.5.3.4. DUTY OF CARE PLAN

3.5.3.4.1. Action principles

Casino Group's duty of care plan is built on the undertakings it has made to stakeholders and the initiatives it has been involved in since the early 2000s (see paragraph below).

Duty of Care Committee

In 2017, Casino Group set up a Duty of Care Committee, whose members include the Secretary of the Board of Directors, the Group General Secretary, the Chairman's Advisor on Legal Security and Prevention, the Director of Production, Innovation, Quality and Mediation at the AMC purchasing hub, the Group Risk Director, the Group Compliance Director, the Group CSR Director, the Group Insurance Director and the Group Internal Control Director.

Its role is to:

- ensure proper implementation of French law No. 2017-399 of 27 March 2017 on the Duty of Care of Parent Companies and Ordering Parties, which is designed to identify risks and prevent serious violations of human rights and fundamental freedoms, serious harm to the health and safety of persons, and serious damage to the environment resulting from the operations of the company, the companies it controls and its supply chain;
- define the risk mapping methodology and effectively map the risks involved in the operations of the Group and its suppliers;
- analyse the findings of the risk mapping exercise;
- ensure that action plans exist and are properly applied to mitigate risks and prevent serious violations or harm;
- ensure that an alert mechanism is in place to report potential violations.

The risk mapping exercise is tracked and reviewed annually, to reflect the Group's action plans and input from stakeholders.

The Committee met four times in 2019.

Risk mapping and regular assessment procedures

To analyse in more detail the risks involved in the Group's business operations (see section 4.3. Main risk factors), in 2017, the Duty of Care Committee defined the methodology for mapping the specific risks of causing serious violations of human rights and fundamental freedoms, serious harm to employee health and safety, or serious damage to the environment:

- due to the direct operations of the Group, in light of the procedures in place. Existing procedures intended to prevent these risks were assessed in light of the human resources, quality, purchasing, CSR and environmental policies in place;
- due to the operations of suppliers. The risk map identifies the risks related to the purchase of national-brand and private-label goods for resale and of goods and services for general and administrative purposes.

Given the Group's business operations, 12 major risks were addressed

Human rights and fundamental freedoms
1. Forced or child labour
2. Respect for labour rights (unreported work, discrimination, freedom of association, working hours, etc.)
3. Respect for fundamental rights (women's rights, harassment, etc.)
4. Armed conflicts (conflict zones or resources, border disputes, etc.)

Personal health and safety
1. Respect for employee health and safety
2. Employee handling of hazardous products
3. Consumer risks

Environment
1. Water and soil pollution (pesticides, chemicals, etc.)
2. Greenhouse gas emissions (polluting processes, energy-intensive processes)
3. Deforestation
4. Harm to biodiversity
5. Sustainable management of resources and waste

Each risk was weighted to reflect the relative seriousness of each one in relation to the Group's business operations.

Supplier risks were mapped using the following methodology:

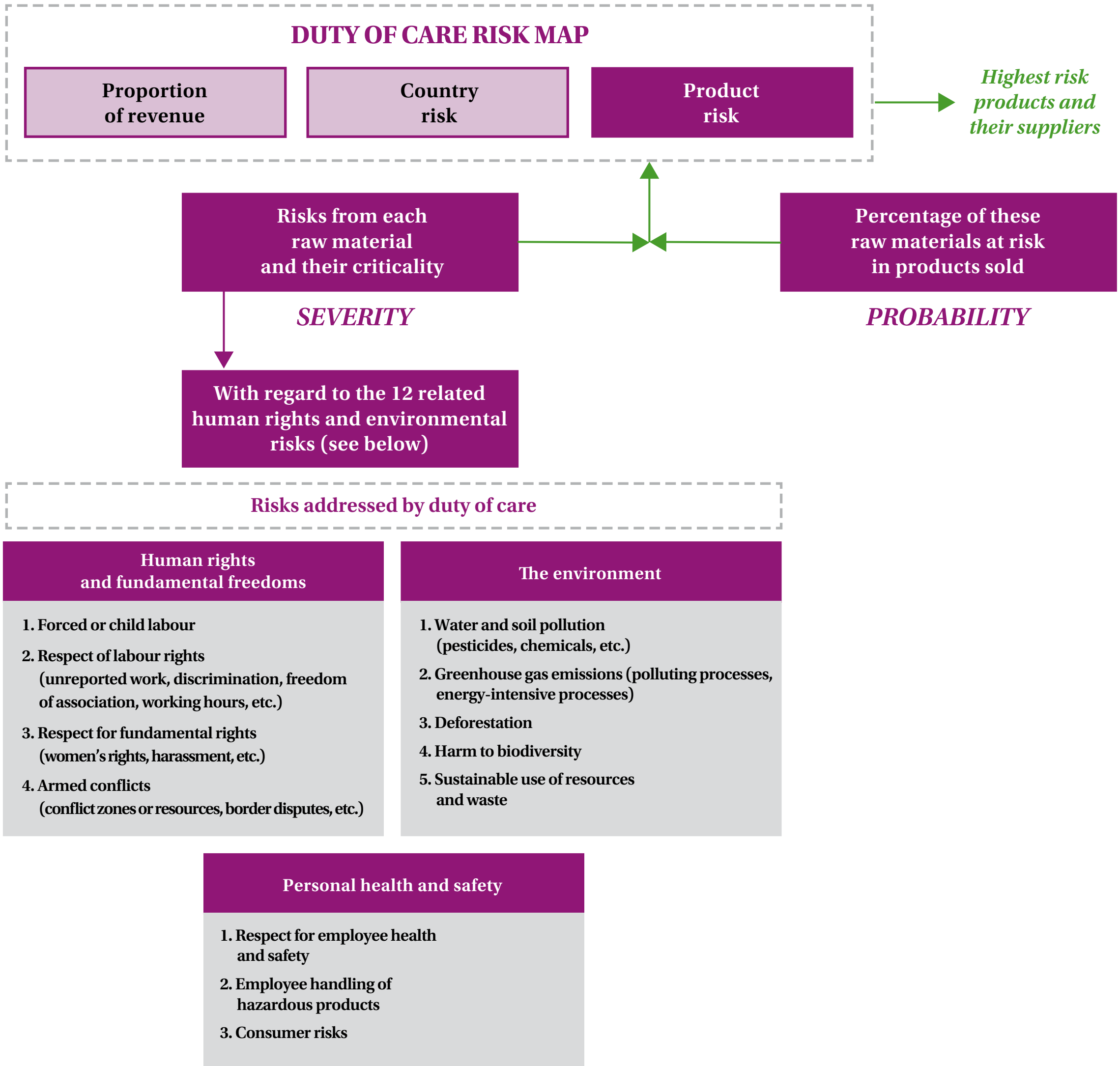
- Assess the risks related to products sold: for each substance contained in a marketed product, the level of risk in the 12 categories defined above was systematically analysed using documentary sources (international studies, NGO reports, surveys, media reports) and in-house assessments. In this way, 200 substances at risk were identified, assessed and classified according to their level of criticality in each of the 12 risk categories (risk severity). Then, the level of risk in products sold was defined based on the amount of the substances in question in each one (risk probability).

  A new analysis of the level of risk of the 200 substances already taken into account in the previous supplier risk map was carried out in 2019, based on an identical methodology. This resulted in an increased level of risk for most of the substances studied, mainly due to an increase in the environmental risks associated with these substances. However, between the two analyses, there was little change in the list of different substances assessed as having the highest risk.
- Assess the risks related to the country of supply or production of the product and any assessed substance content: in recent years, the Group has analysed risks in the countries where its private-label products are manufactured, enabling it to assess and address, for each product, the risks stemming from its country of manufacture or known origin.

  This country risk analysis measures and combines a number of indicators, such as:
  - the number of fundamental ILO conventions ratified by the country;
  - the Human Development Index (HDI) of the United Nations Development Programme (UNDP);
  - the percentage of child labour in the country, according to UNICEF;
  - the prevalence of forced labour, as measured by the ILO;
  - the Worldwide Governance Indicators (WGI) issued by the World Bank;
  - the Environmental Performance Index (EPI) developed by Yale University and Columbia University.

  This analysis was reviewed and compared with the country risk analysis developed by the ICS in 2019, which draws on all the indicators included in the country risk analysis led by Casino Group, in addition to the following indicators:
  - the SDG Index of the United Nations Sustainable Development Solutions Network;
  - the Global Rights Index of the International Trade Union Confederation (ITUC);
  - the Freedom in the World Index of the US NGO Freedom House;
  - the Trafficking in Persons Report of the US Department of State;
  - the results of ICS social audits performed in each country.
- Determine product purchasing volumes: the likelihood that the Group will incur the risk increases with volume.
- Identify the number of vendors per product category: a larger number of small suppliers makes auditing the upstream production chains a more complex process.

To assess the overall sourced product risk from the standpoint of duty of care, the risk criteria described above were weighted according to the following criteria, in descending order of importance: product criticality based on its content, country of supply, purchase volumes and number of vendors.



These analyses reflect a certain number of issues specific to Casino Group, which is primarily a food retailer, with a smaller range of non-food merchandise. It carries a multitude of products, which means that it works with a very large number of suppliers from a wide variety of backgrounds, including:

- suppliers of leading or national brands, which represent a significant share of consolidated revenue. Very often, these companies must also comply with duty of care legislation;
- suppliers of private-label products, manufactured in accordance with specifications defined by the Group's purchasing organisations. These companies may be based in our host countries, but the product is often made in another country, including some that have been deemed at risk by the Group. They are a priority focus of the duty of care plan's mitigation initiatives (see below) and are subject to the Group's SCOP supplier compliance programme;
- a very large number of suppliers, most of whom are SME/VSEs, cooperatives and farmers who supply the Group's stores locally, especially with fruit, vegetables, meat and other fresh products. In Colombia, for example, Grupo Éxito sources more than 80% of its fruit and vegetables locally;
- suppliers of goods and services for general and administrative purposes, including service providers (security, cleaning, etc.) that may involve specific risks, such as discrimination in hiring. Most of these goods and services are purchased locally.

In addition to the measures described below, since 2017, all of these suppliers in France have been requested to self-assess their CSR performance on the Valorise portal developed with FCD, ANIA, COOP de France and FEEF. In all, 240 suppliers, representing 453 production facilities located in 16 countries, participated in the 2019 campaign and shared the results of their self-assessment with Casino Group. The average CSR maturity index came in at 66 out of 100. Among the six self-assessed themes, based on those of ISO 26000, consumer issues are best taken into account by suppliers, while environmental issues represent the most room for improvement.

This analysis made it possible to map the Group's purchasing risks and rank them by criticality. It also highlighted the product categories whose content presented the highest risk profiles, according to the 12 identified risks. These included:

- private-label apparel made in Bangladesh and other countries at risk;
- private-label food products containing palm oil;
- products sourced from cattle ranches and sold in our stores in Brazil. Beef accounts for a significant proportion of local banner sales.

Suppliers of these products are the focus of priority duty of care action plans.

In 2017, deployment of the supplier risk map was presented to TFT Earth – Earthworm Foundation, a specialist in the impact of supply chains and raw materials on the environment and deforestation. In 2018, GPA commissioned a consulting firm to perform a supplementary review, which confirmed the Group's risk map while identifying specific risks related to locally best-selling products.

Procedures for regularly assessing suppliers as part of the risk mapping exercise are described in section 3.5.3.4.3. (annual social audit campaign).

Lastly, risks in the subsidiaries in 2018 were mapped using the following methodology: after validation by the Duty of Care Committee, a questionnaire covering the 12 risks mentioned above and two issues related more specifically to the management system and to purchasing and supplier management practices was sent to each of the international subsidiaries so that they could self-assess their risks. Each of the 118 questions was rated low-, medium- or high-risk, so that the answers could be used to determine a level of overall risk for each subsidiary. When necessary, additional information was requested to enable a more precise determination. The analysis was performed by the Group CSR department.

The following issues were addressed:

Social issues:

- Child labour and young workers;
- Forced labour;
- Discrimination;
- Violation of freedom of association;
- Violation of working hours;
- Non-payment of wages, violation of minimum wage and benefits legislation;
- Health and safety;
- Respecting local communities;
- Product safety;
- Right to information.

Environmental issues:

- Environmental policy;
- Combating climate change;
- Sustainable use of resources;
- Circular economy;
- Protection of ecosystems (natural habitats);
- Chemicals/hazardous substances.

Management system issues:

- Management system;
- Training;
- Incentives for buyers;
- Internal dissemination of the ethics policy;
- Supplier accreditation;
- Termination of a business relationship;
- Data management and security.

Purchasing practices and supplier management issues:

- Sourcing;
- Traceability;
- Subcontracting;
- Direct purchasing;
- Business intermediaries for suppliers;
- Franchisees;
- Business partners (projects);
- Service providers.

The main identified risks concern:

- discrimination and harassment in three subsidiaries, where it was decided to strengthen existing prevention systems;
- risks of non-compliance with supplier management procedures (accreditation rules and authorised subcontracting guidelines, etc.). In particular, given the type and complexity of the procedures in place and the number of people involved in their implementation, there was a risk of non-compliance with all of the requested measures in three subsidiaries.

Alert and report compilation mechanisms

Casino Group has set up an alert mechanism and a system for compiling reports of alleged or actual risk of causing the serious violations, harm or damage described in French law No. 2017-399 of 27 March 2017. Any such alert or report may be notified to Casino Group at the following address: contact75vgl@deontologue.com. The alert and report compilation system was deployed at the same time as the alert mechanism for Sapin II Act violations introduced after consultations with employee representatives.

Reports are reviewed by the Group Ethics Officer, who notifies the relevant corporate services as warranted. Reports are also discussed during Duty of Care Committee meetings.

Some 50 reports were received in 2019, none of which concerned a breach of duty of care.

This system, now referred to in the Supplier Ethics Charter following its update in 2019, expands on the internal alert mechanism already available to employees (see section 3.4.4.).

3.5.3.4.2. Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent the Group's business operations from causing any serious violations, harm or damage

As seen in this chapter, Casino Group has been implementing the prevention plans and risk mitigation programmes mandated by the new French duty of care law for many years now.

Among the prevention programmes introduced and strengthened over this period to address the identified internal risks arising from the Group's operations, many are designed to avoid the risk of abusing human rights, harming employee health and safety or seriously damaging the environment.

The programmes and the outcomes of the various initiatives in 2019 and other years are described in the sections of this chapter dealing with:

- the Group's human resources policies, social dialogue and workplace health and safety, and the Group's diversity and gender equality policies (see section 3.5.1.);
- community outreach, procurement and quality policies (see sections 3.5.2. and 3.5.3.);
- environmental policies (see section 3.5.4.).

In order to address the risk related to harassment identified in the subsidiary risk mapping exercise, procedures to be followed in the event of reports of sexual harassment or sexist behaviour have been defined and communicated. Anti-sexual harassment correspondents have also been appointed for France. These procedures, as well as the network of correspondents put in place, were presented to the Duty of Care Committee in December 2019 by Casino Group's Director of Employee Relations and Innovation.

In addition, in the questionnaire used for their risk mapping exercise, the subsidiaries were asked to verify the proper application of all the management guidelines defined in the Group's Supplier Compliance Programme Manual (SCOP). Analysis of the questionnaires highlighted the need to strengthen processes in certain areas and to plan additional initiatives for the international subsidiaries, in particular concerning supplier management: more resources have to be allocated to combating unreported subcontracting and accreditation procedures need to be improved, notably (i) by including additional requirements in certain subsidiaries' supplier contracts or marketing agreements, and (ii) by continuing to expand training for buyers, accreditation employees and other people in contact with suppliers.

As a result, in October 2018, a report summarising the main areas of improvement identified during the exercise was sent to all of the international subsidiaries, so that they could undertake any required remedial action and perform additional risk audits of their processes. The findings of these subsidiary audits were reported to the Group CSR department along with the related corrective action plans, the rollout of which was monitored in 2019. Lastly, digital training courses have been introduced, particularly in the purchasing hub in France, to ensure that the Group's social and environmental supplier compliance programme is properly distributed and understood.

3.5.3.4.3. Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent suppliers from causing any serious violations, harm or damage, and implementation outcomes

(i) Suppliers of private-label apparel and other products made in countries at risk

Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage

For the highest risk product categories, such as private-label apparel, in recent years the Group has been deploying risk prevention and mitigation plans in its supply chain. These initiatives have been regularly reviewed and upgraded since 2015.

Supplier Ethics Charter

The Supplier Ethics Charter, which is applicable across the entire supply chain, reaffirms the Group's commitment to promoting responsible retailing and, more specifically, to:

- banning all illegal practices in business relations and requiring compliance with applicable laws, principles, international and national standards and regulations in force, as well as the Group's anti-corruption policies;
- upholding human rights (prohibiting child and forced labour, combating discrimination and abuse, respecting freedom of association, offering at least the legal minimum wage, etc.), and occupational health and safety;
- taking constant care to protect the environment, particularly by optimising the use of natural resources, diligently managing waste and abating pollution.

The distribution and signing of the Supplier Ethics Charter is a key step in the process of approving the production facilities that manufacture the Group's private-label products. By signing the Charter, suppliers recognise the primacy of the principles contained in the following documents:

- the Universal Declaration of Human Rights;
- international conventions on fundamental human rights;
- fundamental international labour standards, as defined by the ILO Declaration;
- other applicable international labour standards (ILO conventions).

By endorsing the Charter, suppliers embrace the Group's commitments and may not subcontract without the Group's formal agreement. Suppliers also agree to undergo audits to make sure that they comply with their commitments in accordance with the conditions set out in Casino's Supplier Compliance Programme Manual (SCOP). The manual was updated and expanded in 2019 to incorporate recent changes in the Compliance Programme, in particular concerning the monitoring of corrective action plans and the implementation of ICS environmental audits.

Production plant approval policies in countries at risk

Since 2002, Casino Group has deployed a social ethics initiative with its apparel and other private-label suppliers in an effort to monitor and help to improve the working and environmental conditions in which these products sold by the Group are manufactured. Managed by the Corporate CSR department in liaison with the purchasing departments, the initiative has been rolled out in the business units with the support of specially appointed social ethics representatives.

It is based on a strict supplier selection and approval procedure, covering endorsement of the Supplier Ethics Charter, outside inspections performed by independent audit firms, and, when necessary, the implementation of corrective action plans.

The CSR department updates the country risk analysis (see the paragraph on risk mapping) and the production facility selection and approval guidelines, in line with the degree of risk for the relevant country and industry. The country risk analysis defines the list of countries where sourcing is authorised, prohibited or subject to tighter audit procedures, such as Bangladesh, India and China. As part of the update to Casino Group's country risk analysis carried out in 2019, the ranking of each country was compared to the ranking system developed by the ICS in order to identify the countries for which there was a difference in the assessment of the risk level. Following the comparison, and an analysis of the results of the ICS social audits performed in the manufacturing sites located in each country, a proposal was put forward to the Duty of Care Committee to change the sourcing status for certain countries. This resulted in new countries being placed on the list of countries where control procedures have been strengthened, due to an increase in their country risk level. In 2019, the Group's CSR department performed a risk analysis for Eastern European companies following on-site visits and social audits at plants located there.

The inspection and audit procedure, as well as the undertakings to be upheld by the supplier and the manufacturing facilities, are specified in the Group's SCOP Manual, given to every accredited supplier.

Annual social audit campaign

The Group supports compliance with consistent, strict standards at both the national and international levels. Involved since 2000 in the Initiative for Compliance and Sustainability (ICS), it joined the Business Social Compliance Initiative (amfori BSCI) in 2017. It also supports the international initiatives being led by the Consumer Goods Forum (CGF), particularly its resolution calling for the eradication of forced labour. In Brazil, GPA is a member of the national apparel retailers association, *Associação Brasileira do Varejo Têxtil* (ABVTEX), which certifies national suppliers and subcontractors based on 18 criteria for ethical conduct, including the prohibition of child labour and forced labour. Lastly, the Group has endorsed the Accord on Fire and Building Safety in a commitment to supporting the drive to improve safety conditions in factories in Bangladesh. In 2019, the Group's CSR department took part in the meetings organised within the scope of the Accord.

Every year, an audit campaign is conducted with a priority focus on (i) plants based in countries most likely at risk of violating human rights (child labour, forced labour, employee health and safety abuses) and working standards; and (ii) the highest risk product categories based on the duty of care risk map. Recurring audits are performed in China, India and Bangladesh.

These audits, which may be semi-announced or unannounced, are carried out by specialised independent firms in accordance with ICS standards. Based on the resulting audit score, the Group may decide to terminate its relationship with a production facility.

The audit process comprises:

- a preliminary analysis of the plant: the Casino Global Sourcing teams or the subsidiary Ethics Coordinators use an internal grid to assess the risk that the facility will fail to comply with the Group's standards and therefore the probability that the findings of the ICS audit will not be satisfactory. To measure the risks of approving a given facility, the teams conduct on-site visits and/or desktop reviews of the certifications, social, technical or quality audit reports and other documents provided by the plant, agent or importer;
- an initial audit: an independent audit firm, selected by the Group from among the nine that have been accredited by ICS, performs a semi-announced or unannounced ICS social audit over a period of at least three weeks. If the audit conclusion is sufficient, the plant may be approved. When the audit is completed, a corrective action plan is systematically submitted to the plant. It is also sent, sometimes with a photo report, to the agent or importer working with the plant, so that they can assist the facility in correcting the notified cases of non-compliance within a time frame depending on their criticality. If the audit report contains an ICS critical alert, particularly as concerns a risk of forced or child labour, disproportionate discipline, attempted bribery or forgery, the plant may not work with the Group under any circumstances;
- follow-up audits: depending on the number and criticality of the remedial actions that the facility has to implement, the Group may commission unannounced or semi-announced follow-up audits from independent ICS-accredited audit firms. Their frequency depends on the criticality of the instances of non-compliance reported during the previous audits. In the event that a factory does not implement the requested corrective action plans, the Group will initiate proceedings to terminate the business relationship;
- special audits: special audits may be performed by the Group, in particular to inspect building structures and verify compliance with fire safety rules (by organising employee fire drills, for example).

Audit findings are inputted into the ICS database, which enables the Group and other member companies to share all of the findings and track the corrective action plans of audits performed in plants they use in common. Pooling the findings helps to reduce the number of audits conducted in the plants, attenuates audit fatigue and facilitates the on-site implementation of corrective action plans. In the same spirit, social audits performed in line with the BSCI standard may be accepted instead of ICS audits, via an equivalency procedure and under certain conditions defined by the Group.

The Group's goal is for all of the facilities producing private-label products in countries at risk to be covered by a valid ICS social audit performed within the previous two years.

Support for suppliers

Audit reports are issued following audits of production facilities and, when necessary, corrective action plans are prepared that the non-compliant plants undertake to implement within a given time frame.

The Group's local offices and subsidiary Ethics Coordinators play an essential role in helping suppliers and their factories to properly understand the Group's expectations and the implementation of any corrective action plans.

Internal and external follow-up audits are performed to ensure that the plan's remedial actions are effectively implemented.

The main cases of non-compliance concern working hours, remuneration and employee health and safety. Given the Group's relatively small contribution to the revenue stream of its partner production facilities, it prefers to support ICS initiatives involving joint remedial actions in plants shared with other ICS members.

To improve their ability to report the outcomes of these remedial actions, in 2018 the Group and other ICS members requested that accredited audit firms be able to monitor the action plans directly in the ICS database using an automated, consolidated system. This process enables participants to track, on a real-time, Group-wide, consolidated basis, the number of remedial actions remaining to be implemented in each plant, the number already under way and the number whose effective implementation must be verified during the next follow-up audit or complete re-audit. This centralised tracking, carried out by each team concerned under the supervision of the Group Social Ethics Officer, enables enhanced monitoring of the corrective action plans required of the plants and thereby improves the working conditions of their employees. Progress can therefore be made as the corrective action plans are being implemented, before the follow-up audit is performed.

Educating and training buyers

The CSR department regularly organises awareness-building initiatives for purchasing teams and local offices to ensure that the Group's social and environmental supplier compliance programme is properly understood and implemented.

● Implementation outcomes

All of the preventive measures described above were deployed in 2018 and 2019 to mitigate and prevent the serious risks associated with the production of private-label products, apparel in particular, manufactured in countries at risk. The name and location of each private-label production facility were systematically identified. When the facility was located in a country at risk, an ICS audit was commissioned according to the procedure described above, so as to prevent the risk of serious human rights violations, particularly in the areas of child labour, forced labour and excessive working hours. Corrective action plans were tracked to support the plants in deploying best practices and attenuating the risks.

The following indicators are used to report the outcomes of the remedial actions, which are tracked and coordinated by the Group CSR department in liaison with the audit plan leaders in the subsidiaries concerned.

As part of the reporting process, the CSR department tracks:

- the number and location of active plants based in countries at risk and producing private-label products for one of the Group's banners;
- the social audits performed in these facilities (number, country where performed, type of product, type of audit, etc.);
- the alerts reported after the audits (type, number, severity, etc.);
- the corrective action plans (number of actions, implementation, etc.);
- the plants' degree of compliance and changes over time.

The number of audits enables the Group to track progress on these action plans, while the plant's rating indicates their effectiveness.

Since 2019, the Group's goal has been for all of its plants to be covered by an ICS audit performed within the previous two years. The following indicators show the outcomes from the actions undertaken.

Of the 107 countries where sourcing is authorised by the Group, 66 are subject to stricter procedures, of which 44 that were home to plants working for the Group in 2019. 92% of the private-label production facilities are located in 10 countries.

More than 90% of the buyers concerned were trained over the 2018-2019 period. Digital training courses have been introduced in France both for current employees, as needed, and for all new hires.

Plants in countries at risk and outcomes of the social audit campaigns

	2017	2018	2019
Number of active plants* based in countries at risk and producing private-label products for the Group	**1,578**	**1,510**	**1,566**
Of which in China	1,009	946	957
Of which in India	150	174	189
Of which in Turkey	77	64	67
Of which in Bangladesh	35	44	57
Of which in other countries at risk	307	282	296
Number of ICS social audits carried out in plants involved in the production of private-label products for the Group	**1,245**	**1,460**	**1,126****
Of which performed in plants located in countries at risk	1,064	1,295	983
Of which directly commissioned by the Group	885	1,042	837
Of which converted from an eligible BSCI audit	11	39	53
Of which commissioned by another ICS member	360	418	236
Of which initial audits	62%	52%	47%
Of which follow-up audits	16%	21%	18%
Of which re-audits	22%	27%	35%
Breakdown by purchasing category of ICS social audits performed in plants involved in the production of private-label products for the Group			
Food	20%	22%	21%
Apparel	41%	46%	42%
Other non-food	39%	32%	37%
Breakdown by country of plants audited by the Group in countries at risk			
China	61%	59%	63%
India	14%	11%	12%
Turkey	5%	5%	3%
Bangladesh	7%	5%	6%
Other high-risk countries	13%	20%	16%

* *Active plants work either for Group suppliers, agents or importers or else for Casino Global Sourcing, our internal sourcing subsidiary.*

** *Of the 1,126 ICS social audits performed in facilities used by the Group's suppliers, 76 were commissioned by GPA in Brazilian plants. In addition, 89 Brazilian apparel factories were certified by ABVTex in 2019. The decrease in the number of ICS social audits performed in plants involved in the production of private-label products for the Group is attributable to two main factors: on the one hand, the Group recovered nearly 50% fewer social audits from other ICS members as compared to last year and, on the other hand, the Group reduced the number of new plants approved in countries at risk by 167 between 2018 and 2019, resulting in a comparable decrease in the number of social audits, given that they are mandatory for approving new plants in these countries, as explained previously in the section on Production plant approval policies in countries at risk.*

Tracking and support mechanism for plants

Based on the findings of the ICS audits, each plant is assigned a rating that reflects its level of risk and supports the deployment of remedial actions to mitigate the risks of causing serious harm to its employees. Corrective action plans are tracked to ensure that the appropriate measures have been taken and that the risks are being effectively addressed.

In 2018, to improve its ability to track proper implementation of the corrective action plans, Casino Group supported the deployment of an automated action plan monitoring system using the ICS database. Since 2019, action plans have been prepared directly on the ICS platform, which makes it easier to track and properly report the corrective actions undertaken. The 1,566 audited factories are displayed on a map and the corporate and subsidiary Ethics Officers have real-time access to all of their data (location, facilities information, audit reports, corrective action plans, photos, etc.).

The following table shows the effectiveness of the actions undertaken.

% of audited active plants located in a country at risk that are rated	2017	2018	2019
Acceptable***	61%	68%	63%
Acceptable with issues (level 1)***	17%	20%	31%
Acceptable with issues (level 2)***	18%	10%	5%
Probationary***	4%	2%	1%
Number of plants removed from the supplier list for ethical reasons	**40**	**70**	**37**
% of plants removed from the supplier list for ethical reasons	**3.2%**	**4.8%**	**3.3%**

****** *A plant's rating is assigned by the Ethics Coordinator of the subsidiary working with the plant, according to the procedures described in the SCOP and depending on the plant's latest ICS social audit score.*

It is important to mention that the ICS social audit questionnaire underwent a major change in 2018 with respect to its rating system. The decision was taken to adjust and tighten the ICS rating scale for working hours. As a plant's rating is assigned largely according to its latest ICS audit score, many plants that were previously given an "Acceptable" status have been downgraded to a score of "Acceptable with issues (level 1)" following their ICS social re-audit due to the change in the rating scale.

Preventive measures are primarily undertaken in factories rated Probationary and Acceptable with issues. However, given the Group's relatively small contribution to a plant's order book (less than 3% on average for apparel-makers), the requested remedial actions can only be deployed through joint initiatives undertaken in collaboration with other plant customers. This is why the Group cooperates with other companies as part of the ICS. When a plant fails to implement the requested actions, it is removed from the Group's list of approved suppliers.

In addition to monitoring working conditions through ICS social audits, the Group has also paid particular attention to training and support for plants, in particular by encouraging them to take part in the many training programmes offered throughout the year by ICS, such as those offered in China and Vietnam on cooperation, health and safety in the workplace in partnership with the ILO, as part of their SCORE (Sustaining COmpetitive and Responsible Enterprises) programme.

In 2019, the Group decided to set up a specific remediation programme on the topic of working hours in China, called the "Working Hours Program", developed in partnership with an external consulting firm. The programme is divided into two parts: in an initial phase, a plenary training session for plant representatives given in Mandarin and, in a subsequent phase, a minimum of three days of audit and on-site intervention by external consultants. The on-site intervention allows for solutions to be recommended that are particularly suited to the context of the plant and inspired by lean management. This method helps to reduce production costs and the use of overtime by optimising the plant's production management. In all, 77 factories in the Guangzhou and Shanghai regions producing private-label products for Group subsidiaries were invited to participate in this programme in 2019. A total of 64 people from 49 different companies attended the two plenary training sessions organised in early December 2019 in Guangzhou and Shanghai. The first on-site interventions by external consultants are planned for the second quarter of 2020.

The measures taken in 2019 helped to ease human rights and other risks, with a reduction in the percentage of facilities flagged with the most instances of non-compliance.

In 2019, the Group CSR department visited several subsidiaries to remind them of the Group's CSR policy and to train their teams.

Outcomes of the alerts notified during ICS social audits

ICS alerts help to prevent the risk of serious violations, damage or harm by proactively identifying potential risks, which are addressed with carefully tracked remedial actions.

	2018	2019
Number of ICS social audits commissioned by the Group in plants located in countries at risk and flagged with at least one alert*****	**207**	**148**
% of alerts notified during plant audits in China	61%	61%
% of alerts notified during plant audits in India	11%	14%
% of alerts notified during plant audits in Turkey	4%	1%
% of alerts notified during plant audits in Bangladesh	2%	5%
% of alerts notified during plant audits in another country at risk	22%	19%

******* *An alert notification is raised when an audit finds very critical cases of non-compliance, which are addressed and tracked in post-audit corrective action plans.*

Breakdown of alerts by ICS chapter *(as a % of total alerts notified during ICS social audits commissioned by the Group)*	2018	2019
Management system	17%	16%
Child labour	2%	3%
Forced labour	1%	2%
Discrimination and disciplinary practices	6%	4%
Freedom of association	0%	0%
Working hours and overtime	3%	4%
Remuneration, benefits and working conditions	35%	35%
Health and safety	36%	36%

For example, an alert notification of a risk of child labour may be raised when the auditor finds documentary evidence or hears employee testimony that plant management does not verify employee ages when hiring or does not keep a copy of the employees' identity papers, making it impossible to confirm that the plant only hires people at or above the legal working age.

Focus on ready-made garment factories

Given the level of risk of the apparel suppliers identified in the duty of care risk map, private-label garment factories are subject to particularly strict oversight, notably when they are in Bangladesh. These factories are covered by the working and environmental conditions monitoring programme described above.

Specific measures have been put in place for factories located in:

Bangladesh

No ready-made garment factory may be approved as a Group supplier unless it has been disclosed to the Accord on Fire and Building Safety. Accordingly, Group subsidiaries Distribution Casino France, Casino Global Sourcing and Monoprix have disclosed the factories in Bangladesh to the Accord, which the Group pledged to uphold in July 2013 to support the ongoing collective and collaborative process and improve safety conditions in local factories: all of the disclosed factories have been audited by the Accord. In the interest of seeing the Accord continue its operations in Bangladesh, Casino Group is supporting the project led by the Accord Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to replace the Accord on Fire and Building Safety in 2020 with a new entity, the Ready-made Garment Sustainability Council (RSC). In 2019, the Group took part in the various meetings organised by the Accord.

All of the local tier-one factories working for the Group's private-label apparel brands were systematically inspected with unannounced ICS audits prior to accreditation.

Brazil

Private-label garment factories in Brazil are covered by an inspection and certification programme conducted with the Brazilian Garment Retailers Association (ABVTex), which was founded in 1999. Based on the findings of independent audits, this initiative certifies the Brazilian garment factories, so as to ensure decent working conditions for their employees and the spread of best labour practices across the supply chain.

In 2019, 97% of GPA's 92 garment, footwear and accessories plants had been certified by ABVTex.

Apparel tracking indicators

	2017	2018	2019
Number of active garment factories producing private-label apparel for the Group in countries at risk	652	631	662
% of active garment factories producing private-label apparel in countries at risk covered by a valid ICS social audit	69%	94%	92%
Bangladesh			
Number of active RMG factories producing private-label apparel for the Group in Bangladesh	31	36	52
% of active RMG factories tracked by the Accord on Fire and Building Safety	100%	100%	100%
Number of employees working in RMG factories supplying the Group and tracked by the Accord	N/A	63,828	115,887
Average compliance rate in the RMG factories supplying the Group and disclosed to the Accord (based on Accord standards)	80%	94%	93%

Expanded audits

In 2018, the Group supported the introduction of a new ICS audit protocol for environmental issues, so that it could continue to share the findings of audits performed in plants used by several members and to pool the remedial action plans. This supplementary environmental audit campaign is being rolled out in tier 1 or 2 facilities whose processes pose the highest environmental risk in the manufacture of household linens, denim apparel and leather goods. So far, 25 environmental audits, including 15 commissioned by the Group, have been performed in garment factories using such processes as tanning, dyeing, washing and fading. In addition, two environmental audits have been commissioned by the Group in home furniture factories that include a painting stage in their production processes.

The main cases of non-compliance identified during the ICS environmental audits relate to the chapters on wastewater and effluents, waste management, and the prevention of pollution and management of hazardous and potentially hazardous substances. In order to support its plants in improving their environmental practices, the Group has encouraged them to take part in the many training programmes offered throughout 2019 by the ICS in partnership with an external company, particularly on the topics of raising awareness about environmental issues, chemical product management, wastewater management and effluent treatment plants. In 2019, representatives from 12 factories producing private-label products attended one of these training programmes.

Lastly, since 2018, Casino Group has issued its apparel suppliers a handbook of best practices in the most widely used denim processing techniques. For each one, it describes the main risks involved and, on the facing page, the recommended safety guidelines and personal protective equipment. It also specifies best chemicals management practices as well as the environmental issues to be addressed in managing the effluent and waste generated by denim wet processing. The handbook has been shared with the ICS so that it can be used by all of the member banners, their suppliers and the factories manufacturing denim products.

Lastly, in order to tighten controls within the supply chain, 25 ICS social audits were performed in factories located in countries where sourcing is allowed without tighter controls. In addition, nine factories located in Poland and ten located in Italy were visited by corporate and subsidiary ethics officers. These audits and visits help to improve knowledge about the level of social and environmental compliance of factories located in countries not considered to be at risk, thus contributing to Casino Group's analysis of country risks, which in turn helps to make the Group's risk mapping and duty of care plan more robust.

(ii) Suppliers of private-label products containing palm oil

● Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage

A number of private-label products contain palm oil, which raises risks of deforestation, particularly in Indonesia and Malaysia, and of soil erosion, water pollution and poor working conditions on palm oil plantations (risk of child labour, forced labour and workplace health and safety).

In order to reduce these risks, Casino Group has curbed the use of palm oil in its food products since 2010, removing it from a large number of its organic and other private-label products.

In 2011, it addressed a variety of stakeholder concerns by joining the Roundtable on Sustainable Palm Oil (RSPO), while in France it pledged to use only RSPO-certified palm oil by 2020, prioritising crops certified to Segregated or Identity Preserved standards, which offers the added advantage of being able to trace the palm oil to its source.

As palm oil is purchased from refiners or importers by the Group's direct suppliers, the Group requires them to guarantee that it complies with the No Deforestation, No Exploitation commitments defined by the Group's partner, the Earthworm Foundation (formerly TFT). This means sourcing palm oil from plantations whose practices safeguard high conservation value forests(1), carbon-rich forests(2) and peatlands(3), which also support the development of small producers and respect local communities and workers' rights.

In this way, apart from RSPO certification, the Group asks its suppliers to ensure that the palm oil used in its private-label food products is thoroughly traceable, by identifying the refiner or initial marketer in order to ultimately obtain visibility throughout the supply chain.

The Group believes that close collaboration among stakeholders across the production chain – NGOs, refiners, growers and manufacturers – is the only way to achieve the common goal of using only palm oil produced without causing deforestation or exploitation. This is why it joined the Palm Oil Transparency Coalition (POTC) in 2019.

In 2015, the Group undertook several initiatives to get private-label suppliers involved in this process, sending them letters describing its palm oil policy and organising awareness-raising working seminars in Brazil.

(1) *High conservation value areas are areas of high biological, social and cultural value that are important to conserve, and that contain rare species and habitats. For more information, visit: https://www.hcvnetwork.org/*
(2) *High carbon stock areas include primary forests, high-, medium- and low-density forests, and young regenerating forests. For more information, visit: http://highcarbonstock.org/the-hcs-approach-toolkit/*
(3) *Peatlands, areas where the soil contains more than 65% organic matter.*

Implementation outcomes

The Group calculated the palm oil footprint of its private-label food products and gathered information such as names and addresses to trace the palm oil content back to the initial importer and/or refiner. Based on prior-year volumes, this data is collected every year by sending a questionnaire to each direct supplier whose products contain palm oil. The questionnaire is designed to trace the palm oil content, so as to identify all of the stakeholders across the supply chain to the first importer from the producing countries.

The "zero deforestation" commitments of these initial importers were analysed in cooperation with the Earthworm Foundation, of which Casino Group is a member, between 2016 and 2018. The analysis focused on four fundamental criteria: the company's palm oil policy and underlying commitments; the company's reputation in connection with its palm oil operations; the transparency of its supply chain; and the initiatives undertaken to apply its policies or improve its sourcing.

Given that the Group does not deal directly with refiners, in January 2019, it joined the Palm Oil Transparency Coalition (POTC) to take collective action in association with other retailers who share the same commitment, as the refiners concerned are common to most retailers. Joint initiatives also have a more effective impact on tier-two suppliers. On behalf of the POTC members, assessment questionnaires are sent to the initial palm oil importers to get a precise picture of their commitment to sustainable palm oil. The findings are then shared publicly, which notably enables all of the coalition members to align their future purchases accordingly. The report is available on the POTC website.

- In France, the palm oil footprint of Casino private-label products is estimated at 2,677 tonnes, representing a decrease since 2015. 94% of the palm oil used is RSPO-certified, of which 87% is delivered through a Segregated or Identity Preserved supply chain.
- In Colombia, the vast majority of palm oil used in private-label products is sourced locally, where the risk of deforestation is lower than in Indonesia and Malaysia, which supply the palm oil used in France. Grupo Éxito is supporting Tropical Forest Alliance (TFA) 2020, a multi-stakeholder initiative launched in 2012 after the Rio+20 Summit, whose objective is to reduce tropical deforestation related to palm oil, soya and beef (https://www.tfa2020.org). Éxito also signed the TFA's Palm Oil National Agreement, which supports joint stakeholder efforts to eliminate deforestation in the palm oil supply chain.

(iii) Beef suppliers in Brazil

Regular risk assessment procedures, risk mitigation programmes and initiatives to prevent serious violations, harm or damage

Beef, which accounts for a significant proportion of the Group's store revenue in Brazil, is sourced from local suppliers by Brazilian subsidiary GPA.

The review of the social and environmental risks in GPA's supply chain, conducted in 2014 by GPA's Risk Management department in conjunction with the CSR department, identified beef purchases in Brazil as a possible source of serious human rights abuses (risks of child labour, forced labour and workplace health and safety abuses) and of serious harm to the environment (particularly the risk of deforestation in the Amazon and the Cerrado). This finding was confirmed during the risk mapping exercise performed in compliance with the duty of care law.

The responsible beef sourcing policy, which was introduced in March 2016 in partnership with The Forest Trust (TFT) Brazil (now the Earthworm Foundation), leverages traceability across the supply chain to ensure that the cattle sourced directly by our suppliers is not from a ranch practising illegal deforestation, involved in forced labour or any illegal encroachment on indigenous lands.

Initially applied to purchases by Multivarejo, the policy was extended in 2017 to the Assaí banner, the first cash-and-carry retailer in Brazil to take a stand on this issue.

In 2019, all of the suppliers pledged to support GPA's policy and development programme. It is based on the five social and environmental criteria for cattle sourcing defined in 2009 for Brazilian slaughterhouses, which are applicable nationwide:

1. Do not source from ranches that have encroached on indigenous land;
2. Do not source from ranches that have encroached on conservation areas;
3. Do not source from ranches that have been implicated in forced labour-like practices;
4. Do not source from ranches that have been embargoed by the Ministry of the Environment due to an environmental offence;
5. In the Amazon, do not source from ranches that have cleared forest land after October 2009.

The GPA sourcing policy implemented to attenuate the risks of deforestation and human rights abuses across the cattle supply chain draws on the two principles of transparency and traceability, and supplier audit.

To implement its policy, GPA has:

- mapped the various links in the supply chain to identify the different types of industry suppliers;
- identified the exact coordinates of the ranches that directly deliver cattle to GPA suppliers;
- trained slaughterhouses so that they can deploy, in their own operations, the solutions needed to verify that ranches comply with the defined purchasing criteria;
- rolled-out dedicated action plans to address the risks identified in each indirect supply chain;
- provided suppliers with a manual presenting GPA policies and procedures;
- collaborated with market stakeholders, public organisations and NGOs combating deforestation to converge best practices and work on developing systemic solutions;
- promoted its commitments to suppliers.

In order to ensure traceability and transparency in the supply chain, all GPA beef suppliers are therefore obliged to disclose the direct origin of the cattle used for the meat sold in the stores, or of the intermediary who supplied the meat to them. In order to check that the origin of the purchased cattle complies with the above social and environmental criteria, the suppliers' slaughterhouses are required to use a geo-monitoring system.

Implementation outcomes

The new policy has been endorsed by GPA's top three suppliers, who represent the vast majority of beef purchases in Brazil. In 2019, the smaller suppliers completed the final stages of action plan implementation.

The main outcomes of the new policy are as follows:

- all of the suppliers have pledged to support GPA's policy and development programme. In 2019, four suppliers completed their action plan to achieve full compliance with our policy. Since the policy was launched in 2016, 23 suppliers have refused to abide by the policy or deploy their action plan and are therefore no longer permitted to supply GPA;
- a total of 19 slaughterhouses have a geo-monitoring system in place: 99.6% of the meat produced by these suppliers was of controlled origin in 2019. The remaining 0.4% corresponds to suppliers who either implemented the system this year, or were suspended for refusing to implement the action plan;
- 22,150 direct ranches have been identified. These ranches provided cattle to GPA suppliers and have been inspected by our suppliers;
- more than 30 meetings have been organised to present the policy to the suppliers since its publication, and to assist in the implementation of specific action plans in 2019.

In addition, GPA also participates in multi-stakeholder initiatives addressing the social and environmental issues posed by cattle farming in Brazil. In this way, it can help to deploy collaborative solutions, which Casino Group and GPA feel are the most effective, given the complexity of the issues and the number of stakeholders.

In 2019, GPA engaged in dialogue with the Federal Prosecution Service via the Brazilian Association of Supermarkets (ABRAS) to raise Brazilian consumer awareness about the issues surrounding Brazilian meat.

GPA also participated in:

- the Brazilian Roundtable for Sustainable Livestock (GTPS), which promotes the development of sustainable livestock through supply chain linkage, continuous improvement and the dissemination of information;
- the annual process to monitor enforcement of the commitments of the National Pact to Eradicate Slave Labour (InPACTO), which GPA has upheld since 2005.

In addition to working with all of Brazil's meat suppliers, GPA continues to support the 22 cattle farmers who have exclusively supplied its Rubia Gallega private label for over ten years. These ranchers can trace their cattle across their entire life cycle, from insemination to pre-slaughter fattening. In 2017, GPA formed a partnership with the Aliança da Terra NGO to engage farmers in continuous improvement initiatives based on audits covering social, environmental, animal welfare and quality criteria. In 2018, all of the farmers were assessed and individual action plans were deployed so that they could improve their practices. They are supported by Aliança da Terra under the "Producing Appropriately" ("*Produzindo certo*") programme to guarantee consumers that their meat is of the finest quality.

For more information, please visit https://www.gpabr.com/en/sustainability/transforming-the-value-chain/.

3.5.3.5. ENSURING ANIMAL WELFARE

Commitment

For many years now, Casino Group has been working closely with suppliers, local production chains and animal rights organisations in a commitment to offering products that are more respectful of animal welfare.

To drive a cycle of continuous improvement, the Group cultivates dialogue with a wide range of stakeholders, including NGOs, veterinarians, suppliers, production chains, consumers and employees. It hopes that these initiatives will improve and broaden the array of animal-welfare friendly products on its store shelves and enable customers to enjoy better quality products made from more ethically treated animals.

The chosen approach consists of both monitoring conditions in the breeding, transport and slaughtering process and supporting the production chains as they transition to better, more welfare-friendly practices. The Group's assertive commitment was recognised by the Business Benchmark on Animal Farm Welfare (BBFAW), which in 2018 rated its performance as Tier 3, at the top of French retailers on this issue.

Consumer awareness plays a critical role in improving the treatment of farm animals, and to inform shoppers about the animal welfare aspects of the products they buy, the Group developed a labelling system in collaboration with three recognised animal rights organisations, which will help to support standardised animal welfare labelling in France. The labels were initially prepared for broiler chickens, with the first labelled products appearing in stores in December 2018. At the beginning of 2020, the programme was extended to other distributors and producers. Additional details about the programme may be found at http://www.etiquettebienetreanimal.fr. In this way, the Group hopes to encourage consumers to choose the most welfare-friendly products.

The Group's approach to animal welfare is part of an inclusive dynamic of innovation and progress, involving all of the stakeholders concerned:

- upstream: the Group is committed to fostering constructive dialogue with cattle ranchers, cooperatives and slaughterhouses, with the aim of continuously improving their practices;
- animal rights stakeholders: the Group is supported by such partner NGOs as *La Fondation Droit Animal* (LFDA), Compassion in World Farming France (CIWF France) and *Œuvre d'Assistance aux Bêtes d'Abattoirs* (OABA);
- veterinarians and animal welfare scientists: the Group also relies on experts to guide it in addressing animal welfare issues more effectively across the supply chain;
- consumers: the Group is totally dedicated to product quality, one of whose core components is the ethical treatment of animals. It therefore strives to keep shoppers better informed about animal welfare issues, in particular through the animal welfare labels that have been displayed in stores since December 2018;
- stores: all of the banners participate in showcasing products sourced from more animal-friendly production chains;

- employees: special attention is paid to raising employee awareness of animal welfare issues.

In deploying its animal welfare policies, Casino Group upholds the five fundamental freedoms established by the Farm Animal Welfare Council and accepted as the baseline in this area.

In the case of its private-label products in France, Casino Group has pledged to:

- define the minimum animal welfare standards applicable to its private-label products during the husbandry, transport and slaughtering phases of the meat, eggs, milk and fish production chains;
- define action plans for the meat, eggs, milk and fish production chain to gradually improve animal welfare in each;
- increase the number of animal-welfare friendly products available in stores;
- improve the supplier audit procedure concerning animal welfare, starting with the inspection of slaughtering conditions in the meat production chain;
- improve consumer information by developing and supporting animal welfare labelling in the stores and by helping to roll out a standardised national animal welfare labelling system in France.

In accordance with French legislation, the use of antibiotics to promote growth and of meat and bone meal to feed farmed animals is prohibited.

Casino Group's policy to promote animal welfare has been updated and published under the Commitments – Produce better – Casino Group policy for animal welfare section of its website, at www.groupe-casino.fr/en.

Casino Group won several awards in 2019, notably for the Animal Welfare label project, including an LSA "La conso s'engage" CSR award, the ESSEC Daniel Tixier Prize and the CIWF Animal Welfare Award. As part of the ESSEC Grand Prix du Commerce Responsable, at the beginning of February 2020, Casino Group received the "Services and Information for the Benefit of the Consumer" prize for its animal welfare labelling. Franprix recently won CIWF's Good Dairy Commendation and 2019 Good Egg Award for its commitments, while Monoprix received a Good Chicken Award from CIWF for its pledge to meet the Better Chicken Commitment criteria.

Organisation

Animal welfare policies and their management, as well as the issues related to animal welfare labelling, have been presented to the Executive Committee since 2018.

In France, animal welfare policy is managed by the Quality Committee, which meets monthly and comprises a multidisciplinary team involving all of the stakeholders concerned:

- Corporate social responsibility (CSR);
- Quality – including an animal welfare officer;
- Purchasing;
- Marketing.

The work of these committees involves:

- coordinating operational deployment of the policies;
- monitoring developments and benchmarking performance;
- defining key animal welfare performance indicators;
- regularly tracking progress;
- capitalising on observed best practices;
- defining improvement action plans.

Action plans

Egg sourcing

The Group is committed to improving husbandry conditions for laying hens.

It was the first retailer in France and Brazil to announce that it would stop selling eggs from caged hens, making some of the industry's most ambitious commitments.

- In France, Monoprix discontinued the sale of eggs from caged hens under its private label in 2013 and by national brands in 2016. In 2017, Casino Group and all of its banners in France made a similar commitment and, as of 1 January 2020, stopped selling eggs from caged hens. The Group supports its breeders and suppliers in the transition to an alternative breeding method, leveraging multi-year contracts to better assist them in their investment efforts. For its private-label eggs, the Group has set up an open-air breeding chain free of antibiotics during the laying period, with hens raised on GMO-free feed (< 0.9%). This led to the launch of two new products in April 2019. Casino Group has already committed to going a step further by pledging to eliminate egg products from caged hens in all its private-label products by 2025. Since 2017, Franprix and Monoprix have also been selling Poulehouse® brand eggs ("The egg that doesn't kill the hen") in 150 stores. This brand goes the extra mile when it comes to the animal welfare of laying hens, using a production method that avoids slaughter.
- In Brazil, GPA has committed to selling only eggs from cage-free hens under its own brands by 2025, in line with the public health standards and regulations defined by the Brazilian Ministry of Agriculture. In 2017, GPA launched a line of eggs from cage-free hens that has extended its organic and free-range egg products.

In line with its commitment, since January 2020, none of the eggs sold in the stores in France have come from caged hens.

Milk sourcing

All of the banners market private-label organic milk, as well as other milk offering better guarantees under their private labels:

- All Monoprix UHT milk complies with "Who's the Boss?!" specifications, which guarantee that the cows have had four to six months of grazing. This is a significant undertaking by the banner to improve welfare standards for dairy cows.
- Casino supports the "*Lait des éleveurs du Monts du Forez*" label, which offers better husbandry conditions. On the small family farms in the Monts du Forez region, the cows are mainly fed grass and spend over six months of the year in pastures located more than 700 metres above sea level.
- In 2019, Franprix undertook to ensure that milk sold under its own brands comes exclusively from cows that have been grazing for at least 150 days a year by the end of 2020. Tethering is also prohibited and animal welfare indicators are monitored on all farms.
- The Casino Bio, Monoprix Bio, Franprix Bio and Leader Price Bio brands guarantee permanent access to grazing land, whenever weather conditions make this possible.

● Broiler chicken sourcing

In the same way as for eggs and milk, Casino Group is sensitive to the welfare of the broiler chickens sourced for its private labels:

- Monoprix has made a number of commitments. Since October 2018, the banner no longer sells fast-growing broilers under its private label and its stores now carry only medium- or slow-growing breeds. In addition, all of the rotisserie chickens comply with EU organic standards, with access to open air areas, low stocking densities and a minimum slaughter age of 81 days. They are also raised without antibiotics and fed GMO-free feed.
- Casino's animal welfare labels transparently inform consumers about the hatching, rearing, transport and slaughtering conditions of the chickens sold in its stores. To date, Terre & Saveurs brand chickens have all been rated "Good" or "Superior" in terms of animal welfare.

In 2019, the Monoprix and Casino brands joined the Better Chicken Commitment, which aims to significantly improve the rearing and slaughtering conditions for all broilers (lower densities, slower-growing strains, enhancing the environment with perches, natural light in livestock buildings, more humane slaughtering methods, etc.). The Casino banners also committed in 2019 ensuring that, by 2026, all of the chickens marketed under their Casino private labels will be labelled level "C – Satisfactory" or better, under the animal welfare labelling system set up by Casino Group and three animal protection NGOs – LFDA, CIWF and OABA.

● Improving slaughtering conditions

The Group has deployed a slaughterhouse inspection programme in France. In 2014, Casino defined a dedicated audit procedure to ensure that slaughtering operations meet ethical animal protection standards and keep suffering to a minimum in such key phases as transport, stunning and killing. Performed since 2015 by veterinarians, these preliminary audits cover more than 70 control points in the slaughterhouses. To date, 46 slaughterhouses have been audited for compliance with animal welfare standards. These facilities mainly slaughter cattle and pigs, but also lambs and horses, and more recently poultry. All of the private-label raw beef, pork and lamb products are sourced from audited slaughterhouses. Each audit helps to raise the awareness of the Group's suppliers and encourage them to improve their practices, with remedial actions requested as needed. The auditing procedure is regularly reviewed, with input from an ethology and research firm specialised in animal welfare.

● Improving consumer information

To help create a standardised animal welfare label in France, Casino Group worked with its partners LFDA, CIWF France and OABA to develop a labelling system. As part of this process, assessment standards were defined, with nearly 230 criteria covering every stage in an animal's life, from birthing and raising to transport and slaughtering. Compliance with each of the criteria is assessed though annual external audits performed by independent firms. The first labelled products, sourced from broiler farms, appeared in stores in 2018. The labelling system has been extended to other brands and products. Additional details about the programme may be found at www.etiquettebienetreanimal.fr.

3.5.4. Casino Group, actively committed to protecting the environment and climate

3.5.4.1. ENVIRONMENTAL POLICY

Commitment

Casino Group's environmental policy is built on three pillars:

- the low-carbon strategy, to reduce the Group's greenhouse gas emissions and fight against climate change;
- the preservation and conservation of resources, to support the circular economy and the fight against food waste;
- the preservation of biodiversity;

It is supported and implemented by the Group based on:

- the objectives of the 2015 United Nations Climate Change Conference (COP 21);
- the UN Sustainable Development Goals;
- the objectives of the Montreal Protocol;
- national legislation, such as France's Energy Transition Act;
- the recommendations of the French Agency for Environment and Energy Management (ADEME), in its 2030-2050 roadmaps;
- voluntary undertakings it has pledged to support, such as:
  - the Act4Nature "Business for Biodiversity" manifesto,
  - the Cerrado Manifesto Statement of Support,
  - the TFA 2020 initiative, through its Grupo Éxito subsidiary, to fight against deforestation,
  - the Paris Climate Action Charter and the Charter for Sustainable Urban Logistics issued by the City of Paris,
  - the agreement between the French government and the French Trade and Retail Federation (FCD) to have doors fitted on 75% of refrigerators containing fresh produce by 2020.

Lastly, in 2018, the Group joined the Science Based Targets (SBT) initiative, which confirmed in 2019 that Casino Group's objectives were consistent with the Paris Climate Agreement.

The Group's environmental policy is accessible on its corporate website (www.groupe-casino.fr/en) – under "COMMITMENTS" – "Preserve".

Organisation

The Group's environmental policy is piloted and led by the CSR department, which is responsible for coordinating environmental priorities, sharing best practices and monitoring action plans. Each Group unit is responsible for locally implementing the organisation and action plans required to meet the predefined objectives, in alignment with local circumstances and practices.

The subsidiaries are responsible for:

- pursuing the Group's environmental priorities;
- deploying an environmental management system supported by the environmental indicators needed to manage the action plans for the defined priorities. The performance of each unit is shared with its managers and employees and reviewed annually by the CSR department with the relevant committees.

Action plans

To meet its environmental objectives, Casino Group has defined three main avenues for improvement:

- reducing the direct and indirect carbon emissions from its business operations;
- conserving resources by fighting waste and supporting a more circular economy;
- encouraging consumption that helps to preserve biodiversity.

These priorities for action to reduce the Group's direct and indirect environmental impact are being pursued by all of the banners, stores and warehouses.

3.5.4.2. THE LOW-CARBON STRATEGY TO FIGHT AGAINST CLIMATE CHANGE

Commitment

In line with international objectives and its commitment to the Science Based Targets initiative, Casino Group has undertaken to reduce its Scopes 1 and 2 greenhouse gas emissions by 18% between 2015 and 2025 and its Scope 3 emissions by 10% between 2018 and 2025. The Group's low-carbon scenarios were submitted and approved in line with the Science Based Targets in 2019, including for Scope 3 emissions.

The main sources of the Group's greenhouse gas emissions are:

- direct fugitive emissions from refrigeration systems (80% of Scope 1 emissions);
- indirect emissions from purchased electricity (99% of Scope 2 emissions);
- emissions from the purchase of merchandise for resale, the purchase of services, the sale of fuel in service stations, the transport of goods and people, and waste treatment processes (Scope 3 emissions).

In 2012, Scope 3 emissions for the Casino scope were measured with the support of a specialised consultancy. In 2016, the Scope 3 impact was confirmed by a study of the Group's biodiversity impact in France conducted in association with the Henri Fayol Institute in Saint-Étienne. Since 2017, Casino Group has carried out an in-depth study of all its Scope 3 greenhouse gas emissions sources based on internal data and the related emission factors. It currently estimates its Scope 3 emissions at around 30 million tonnes of CO_2 equivalent a year. This estimation covers almost all categories of Scope 3 emissions covered by the Science Based Targets and applicable to Casino Group. The most significant sources of Scope 3 indirect emissions identified are merchandise sold excluding fuel (61%), the transport of goods and customer mobility (21%) and fuel sold (11%).

Action plans

The greenhouse gas reduction targets have been defined in alignment with the below 2°C scenario proposed by the Paris Agreement in 2015, with progress being driven in five ways:

- reducing emissions from refrigerated display cases;
- attenuating the impact of energy consumption;
- supporting the circular economy and reducing food waste;
- opting for more sustainable mobility;
- lowering the carbon footprint of store merchandise.

3.5.4.2.1. Reducing fugitive emissions of refrigerants (Scope 1)

In order to comply with the Kigali amendment to the Montreal Protocol, the Group is committed to reducing its fugitive emissions of high global warming potential refrigerants by 18% between 2015 and 2025.

As part of this process, the Group partnered with ADEME to publish the Sustainable Cold Chain Guide, in order to (i) raise awareness among technical teams of the importance of reducing greenhouse gas emissions from store refrigeration units; and (ii) identify actionable low-carbon commercial refrigeration solutions.

The main measures introduced are designed to:

- reinforce leak containment systems in existing piping by scheduling preventive maintenance based on constantly monitored refrigerant levels;
- increase the proportion of fluids with low global warming potential in new facilities.

In France, in accordance with the European regulation on F-gas, the banners are replacing major global warming contributors like HFC fluids (R404A) with fluids with lower CO_2 emission levels and global warming potential of less than 1,500. The Group is reducing the banners' initial HFC refrigerant load by commissioning hybrid refrigeration systems that produce their negative cold using climate-neutral natural coolants or that only use natural refrigerants like CO_2.

In South America, GPA and Éxito have been testing similar installations with their technical partners. The Éxito stores are being fitted with CO_2-cooled equipment, and 31 Multivarejo stores now run on CO_2 and/or R449A refrigeration systems.

3.5.4.2.2. Reducing emissions related to energy (Scope 2)

Current projects are focused on improving the energy efficiency of stores and decarbonising consumed electricity by increasing the proportion of self-consumed power from renewable sources, such as the solar panels installed on store roofs or solar canopies (see paragraph 3.5.4.3.1.).

3.5.4.2.3. Reducing transport-related emissions by choosing more sustainable modes of transport (Scope 3 – all other emissions)

Casino Group is committed to reducing emissions generated by the transport of goods by taking the following action:

- reducing kilometres travelled by increasing the load capacity of its store delivery lorries and optimising delivery schedules and fill rates;
- increasing loads carried per delivery by using double-deck trailers at GPA, increasing the proportion of 40ft units versus 20ft units in the container fleet for Monoprix and optimising the use of space in packages shipped by Cdiscount;
- using railways and inland waterways as alternatives to road transport: Franprix, for example, has prioritised using the Seine river to restock its stores (300 stores concerned) since 2012. In 2019, delivery phases were revised in order to optimise delivery routes according to access conditions. The objectives were to maximise the efficiency of vehicle travel as well as reduce its environmental impact. In 2019, Monoprix regrouped and switched part of its deliveries to rail transport;
- switching to home deliveries and deliveries on foot, by bike or tricycle: Naturalia has developed an eco-friendly home delivery system in Paris between stores and customers. Franprix continues to place a priority on alternative delivery methods, with electric tricycles introduced in 2019. In all, nearly 30% of Franprix's home deliveries are made via a sustainable mode of transport;
- upgrading the vehicle fleet, with CNG-fuelled, hybrid and Euro VI-compliant vehicles: Casino's logistics subsidiary Easydis is transitioning to 100% clean transport resources and has committed to the acquisition of 400 compressed natural gas (CNG) vehicles (i.e., over 40% of its total fleet) by 2020. Using biogenic CNG fuel reduces particulate matter emissions by 85% and greenhouse gas emissions by 60%. Franprix and Monoprix are moving in the same direction;
- using low-carbon fuels like biomethane: Monoprix supports the use of biomethane fuel in its CNG lorries;
- training in eco-driving.

To lower emissions from customer and employee travel, the Group is also assertively encouraging electric mobility by purchasing EVs for its corporate fleet and installing charging stations in its store and office car parks. As part of its Corporate Mobility Plan, Éxito is deploying ride-sharing systems, in particular through mobile apps like Try My Ride.

3.5.4.2.4. Reducing the fugitive emissions of products sold in stores (Scope 3 – all other emissions)

In accordance with the aims of the Paris Climate Agreement, Casino Group has undertaken to reduce the greenhouse gas emissions linked to its food products, which represent its main indirect impact (Scope 3). To support this transition toward low-carbon consumption, the Group is taking action on several levels.

(i) Encouraging consumers to eat more vegetable protein

To implement a low-carbon strategy, the Group needs to support the shift in production and consumption practices towards low-carbon products offering a better balance between animal and vegetable protein in a store's merchandise mix.

To reduce the impact of what we eat on the climate and the environment, several studies have demonstrated the need to change the carbon footprint of the average French person's diet by eating less animal protein and more fruits, vegetables and legumes.

To support this transition, retailers need to offer more vegetable protein options in a variety of product categories and encourage shoppers to buy less, but better quality, animal protein, in accordance with PNNS recommendations.

Three of the ways in which the Group is responding are by developing bulk offerings for legumes, broadening the private-label vegetable-based lines and providing consumers with more detailed animal welfare information.

In so doing, Casino Group:

- is also developing several lines of vegetarian and vegetable-based products that resonate with new consumer expectations: Casino, for example, has launched the "Veggie" line of vegetarian ready meals and organic vegetable drinks, while Monoprix markets the "Le Végétal" range of primarily vegetable-based dishes. Naturalia is developing its "100% Vegan" organic stores, stocked with 2,000 staple foods that are entirely vegetable-based, and Franprix Noé offers a diversified range of vegetable-based products. Lastly, Casino Group is also the first retailer in France to sell products from American start-up Beyond Meat® under the Monoprix, Franprix, Géant and Casino Supermarkets banners;
- promotes new concepts for goods sold in bulk, particularly at Franprix stores that offer a variety of innovative bulk ideas and that also support ecological modes of production using less chemical fertilisers and fewer pesticides, and encouraging people to improve their nutritional balance by embracing a more vegetable-based diet (see section 3.5.4.5.);
- encourages more detailed information for consumers on the degree of animal welfare related to products, enabling them to consume higher quality products and to change their habits when it comes to purchasing animal protein.

(ii) Promoting local products

Working with local producers, the Group's banners are developing and promoting product lines that are local in origin.

Local producers are supported in making their production and supply chains, production standards and administrative management more professional, enabling them to expand their business beyond their commercial relationship with Casino. One of the Group's objectives is to make local products more visible to its shoppers.

Since 2011, Casino has marketed the "Le Meilleur d'Ici" concept of local products made within a radius of about 80 km around Casino supermarkets and Géant hypermarkets. The 1000PRO platform connecting local producers and the Casino Shop, Spar, Vival and other convenience banners has been in place since 2017. It is helping to facilitate the short-channel marketing of farm products by enabling producers to supply their products to local stores of their choosing.

Throughout France, Monoprix carries a range of local products produced within 100 km of each store, which represented close to 5,600 grocery, beverage, produce and frozen SKUs in 2019.

In all, nearly 18,000 locavore products are on offer in France, sourced from more than 1,300 local producers.

In 2019, more than 90% of the fruit and vegetables marketed under Grupo Éxito banners were grown in Colombia, of which more than 80% were sourced locally and directly from small farmers. Éxito is also continuing to roll out its supplier training programme in partnership with EAFIT University, and, to support deployment of its nutrition policy, runs workshops on reformulating edible fats and oils in sourced products. In addition, Éxito periodically brings together its fruit and vegetable producers to encourage and help them to meet Global Good Agricultural Practice standards, with the goal of achieving compliance across the entire fruit and vegetable supply chain.

In Brazil, GPA is expanding the "Caras do Brasil" programme, which gives responsible small farmers like cooperatives and associations the opportunity to sell their products in Pão de Açúcar stores. Social and environmental criteria are used in selecting producers to supply the range, which have a dedicated space within stores.

(iii) Informing shoppers about the environmental impact of products to shift them to low-carbon consumption

Since 2007, to enable customers to shift their purchases to lower-carbon products, Casino Group has supported the display of standardised environmental labels on food products. In 2008, Casino was the first retailer to pioneer carbon labelling on its private-label products. Over the years, the carbon index has been gradually replaced by the environmental index. In 2017, a new milestone was reached with the Environmental Impact label, which this time is based on public data and national standards. Since July 2017, Casino has been providing its processed food suppliers with a free collaborative application, known as "Mieux Produire", that they can use to collect data and calculate the environmental impact of their products. This gives the Group greater insight into the environmental impact of its Casino, Franprix and Monoprix private-label products, while keeping customers aware and informed via the www.mieuxproduire.fr website. Lastly, the application includes a simulation module that supports suppliers in their commitment to continuous improvement.

In France, employees may attend e-learning courses on the environmental impact of their shopping.

(iv) Mobilising the main suppliers

The Group's main suppliers represent a significant portion of greenhouse gas emissions linked to products sold in stores. In 2019, Casino Group took steps to encourage them to commit to the Science Based Targets initiative and, for those who have, to share their objectives and action plans with the Group so as to examine potential synergies to achieve them. This approach will be strengthened in 2020.

■ 3.5.4.2.5. Adapting to climate change

The main climate change risk that could potentially impact the Group's operations is the increase in extreme weather events, such as the 100-year flood in Paris and droughts in Brazil and Argentina. Were these types of events to become more frequent, they would not only have direct consequences for the Group's operations, but also an indirect impact in that they would lead to higher raw material prices, fewer seasonal product sales and higher energy prices. For example, the drought experienced in Brazil in recent years, particularly in the state of São Paulo, has led to a significant rise in the price of electricity, since most of it is produced at hydropower plants.

These risks can be managed by (i) complying with local regulations, which specify the equipment to use to manage rainwater and overflow (such as retention basins and green roofs), (ii) strategic stockpiling of basic commodities in partnership with suppliers, and (iii) improving the energy self-sufficiency of its stores using solar panels and generators to guarantee uninterrupted operations and reduce energy consumption.

Performance

The Group has measured the carbon footprint of its operations since 2009:

- Scope 1 emissions, corresponding to the direct emissions from combustion and refrigerants, amounted to 1,208,750 tonnes of CO_2 equivalent in 2019, with 93% coverage of total square metres of retail space excluding emissions from Disco Devoto refrigerants;
- Scope 2 emissions, corresponding to the indirect emissions from the consumption of purchased electricity, amounted to 259,700 tonnes of CO_2 equivalent in 2019, covering 97.5% of total square metres of retail space.

To ensure meaningful year-on-year comparisons, Scope 1 and 2 greenhouse gas emissions covering the entire the reporting scope are presented in the Group's table of performance indicators. The Group also tracks changes in ratios per square metre of retail space for greenhouse gas emissions from electricity use and refrigeration systems (see Group performance indicators on pages 244 and 245).

3.5.4.3. PRESERVING NATURAL RESOURCES, REDUCING THEIR USE AND SUPPORTING THE CIRCULAR ECONOMY

3.5.4.3.1. Reducing energy consumption and encouraging the use of renewable energies

Commitment

The Group has undertaken to reduce the amount of electricity used per square metre of retail space by 18% between 2015 and 2025.

Energy use is being reduced through a continuous improvement process based on tracking consumption, performing facility energy audits, and upgrading the least energy efficient installations.

Electricity is primarily used by commercial refrigeration and air conditioning systems, followed by lighting.

Measures taken to reduce electricity consumption include:

- fitting doors on refrigerators containing chilled products:
- installing low-energy lighting and air conditioning systems;
- raising store employee awareness of power-saving practices, with the “Eco-Gestures” guide and an e-learning course.

In addition, the Group is reducing its impact by installing solar panels on its store roofs, car park canopies and other infrastructure, which generate renewable electricity that is either used directly by the stores or sold back to the national power grid.

Action plans

In partnership with its Green Yellow subsidiary, the Group is deploying energy performance contracts in its stores, which guarantee at least a 20% reduction in their baseline consumption.

In France, the energy management processes in Géant hypermarkets, Casino supermarkets, Monoprix stores, the corporate head office building in Saint-Étienne and the Franprix administrative offices in Vitry have all been certified in accordance with the ISO 50001 energy management standard.

Outside France, 83% of Multivarejo’s electricity consumption in Brazil comes from an energy mix based on renewables including biomass, wind and solar energy. The subsidiary is committed to achieving a target of 94% by 2024. In Colombia, Grupo Éxito is continuing upgrades on warehouse and in-store installations, including all-LED retrofits in around 30 outlets.

Campaigns to build awareness and train employees in energy saving practices have been deployed in every Group unit, with in-store displays, meetings with store and technical managers, an e-learning module and the “Eco Gestures” guide.

The Group is actively engaged in deploying renewable energies, with the installation of solar power units on store roofs and car park canopies.

In all, more than 477,000 square metres of solar panels have been installed on Casino Group store roofs and car park canopies in France and Latin America, representing 98 solar power plants brought into service since 2007 and two plants currently being used for self-consumption by the Group. In France, after opening the country’s first energy-positive hypermarket, the Géant Vals-Près-le-Puy, in 2016, the Group commissioned its first ground-mounted, self-consumption solar power plant in 2017. Built by the Green Yellow subsidiary, the new unit has a rated output of 250 kW, which covers 22% of the power needs of the Galerie Cap Costières shopping mall. This type of facility can be installed on previously unused land to supply tenants with renewable energy.

Performance

The Group’s performance in executing its energy efficiency strategy is tracked by measuring the amount of electricity used per square metre of retail space. In 2019, average consumption per square metre was down by 8% compared with 2015. The Group generated 114,000 kWh of power from renewable sources during the year.

A portion of the annual bonus for every manager in France, Colombia and Brazil is pegged to meeting a target for reducing the amount of electricity used per square metre of the Group’s retail space.

See Group performance indicators on pages 244 and 245.

3.5.4.3.2. Managing water consumption

Commitment and action plans

The Group’s host regions run a relatively low risk of water scarcity, according to the global water stress map published in 2015 by the United Nations. Nevertheless, certain periods of drought caused by climate change in Latin America could occasionally disrupt the supply of drinking water or the generation of electricity from hydropower stations.

Steps taken to reduce direct water use include (i) phasing out open-loop, water-cooled refrigeration systems and replacing them with closed-loop systems; (ii) installing rainwater recovery systems to meet grounds watering or potable water needs in stores or warehouses; (iii) installing pressure-reducing valves on taps to restrict flow; and (iv) regularly monitoring consumption to detect pipe leaks. Wastewater is appropriately treated in compliance with local legislation before being released into the public networks.

Performance

In 2019, the Group’s water consumption was estimated at around 6.4 million cubic metres of water for 71% of its retail space.

See Group performance indicators on pages 244 and 245.

3.5.4.3.3. Reducing, sorting and reusing waste for the circular economy

Commitment

For several years now, the Group has been pursuing a policy of recovering and reusing the waste from its subsidiaries' operations, in a commitment to reducing and eventually eliminating disposal by dumping and/or partial incineration without heat recovery.

In addition, to facilitate the emergence of a circular economy by using end-of-life products as sources of new raw material, the Group provides in-store collection points where customers can return their scrap products for recycling. These products are then collected by the stores and sent to accredited recycling companies. This also encourages new circular economy models.

Action plans

The Group is committed to installing and effectively using waste sorting systems to reduce the amount of unsorted, landfilled waste and supports the development of local recycling businesses. The operating units have in-store recycling bins and encourage customers to use them.

Store waste primarily includes packaging cardboard, plastic, paper and wooden pallets used to transport and handle merchandise, damaged goods and unsold compostable produce.

In Brazil, Multivarejo continued to roll out its in-store programme for recovering and reusing recyclable and organic waste. In 2019, the pilot initiated alongside a partner in 12 stores in 2018 with the aim of forming waster separation stores, was increased to 79 stores and retail centres, enabling 42% of waste to be recovered and reused in the stores identified. In Colombia, Éxito is pursuing an ambitious waste management policy with environmental officers in charge of training store staff and raising awareness among customers and employees. As a result, Éxito has recovered and reused more than 33,000 tonnes of store waste. Managed by the Éxito Foundation, the resale of recyclable materials provides around 30% of its funding.

The Group's stores offer to collect waste returned by customers. In Colombia, for example, Éxito and Carulla stores also provide collection points for used batteries, electrical and electronic devices and out-of-date medicines. In Argentina, Libertad provides in-store collection stations for glass, certain types of packaging and used motor oil in partnership with local recycling companies.

To encourage a circular economy, Casino Group has developed new models. In France, Cdiscount formed a partnership with ENVIE, an association committed to the circular economy. Cdiscount donates returned items and unsold products to the association, which repairs them and puts them up for sale on its network or recycles them if they are too damaged. Outside France, GPA's "Novo de Novo" circular economy programme, launched in 2009, collects waste packaging and reuses it to make new packaging for Taeq and Qualitá private-label products. Since 2001, the 100 or so recycling stations located in Extra and Pão de Açúcar stores have collected more than 100,000 tonnes of recyclable packaging material, which has been reused to make several million private-label product packages.

Performance

In 2019, Group recovered and reused more than 212,000 tonnes of waste, including cardboard, paper, plastic, organic matter, glass, wood and scrap metal, including over 119,200 tonnes in France.

During the year, customers returned more than 14,800 tonnes of waste to store collection boxes. Of the total, 18% was paper and cardboard and 49% was waste electrical and electronic equipment (WEEE), which was transferred to accredited service providers for recycling.

See Group performance indicators on pages 244 and 245.

3.5.4.3.4. Reducing the impact of packaging

Commitment

The Group is deploying an ambitious packaging policy comprising five commitments: reduce unnecessary packaging and disposable plastic products, reduce the use of materials through eco-designed products, use more recyclable packaging, incorporate recyclable materials, and encourage new consumption habits and improve selective sorting procedures.

In February 2019, Casino Group signed the Plastic Pact supported by the French Ministry for the Ecological and Inclusive Transition.

Casino Group is therefore assertively reducing the use of plastic and other packaging for its private-label products, while maintaining the highest standards of sanitary quality and food safety. The Group supports its suppliers in meeting these goals with training and projects that promote the circular economy.

Action plans

(i) Plastic Pact

As part of its Plastic Pact, the Group participated in all work group meetings put in place.

The main measures introduced concern:

- the assessment of own-brand products in order to identify all areas for optimisation in line with the "5 R's" method (refuse, reduce, reuse, recycle and rot). In 2019, 12,000 products were analysed to identify areas for improving and optimising packaging, including those made of plastic. A number of steps were identified targeting the following priorities: the elimination of packaging that disrupts sorting processes, the integration of recycled products, and the substitution of materials for which there is no recycling process;
- the replacement of packaging that disrupts sorting: more than 130 products were redesigned, including the dark-tinted tubs of some Casino individual ready meals, which were replaced with a recyclable tub;
- the incorporation of recyclable material in plastics: more than 158 products were reviewed, such as Monoprix's "Bio Origines" milk, now featuring 25% rPET packaging, and own-brand tea beverages, with 50% rPET;
- the elimination of unnecessary packaging: 30 products have been optimised by eliminating plastic packaging, such as the plastic sachets of three Casino Bio soap products;
- the development of new bulk concepts (see below).

Lastly, Casino Group participates in working groups where the aim is to set up a shared monitoring and reporting tool for all signatories on packaging that is deemed unnecessary.

(ii) Eco-designing products

The Group is supporting the improved eco-design of its products by:

- reducing its packaging: in France, Cdiscount launched an initiative designed to reduce packaging on shipped products. It has decided to work with Neopost, which has designed an automated packaging machine capable of reducing the volume of air in shipped packages (2D and 3D packaging). Furthermore, 90% of the boxes used for shipped packages are now made from Forest Stewardship Council (FSC)-certified recyclable raw materials, hydrocarbon-based inks were replaced by vegetable-based inks to print the visual identity and addresses of customers on more than 20 million shipped packages sent in 2018 and, since early 2017, all bubble wrapping has been replaced by kraft paper.

  The "Reduce the Environmental Impact" prize was awarded to Cdiscount in early February 2020 in recognition of its entire innovative approach;
- encouraging suppliers to introduce eco-design processes. For example, whenever a new product is created, GPA is careful to reduce the amount of packaging, which is consistently made from FSC-certified cardboard. In 2019, GPA was innovative in replacing the polystyrene packaging used for fruits and vegetables with biodegradable paper containers. Substitution will be finalised in 2020.

  In Colombia, Éxito is helping suppliers of Taeq, Carulla and Cautivia products to cut down on packaging. It is also developing products with fully recyclable packaging;
- providing its private-label product suppliers in France with an on-line application on the "mieuxproduire.fr" website enabling them to calculate a product's environmental index, understand the main components of its environmental footprint and run simulations on how to reduce the impact of packaging;
- being a member of the *Pôle Éco-conception* association in Saint-Étienne, where it is helping to raise awareness of eco-design techniques among SMEs and facilitating implementation of their projects;
- leading circular economy programmes. In France, Cdiscount formed a partnership with ENVIE, an association committed to the circular economy. Outside France, GPA's "Novo de Novo" circular economy programme, initiated in 2009, collects waste packaging at recycling stations and reuses it to make new packaging (see section 3.5.4.3.3.).

(iii) Expanding bulk aisles and displays

In France, to reduce the amount of packaging, the Casino, Franprix, Naturalia and Monoprix banners are developing scoop and weigh concepts for dried fruits and vegetables, cereals, coffee and pasta, including a number of certified organic products.

For example, around 50 products are offered in scoop and weigh format in several Franprix stores, including organic cereals and grains, detergent, fabric softener and dishwasher liquid by weight and wine in reusable, refillable bottles. More than 150 Franprix stores are equipped with scoop and weigh systems. The banner has deployed Bulk & Co solutions in its stores, with a scoop and weigh product offer for box dispensers and Qualivrac dispensers for liquid products sold in bulk. Franprix also launched the "Zero Waste Meal" initiative in partnership with the start-up, Solzero, to make reusable glass containers available to customers for self-service: five stores are currently testing this project.

Outside France, GPA is deploying its Reutilizar Project, which offers consumers the chance to purchase the quantity they want in paper packaging or jars in an effort to reduce non-recyclable packaging. In participating stores, the initiative applies to nearly 40 foodstuffs, such as grains, cereals, pepper and nuts. The new Pão de Açúcar store concept features a dedicated "Fresh and Healthy" section.

(iv) Preventing the risks of using recycled materials

To address consumer concerns about the health impact of mineral oil migration from recycled food packaging, in France the Group has pledged (i) to conduct regular analyses of the mineral oil content of its private-label packaging to ensure that it is less than the minimum allowable content set by the Group and (ii) to use only recycled packaging materials capable of impeding the migration of these oils or, when that is not possible, to use virgin fibres for any new packaging.

(v) Reducing the use of plastic bags

To encourage more responsible shopping and reduce household waste, since 2003 Casino Group has reduced the number of disposable bags available in its stores, offering instead a line of reusable bags.

- Since 2016, the banners in France no longer provide disposable plastic bags, in compliance with local legislation.
- In other countries, subsidiaries are deploying an increasing variety of actions to encourage a preference for reusable bags (in store displays, loyalty programme incentives, etc.) and reduce the use of disposable plastic bags. In the State of Rio de Janeiro, Brazil, GPA is following legislation that came into force in 2019 requiring single-use bags, composed of 51% renewable materials and setting objectives for reducing bag distribution. These measures have enabled GPA to reduce the volume of bags distributed by 70% compared to the same period in 2018. In Colombia, Grupo Éxito is encouraging the use of reusable plastic bags, in particular through campaigns like "#YoTrajeMiBolsa", which asks shoppers to bring back their reusable bags the next time they came to the store. A special committee tracks the number of plastic bags used per quarter.

3.5.4.4. COMBATING FOOD WASTE

Commitment

In view of the financial, environmental and social issues arising from food waste, in recent years the Group has been reducing sources of waste by offering innovative solutions to customers and employees, deploying systems to reduce spoilage and unsold food, and donating food.

In 2013, the Group signed the National Pact Against Food Waste set up by the French Ministry of Agriculture and Food. It supports the international Stop Food Waste Day with initiatives to raise awareness among customers and employees.

Action plans

Actionable levers in the fight against food waste include:

- continuously improving store operating procedures by optimising orders, better management of in-store sell-by dates, limiting spoilage through employee training and awareness, and improving the promotional stockpiling of damaged or expiring products. The Group has upgraded its damaged produce systems in order to be able to sell short-dated products at a discount. It has also formed partnerships with start-ups like Too Good to Go and Phénix in France, which offer specially priced surprise bags of unsold, yet still edible food that their stores have to throw out at the end of the day. All Monoprix stores have been offering Too Good To Go since the summer of 2019. More than 1 million of these bags have been sold in the banners in France. Casino Group signed the Pact on Sell-By Dates in January 2020. Supported by the French Ministry for the Ecological and Inclusive Transition and the Ministry of Agriculture and Food, the pact includes 10 concrete and measurable commitments for the management and understanding of sell-by dates;
- donating products to associations such as the French Federation of Food Banks (FFBA), with which the Group has partnered since 2009. It has also formed partnerships with several other social economy stakeholders. In France, more than 12,000 tonnes of food products were donated in 2019. In Brazil, more than 500 Multivarejo stores have joined the Partnership Against Food Waste programme that donates damaged fruits and vegetables to NGOs or food banks;
- raising awareness of employees and customers. In France, retailers account for only 14% of food waste, with the rest attributable to upstream producers or downstream consumer behaviour, which is why the banners are conducting a range of smart shopping awareness campaigns to educate their customers. During France's National Day Against Food Waste, a leaflet was prepared and distributed in the banners and corporate offices. The Group also posted an on-line animation on the corporate and banner websites to show the public and employees a variety of best practices and good habits that help to prevent food waste. Employee awareness was also enhanced at Casino by an "Eco Gestures" guide to practices that effectively reduce spoilage and improve waste management. An e-learning programme was developed to teach employees how to combat food waste. Éxito is deploying its waste management plan, which covers food waste, and is building awareness among all its teams of proper food management practices;
- joint work with suppliers to:
  - extend product sell-by dates, without increasing health risks,
  - remove best-by dates on certain categories of products,
  - share their experience in fighting against food waste, by redistributing misshapen or non-standard products in local channels, for example, or processing waste food into new products (turning avocados into guacamole, apples into apple juice, etc.);
- the development of new concepts such as:
  - scoop and weigh: the Group's banners sell organic dried fruit and vegetables in bulk,
  - the re-processing of damaged fresh produce: Monoprix's "Shop and Give" service has been in place since 2017. When customers order new groceries for home delivery, they can give any products that have not passed their sell-by date, as well as any fruits, vegetables and used batteries or light bulbs to the deliverer for donation or recycling. The banner is also continuing its partnership with Re-Belle jams made using over-ripe or damaged fruit collected from its stores,
  - the sorting of inedible meat, fish and other organic food scraps for reuse in animal feed, biogas generation or composting.

3.5.4.5. ENCOURAGING CONSUMPTION THAT RESPECTS BIODIVERSITY

Because biodiversity helps to guarantee balanced diets around the world, Casino Group has partnered with the Fayol Institute graduate school in Saint-Étienne to assess the pressure from food products (climate change, pollution and land use). This research enabled the Group to identify the production chains with the greatest impact and to assess the alignment of its initiatives. Based on the findings, the Group defined its commitments to preserve biodiversity. Present in countries with rich ecological diversity, such as Brazil and Colombia, Casino Group is committed to acting both at the level of the production chains and on the identified impacts.

Commitment

In its commitment to preserving biodiversity, Casino Group has endorsed:

- the Act4Nature "Business for Biodiversity" manifesto issued by *Entreprises pour l'Environnement* (EpE), to encourage companies to protect, promote and restore biodiversity;
- the Cerrado Manifesto Statement of Support, to combat the deforestation in the Cerrado in Brazil.

In 2011, the Group joined the Roundtable on Sustainable Palm Oil (RSPO) to support sustainable palm oil and is a member of the Earthworm Foundation, the Palm Oil Transparency Coalition and the Duralim platform that supports sustainable animal feed, allowing it to participate in collective progress initiatives.

Action plans

The Group has defined three priorities for action:

- market a product offering that helps to preserve the environment and biodiversity;
- combat deforestation caused by production of commodities;
- preserve fishery resources.

(i) Market a product offering that helps to preserve the environment and biodiversity

To support organic farming and reduce the use of pesticides, Casino Group is expanding the range of certified organic food products present in all its stores, with more than 2,300 private-label SKUs and around 20,300 national brand SKUs, up 14% compared to 2018.

The Group continued to develop its banners dedicated to organic products with Naturalia, Franprix Noé and the first Casino Bio store (see section 3.5.3.2.2.). It also launched a new convenience store concept, "Casino#Bio", with an assortment of 4,000 specialist organic brand products, including 700 organic Casino products to make the offer as affordable as possible.

Casino supports the development of pesticide-free guaranteed products that reduce the Treatment Frequency Index and the use of pesticides upstream, as well as good agricultural practices and integrated agriculture, with brands like Terre & Saveurs. Casino has the largest "zero pesticide residue" offer on the market, with 67 products available. Launched in 2016 following collaborative work with Casino partners already engaged in agroecological farming, the Casino AgriPlus programme is developing and promoting innovative farming initiatives that are beneficial for the environment, farmers and consumers. Its holistic approach covers the full range of farming, animal husbandry and aquaculture practices. It has four pillars:

1. innovative crop farming and animal husbandry practices, entirely rethought to produce differently and responsibly;
2. an agroecological approach based on collaborative work in the sector, to reconcile economic performance with environmental preservation;
3. an approach that ensures quality products that meet consumer expectations in terms of taste and food safety;
4. a transparent approach, based on guarantees monitored by independent bodies.

Products endorsed by the programme are identified by the easily identifiable Casino AgriPlus logo.

Monoprix continues to develop the Tous Cutiv'acteurs approach aimed notably at eliminating neonicotinoid pesticides that can harm pollinators and to mobilise more than 700 fruit and vegetable farmers. A three-year agreement is in place with a set of specifications drafted in collaboration with the Bee Friendly® label and experts from the world of farming. In 2018, the initiative involved 36 suppliers and brought together nearly 720 farmers. The supplier progress plan gave an average score of 63.5/100 vs. 52.8/100 in 2016. The initiative is supporting farmers in a continuous improvement process with the goal of earning the Bee Friendly® label for their products. The label's highly demanding standards include a blacklist of pesticides that have been banned to protect pollinators and a set of good agricultural practices, in order to promote biodiversity on farms, develop more resilient production systems requiring fewer pesticides, and forge partnerships with local beekeepers. The partnership has been renewed for another three-year period, with 20 suppliers under the label.

Outside France, the Group's banners market nearly 2,100 organically grown food products, which are regularly advertised and showcased to customers either in dedicated corner displays or in the usual store sections. GPA's Pão de Açúcar banner, for example, promotes organically grown products during its "Organic Wednesdays and Thursday" events, offering customers a 20% discount.

The Group encourages its suppliers to comply with the Good Agricultural Practices (GAP) standard. For this reason, Éxito has implemented a GAP certification programme for its suppliers.

(ii) Combat deforestation caused by production of commodities

A partner of the Earthworm Foundation, Casino Group is committed to fighting deforestation caused by the production of commodities, focusing on beef, palm oil, soya and cocoa.

Beef: the Group has a programme to inspect its beef suppliers in Brazil that includes the identification of almost all of the ranches that deliver directly to them (see section 3.5.3.4.).

Palm oil: the Group has identified its suppliers' first importers and/or refiners and analysed their zero-deforestation policies in order to engage them in maintaining and strengthening their commitment to producing deforestation-free certified palm oil. Casino Group has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011. In 2019, it joined the Palm Oil Transparency Coalition to work with other businesses in engaging with palm oil refiners and importers in Europe (see section 3.5.3.4.).

Cocoa: cocoa is an ingredient in a variety of product categories. Given the complexity of the cocoa supply chain, which comprises around six intermediaries between the farm and the store, Casino Group has pledged that all of the cocoa used by suppliers of its private-label products in France that contain at least 20% cocoa will be fair-trade-certified by 2020, based on audits by UTZ, Fairtrade and other independent organisations.

Soya: to address soya issues and the potential risks raised by soybean farming in South America, Casino Group is actively supporting the joint programmes in place to ensure that the soya in its supply chains in France has not caused deforestation, particularly in South America. Soya from Brazil is mainly found in the animal feed used in France by our suppliers to raise animals, and in private-label and national brand soya-based products, such as soya drinks.

The Group's discussions with stakeholders yielded a consensus that:

- the soya supply chain is particularly complex, with at least seven intermediaries between the meat suppliers and the soybean farmer;
- only multi-stakeholder solutions can ensure that the soya imported into France has not caused deforestation in Brazil, as indicated in France's national strategy to end imported deforestation;
- a small number of traders play a key role in exporting soya and soybeans to China and the European Union;

In response, as part of its corporate social responsibility policy, Casino Group:

- has endorsed the Cerrado Manifesto Statement of Support, to participate in global multi-stakeholder initiatives;
- has asked the three leading traders in France to provide information about their commitments and initiatives to ensure that the soya they import is deforestation-free;
- has joined Duralim, the French collaborative platform, that supports sustainable feed for farmed livestock in order to learn about the commitments in place, particularly as concerns soya in the animal feed industry. The Group took part in the work meetings organised by Duralim in 2019 to support the collective momentum aimed at ensuring that the soya imported in France is deforestation-free.

  In Brazil, our GPA subsidiary:

  - participated in meetings of the Cerrado Working Group (GTC), which brings together civil society stakeholders, traders, industry associations and soybean farmers. GPA also supports the voluntary Soy Moratorium set up in 2006 by soya traders;
  - helped to develop the Soy Toolkit issued by GPA stakeholder Proforest; and
  - cooperates with *Aliança da Terra*, a Brazilian environmental association that assists farmers in improving their environmental and social management.

Concerning the soya used as an ingredient in its private-label products, the Group is working with suppliers to identify the country of origin and the related country risk. In France, the Group has committed to only using soya from the European Union by 2021.

Regarding the soya used in animal feed, beyond the actions led collectively with the Duralim platform, the Group has a diversified offer of organically farmed and "Label Rouge" products, which provide consumers with additional guarantees regarding the origin of the soya used.

(iii) Preserve fishery resources and protect endangered species

The Group's policy is built around four main objectives: (a) protect endangered species: Casino has prohibited the sale of endangered fish since 2007 (11 species are currently banned); (b) encourage sustainable fishing by, for example, banning electrofishing and supporting sustainable certification; (c) focus on local sourcing and seasonal products; and (d) support aquaculture with high-quality production chains, based on organic farming standards, without antibiotics and using GMO-free fish feed.

The Group has been steadily improving its seafood offering for many years now. Since 2007, Casino has taken a number of steps to protect fishery resources, such as phasing out the sale of the most endangered deep-sea species (emperor fish, blue ling, cutlass fish, grenadier, tusk and, since January 2020, red sea bream), as well as other vulnerable species including the eel, elver, North-East Atlantic dogfish, grouper and, since 2017, tope shark and blue shark. Casino limits its supply of bluefin tuna to small-scale line-fishing of the species so as to encourage its reproduction. Lastly, based on the scientific consensus that depleted fish stocks must be rebuilt, since 2019 Casino no longer sells European sea bass (*Dicentrarchus labrax*) caught in the North fishing area (North Sea, English Channel and Celtic Seas) during the February-March spawning season and limits its supplies from the Bay of Biscay and the Mediterranean to bass caught by pole and line. These responsible decisions will support the replenishment of sea bass stocks.

Since 2018, Éxito has sold seafood from nationally designated traditional fishing areas known as "Zonas Exclusivas de Pesca Artesanal" (ZEPA), which help to protect endangered species and preserve the diversity of marine life.

In 2018, Multivarejo expanded its sustainable fishing programme by raising consumer awareness of its policies in this area, such as respecting spawning seasons and minimum landing sizes, and voluntarily banning the sale of fish species that are endangered in Brazilian waters. In 2019, after two years of development, Pão de Açúcar began selling eight species of unconventional Brazilian fish in its assortment to reduce the concentrated consumption of the three most commonly eaten species in Brazil (salmon, cod and tilapia). The initiative was completed by an overhaul of its Seafood sections to increase the attractiveness of the offering and to supply consumers with recipes to encourage their purchase.

Private-label tinned tuna

The seafood production chain, particularly for private-label tinned tuna, runs a number of risks linked to poor conditions and procurement (overfishing).

To encourage more sustainable fishing practices, Casino Group has therefore pledged to:

- fight against illegal fishing and ensure that fishing boats supplying the banners are not listed as illegal, unreported or unregulated (IUU);
- improve traceability and best practices by:
  - encouraging suppliers to join the International Seafood Sustainability Foundation (ISSF) and to use fish caught by vessels in the ISSF's Proactive Vessel Register (PVR),
  - prohibiting the most destructive fishing techniques, particularly longlining,
  - defining responsible specifications. The Casino brand, for example, uses whole yellowfin tuna weighing more than 20 kg, which enables better traceability and helps to protect juveniles.

  Casino and Monoprix stores carry Aquaculture Stewardship Council (ASC)- and Marine Stewardship Council (MSC)-certified products, as a guarantee of more sustainable fishing;
- support a sustainable supply of tuna for the Casino private-label and *Tous les Jours* brand tinned tuna, with the following targets:
  - at least 80% of the yellowfin tuna is caught in free schools (without fish aggregating devices or FADs). The rest is fished by pole and line, either as part of a Fishery Improvement Project (FIP) to support sustainable fishing practices and management, or following MSC-certification (five-year programme of improvement for fisheries to comply with the MSC standard),
  - at least 20% of skipjack tuna caught in free schools and at least 50% as part of an FIP;
- source from different fishing grounds so as to limit pressure on stocks;
- enable consumers to purchase more responsibly by:
  - improving consumer information by indicating the species and ocean of origin on the tins,
  - adjusting in-store offerings to available resources,
  - no longer expanding the line of yellowfin tuna-based products.

Casino sells tinned yellowfin tuna caught by the more environmentally friendly pole and line method. Monoprix offers a range of private-label tinned yellowfin tuna certified as being caught by French-flag vessels in Atlantic and Indian Ocean fishing banks, in free schools using purse seines (guaranteed without FADs).

To strengthen the measures to prevent risks raised by its private-label tinned tuna, the Group joined the TUna Protection Alliance (TUPA) working group coordinated by the Earthworm Foundation. Comprised of retailers and manufacturers based in France, the working group is seeking to steer stakeholders across the production chain towards more responsible tuna fishing and supply practices. To do so, it is exploring applications and systems capable of accurately tracking the progress of each stakeholder in terms of transparency and traceability, fished volumes by species, and tracking and verifying fishing methods and fishing areas. According to TUPA's work, 99.7% of the supply chain of Casino's seven tuna suppliers can be traced from boat to retailer. In addition, among the 287 boats providing suppliers with fish, 93% of tuna seiners are registered on the Proactive Vessel Register and are therefore engaged in a fishing activity that can be tracked remotely.

3.6. NON-FINANCIAL PERFORMANCE

Group CSR commitments

Main CSR commitments and objectives – France and Group	Target	Scope
Promote workplace equality and diversity		
Increase the number of women in management by 5 percentage points between 2015 and 2020	2020	Group
Increase the number of employees with disabilities in the Group by 1 percentage point between 2015 and 2020	2020	Group
Deploy the low-carbon strategy to fight against climate change		
Reduce Scope 1 and 2 greenhouse gas emissions by 18% between 2015 and 2025	2025	Group
Reduce Scope 3 greenhouse gas emissions by 10% between 2018 and 2025	2025	Group
Reduce the impact of packaging		
Sign and implement a Plastic Pact	2019	France
Incorporate 25% recyclable plastic in PET bottles for own-brand water, fruit juices and carbonated drinks	2023	France
Achieve target of reusable, recyclable or compostable packaging for all private-label products	2025	France
Expand the range of sustainable, organic products		
Increase sales of organic products	Ongoing	France
Continue to eliminate controversial substances in private-label products	Ongoing	France
Continue to expand the "zero pesticide residues" initiative	Ongoing	France
Step up action to support animal welfare		
Continue to roll out animal well-being labelling	Ongoing	France
Discontinue the sale of eggs from caged hens under private labels and national brands*	2020	France
Stop the use of eggs and egg products from caged hens in private-label products	2025	France
Combat food waste		
Fulfil the commitments of the Pact on Expiry Dates	2020	France
Monitor and improve the social and environmental conditions of the supply chain		
Complete a valid ICS social audit on all active plants (active plants based in countries at risk and producing private-label products for the Group)	Ongoing	Group
Combat deforestation caused by raw materials: beef, palm oil, soya and cocoa		
Continue to combat deforestation caused by the production of raw materials for private-label products	2020	Group
o/w France		
100% RSPO-certified palm oil	2020	France
100% of products containing more than 20% of UTZ-certified cocoa	2020	France

** GPA has also committed to discontinuing sales of eggs from caged hens under its private labels by 2025.*
For specific GPA and Éxito commitments, please refer to the respective publications for both entities. For GPA: https://www.gpabr.com/en/; and for Éxito: https://www.grupoexito.com.co/en.

Non-financial ratings

The Group's inclusion in these non-financial indices, which comprise the top-performing companies in terms of social, environmental and governance criteria, demonstrates the depth of its commitment to CSR.

Since 2012, Casino Group has favoured the following three non-financial indices: Euronext Vigeo Eiris, FTSE4GOOD and DJSI.

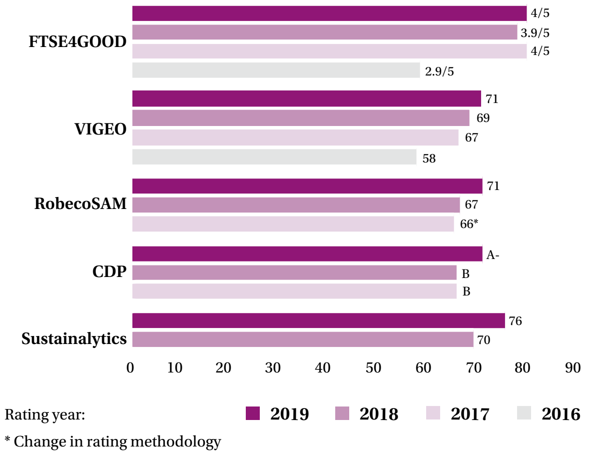
In 2019, Casino was included in the following indices:

- Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Euronext Vigeo World 120;
- FTSE4GOOD;
- Ethibel Sustainability Index ESI;
- STOXX Global ESG Leaders indices;
- for the sixth consecutive year, Grupo Éxito featured in the DJSI Emerging Markets index, which rewards the best-performing companies each year based on economic, environmental and social criteria. Éxito is also listed on the Euronext Vigeo Eiris Emerging Markets index.

In 2019, Casino Group was ranked first in its sector by Vigeo Eiris.

In 2018, Casino Group was placed at level 3 of the Business Benchmark on Farm Animal Welfare (BBFAW), making it the highest-ranking French retailer.

The Group reports to the Carbon Disclosure Project (CDP) and saw its rating increase to A- in 2019.



The changes in non-financial ratings and the discussions with SRI investors were presented to the Governance and Social Responsibility Committee in 2019.

Group performance indicators

Commitments	Indicator	2017	2018	2019	Change Y-1
Committed employer					
Promoting diversity and equal opportunity	Number of employees at 31 December	217,824	216,736	219,132	+1%
	% of employees in permanent employment	93.5%	93.5%	93.7%	+0.2 pts
	Percentage of employees <30 years old	38.9%	38.7%	38.8%	+0.1 pts
	Number of people on Group work-study/apprenticeship programmes at 31 December	7,270	8,483	7,755	-9%
	Number of disabled employees at 31 December	7,303	8,129	8,546	+5%
	Disabled employees as a proportion of total headcount¤	3.4%	3.8%	3.9%	+0.1 pts
Fostering gender equality in the workplace	Percentage of female employees	52.7%	52.4%	52.2%	-0.2 pts
	Percentage of women in management*¤	38.2%	39.0%	39.5%	+0.5 pts
Providing an environment conducive to employee fulfilment	Percentage of employees in part-time employment	15.1%	17.2%	17.7%	+0.5 pts
	Total number of training hours	4,335,900	4,527,400	5,684,600	+26%
	Total hours of training per person	20.0	21.1	26.1	+5 hours
	Lost-time accident frequency rate	18.0	16.6	14.4	-2.2 pts
	Lost-time accident severity rate	0.74	0.64	0.62	-0.02 pts
	Absenteeism rate due to accidents and illness	4.8%	4.3%	3.4%	-0.9 pts
Local corporate citizen					
Supporting food relief	Group donations of foodstuffs in meal equivalents[1]	31,196,360	38,117,440	37,405,060	-2%
Supporting children in need and fighting social exclusion	Number of people reached through foundations or outreach partnerships	Over 102,400	Over 101,200	Over 103,300	+2%
	Funds distributed for community outreach *(€ thousands)*[1]	68,324	77,427	79,469	+3%
Responsible retailer					
Ensuring product quality	Number of quality analyses (microbiological and physiochemical) carried out on private-label products[2]*	-	-	Over 44,900	
Supporting consumer health	Number of organic food products (private-label [2] and national-brand products[3])	16,004	19,818	22,605	+14%
	Sales of organic food products in France (private-label [2] and national-brand products[3]) *(€ millions)*¤	895	959	1,100	+15%
Monitoring and improving the social and environmental impacts of the supply chain	Number of ICS audits (social and environmental) performed in plants involved in the production of private-label products for the Group[4]*	1,245	1,483	1,153	-22%
	Percentage of active audited factories, located in a country at risk, with Acceptable status[4]*	61%	68%	63%	-5 pts
	Percentage of active plants based in countries at risk and producing private-label products for the Group covered by a valid ICS social audit ¤	66%	93%	90%	-3 pts

Commitments	Indicator	2017	2018	2019	Change Y-1
Proactive towards the environment and climate					
Reducing carbon emissions(5)	GHG emissions related to cooling systems per square metre of retail space *($kgCO_2eq./sq.m.$)*(6)*	191.6	194.0	205.7	+6%
	GHG emissions related to electricity consumption per square metre of retail space *($kgCO_2eq./sq.m.$)**	67.5	50.5	48.9	-3%
	GHG emissions, Scope 1(7)* ¤	1,136,000	1,196,000	1,285,000	+7%
	of which France:	425,000	440,000	405,000	-8%
	of which Latin America:	711,000	756,000	880,000	+16%
	GHG emissions, Scope 2(8)* ¤	368,000	278,000	267,000	-4%
	of which France:	63,000	61,000	56,000	-8%
	of which Latin America:	305,000	217,000	211,000	-3%
Saving and preserving resources	Total electricity consumption *(MWh)*	2,994,100	2,992,700	2,834,100	-5%
	Electricity consumed per square metre of retail space *(kWh/sq.m.)*	571	565	547	-3%
	Renewable electricity produced by the Group *(MWh)*	107,500	106,700	114,000	+7%
	Percentage of waste recovered (excluding food donations)(9)	54.9%	44.4%	50.2%	+5.8 pts
Promote biodiversity	Number of sustainable-certified products	Over 25,140	Over 29,340	Over 34,390	+17%
Ethics and compliance					
	Number of confirmed cases of corruption*	-	-	14	-

** Indicator integrated in the Non-Financial Information Statement.*
¤ Indicator associated with a Group CSR commitment.
(1) Excluding Devoto Disco.
(2) Private labels.
(3) National brands.
(4) Consolidated data from the monitoring of each Group entity regarding the audit coverage of their active plants. As a result, a plant that operates for several Group entities may potentially be counted several times.
(5) A major update on emission factors was carried out in 2018.
(6) 2017 data excluding Franprix and Éxito; 2018 data excluding the Monoprix group and Codim; 2019 data excluding Disco Devoto, i.e., a coverage rate of the Group's stores in square metres of retail space of 94% in 2019 compared to 84% in 2018.
(7) Data from the three years were then extrapolated to calculate 100% of the Group's scope. In 2019, the primary data integrated in Scope 1 represented 94% of these data, i.e., an extrapolation of 6%.
(8) Data from the three years were then extrapolated to calculate 100% of the Group's scope. In 2019, primary data integrated in Scope 2 represented 97% of this data, i.e., an extrapolation of 3%.
(9) 2017 data exclude Franprix, Naturalia, Disco Devoto and Libertad; 2018 and 2019 data exclude Naturalia, Disco Devoto and Libertad.

3.7. NON-FINANCIAL INFORMATION STATEMENT CROSS-REFERENCE TABLE

Pursuant to Article L. 225-102-1 of the French Commercial Code (*Code de commerce*), the Company is required to produce a Non-Financial Information Statement for 2018. This statement must contain information on the Company's approach to assessing the human resources, environmental and societal consequences of its operations.

Chapter 3, Chapter 1 and section 4.3 contain the Non-Financial Information Statement. In the interests of simplicity, the cross-reference table below enables readers to locate the information needed.

Non-Financial Information Statement – Articles L. 225-102-1 and R. 225-105 of the French Commercial Code

Business model		
Presentation of the business model	Chapter 1 Presentation of Casino Group, section 1.4. Casino Group business model	Pages 13 to 15
Main CSR risks		
Description of the main non-financial risks and challenges, and identification methodology used	Section 3.2.2. Description of the main non-financial risks and challenges, and identification methodology used	Pages 189 to 192
Human resources	Sections 3.5.1.1. and 3.5.1.1. Fostering diversity and gender equality in the workplace	Pages 200 to 205
Societal	Section 4.3. Main risk factors: Risks related to product quality and safety (section 4.3.3., II)	Page 288
Environmental	Section 4.3. Main risk factors: Climate change (section 4.3.3., I)	Page 287
	Section 3.5.3.4. Duty of care plan/ Duty of care risk map	Page 219
Human rights	Section 4.3. Main risk factors: Social and environmental impact of the supply chain (section 4.3.3., III)	Page 289
Anti-corruption/Anti-tax evasion	Section 4.3. Main risk factors: Legal and regulatory risks (section 4.3.4.)	Page 290
	Anti-tax evasion	Page 192
Human resources	Section 3.5.1. Casino Group, a committed employer/see sections 3.5.1.1. to 3.5.1.2.	Pages 200 to 205
	Group performance indicators	Pages 244 and 245
Key policies, results and indicators		
Societal	Casino Group, a responsible retailer/see section 3.5.3.1.	Pages 213 and 214
	Group performance indicators	Pages 244 and 245
Environmental	Section 3.5.4. Casino Group, actively committed to protecting the environment and climate/see section 3.5.4.2.	Pages 232 to 234
	Group performance indicators	Pages 244 and 245
Human rights	Section 3.5.3.4. Duty of care plan	Pages 217 to 229
	Group performance indicators	Pages 244 and 245
Anti-corruption/Anti-tax evasion	Section 3.4. Ethics and compliance/ see sections 3.4.1. to 3.4.5.	Pages 196 and 197
	Anti-tax evasion	Page 192
Information and commitments		
Societal commitments to sustainable development	All commitments are detailed in Chapter 3 CSR and the Non-Financial Information Statement	Pages 185 to 245

Societal commitments to the circular economy	Section 3.5.4.3. Preserving natural resources, reducing their use and supporting the circular economy	Pages 235 to 237
Respecting animal welfare	Section 3.5.3.5. Ensuring animal welfare	Page 229 to 231
Combating food waste and food insecurity	Section 3.5.2.1. Supporting food relief	Page 211
	Section 3.5.4.3. Preserving natural resources, reducing their use and supporting the circular economy	Pages 235 to 237
Respecting fair, responsible and sustainable food choices	Section 3.5.3. Casino Group, a responsible retailer/ see sections 3.5.3.2. to 3.5.3.5.	Pages 214 to 231
Collective agreements and impacts on the Company's performance and employee working conditions	Section 3.5.1.3. Providing an environment conducive to employee fulfilment	Pages 205 to 210
Combating discrimination, promoting diversity and measures taken for people with disabilities	Section 3.5.1. Casino Group, a responsible retailer/ see sections 3.5.1.1. to 3.5.1.2.	Pages 200 to 205
Human resources information		
Employment		
Total workforce and workforce by gender, age and country	Section 3.5.1. Casino Group, a committed employer	Pages 199 and 244
Hires and terminations	Section 3.5.1. Casino Group, a committed employer	Page 199
Compensation and changes in compensation	Section 3.5.1.3.3. Incentivising compensation to drive individual, collective and CSR performance	Page 207
Working practices		
Organisation of working time	Section 3.5.1. Casino Group, a committed employer	Pages 199 and 209
Absenteeism	Section 3.5.1. Casino Group, a committed employer	Pages 209 and 244
Health and safety		
Health and safety conditions at work	Section 3.5.1.3.6. Fostering health, safety and well-being at work	Pages 208 and 209
Workplace accidents, especially their frequency and severity, and occupational illnesses	Section 3.5.1. Casino Group, a committed employer	Pages 209 and 244
Employee relations		
Organisation of social dialogue, in particular information and employee consultation procedures and collective bargaining	Section 3.5.1.3.1. Encouraging social dialogue	Pages 205 and 206
Summary of collective agreements	Section 3.5.1.3.1. Encouraging social dialogue	Page 206
Training		
Training policies implemented	Section 3.5.1.3.8. Developing employability with training	Pages 210 and 244
Total number of training hours	Section 3.5.1.3.8. Developing employability with training	Pages 210 and 244
Equal treatment		
Measures taken to promote gender equality	Section 3.5.1.2. Fostering gender equality in the workplace	Pages 203 to 205 and 244
Measures taken for the hiring and integration of people with disabilities	Section 3.5.1.1.2. Acting for the integration and retention of workers with disabilities	Pages 202 and 244
Measures taken to combat discrimination	Section 3.5.1.1.1. Combating discrimination and stereotypes	Pages 200 and 201
Environmental information		
General environmental policy		
Structures in place allowing the Company to take into account environmental issues and, where applicable, to seek environmental audits or certification	Section 3.5.4.1. Environmental policy	Pages 231 and 232
Resources allocated to preventing environmental risks and pollution	Section 3.5.4. Casino Group, actively committed to protecting the environment and climate	Pages 231 to 241

Provisions and guarantees for environmental risks, provided that the disclosure of this information does not cause any serious harm to the Company in an ongoing dispute	-	-
Pollution		
Measures to prevent, reduce and remedy air, water and soil pollution seriously affecting the environment	Section 3.5.4.2. The low-carbon strategy to fight against climate change	Pages 232 to 234 and 245
Measures to address noise and other forms of pollution specific to an activity	-	-
Circular economy		
(i) Pollution and waste management		
Measures to prevent, recycle, reuse and other ways of repurposing waste	Section 3.5.4.3. Preserving natural resources, reducing their use and supporting the circular economy	Pages 236 and 245
Combating food waste	Section 3.5.4.4. Combating food waste	Pages 238 and 245
(ii) Sustainable use of resources		
Water use and supply in relation to local restrictions	Section 3.5.4.3.2. Managing water consumption	Pages 235 and 245
Raw materials use and measures taken to use them more efficiently	Section 3.5.4.5. Encouraging consumption that respects biodiversity	Pages 239 to 241 and 245
Energy use and measures taken to improve energy efficiency and increase the use of renewable energies	Section 3.5.4.3.1. Reducing energy consumption and encouraging the use of renewable energies	Pages 235 and 245
Land use	-	-
Climate change		
Emissions related to the use of goods and services	Section 3.5.4.2. The low-carbon strategy to fight against climate change	Pages 232 to 234 and 245
Measures taken to adapt to the consequences of climate change	Section 3.5.4.2.4. Adapting to climate change	Page 234
Medium- and long-term objectives for reducing GHG emissions and the means implemented to carry them out	Section 3.5.4.2. The low-carbon strategy to fight against climate change	Pages 232 to 234 and 245
Protecting biodiversity		
Measures taken to develop biodiversity	Section 3.5.4.5. Encouraging consumption that respects biodiversity	Pages 239 to 241 and 245
Information regarding social commitments		
Societal commitments to sustainable development		
Impact of the Company's operations in terms of employment and local development	Section 3.3. Stakeholder dialogue	Pages 193 to 195
Impact of the Company's operations on local residents and communities	Section 3.3. Stakeholder dialogue	Pages 193 to 195
Stakeholder relations and the forms of dialogue adopted with them	Section 3.3. Stakeholder dialogue	Pages 193 to 195
Partnership or philanthropy initiatives	Section 3.5.2. Casino Group, a local corporate citizen	Pages 211 to 213 and 244

Subcontractors and suppliers		
Integration of social and environmental issues in the purchasing policy	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4. Duty of care plan	Pages 216 to 217 Pages 217 to 229
Consideration of corporate social responsibility standards in dealings with suppliers and subcontractors	Section 3.3. Stakeholder dialogue	Page 194
Fair business practices		
Action taken to prevent corruption	Section 3.4. Ethics and compliance	Pages 196 to 198
Measures taken to promote the health and safety of consumers	Section 3.5.3. Casino Group, a responsible retailer/see sections 3.5.3.1. to 3.5.3.2.	Pages 214 to 216
Promotion of and compliance with the ILO's fundamental conventions on:		
▪ The respect for freedom of association and the right to collective bargaining	Section 3.1. CSR commitments and governance Section 3.5.1.3.1. Encouraging social dialogue Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain	Page 186 Pages 205 and 206 Pages 216 and 217
▪ The elimination of discrimination in respect of employment and occupation	Section 3.5.1.1.1. Combating discrimination and stereotypes Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4. Duty of care plan	Pages 200 and 201 Pages 216 and 217 Pages 217 to 229
▪ The elimination of forced and compulsory labour	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4. Duty of care plan	Pages 216 and 217 Pages 217 to 229
▪ The effective abolition of child labour	Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4. Duty of care plan	Pages 216 and 217 Pages 217 to 229
Human rights		
Action taken to promote human rights	Section 3.1. CSR commitments and governance Section 3.5.3.3. Monitoring and improving the social and environmental impacts of the supply chain Section 3.5.3.4. Duty of care plan	Page 186 Pages 216 and 217 Pages 217 to 229
Methodology note		
	Section 3.9. Reporting methodology for non-financial indicators	Pages 253 and 254
Conclusion on the fairness and compliance of information		
	Section 3.10. Independent third-party's report on the consolidated non-financial statement	Pages 255 to 257

3.8. SDG – GRI CROSS-REFERENCE TABLES

3.8.1. Sustainable Development Goals - SDG

United Nations Sustainable Development Goals	Main SDG targets impacted	Our commitments and actions	References	Pages
		Committed employer		
5 10	5.5.; 10.2.; 10.3.	**Promoting diversity and equal opportunity** ▪ Combating discrimination and stereotypes ▪ Acting for the integration and retention of workers with disabilities ▪ Acting for intergenerational diversity	3.5.1.1./	200 to 203
		Fostering gender equality in the workplace	3.5.1.2.	203 to 205
4 10	4.3.; 4.4.; 4.7.; 10.2.; 10.3.	**Promoting diversity and equal opportunity** ▪ Developing work/study schemes and enable access to entry-level work experience ▪ Facilitating student guidance and integration	3.5.1.1.3./	203
		Providing an environment conducive to employee fulfilment		
		▪ Managing talent and supporting career development	3.5.1.3.7./	209 and 210
		▪ Developing employability with training	3.5.1.3.8./	210
		Helping young people enter the workforce	3.5.2.3.	212
3	3.4.; 3.5.; 3.6.	**Providing an environment conducive to employee fulfilment** ▪ Fostering health, safety and well-being at work	3.5.1.3.6.	208 and 209
		Local corporate citizen		
2 4 11	2.1.; 2.2.; 4.3.; 4.4.; 11.1.	**Supporting food relief**	3.5.2.1./	211
		Supporting children in need	3.5.2.2./	211 and 212
		Fighting social exclusion	3.5.2.4.	213
		Responsible retailer		
12	12.8.	**Maintaining close relationships with suppliers and supporting them in their CSR initiatives**	3.3.3.	194
3	3.4.; 3.5.; 3.6.	**Taking action to protect consumer health:** ▪ Improving the nutritional profile and ingredients of private-label products ▪ Offering organic products guaranteed to be free of pesticide residue ▪ Developing specific product ranges ▪ Informing consumers about product nutritional profiles and encouraging balanced eating habits	3.5.3.2.	214 to 216
8 10	8.7.; 8.8.; 10.2.; 10.3.	**Monitoring and improving the social and environmental impacts of the supply chain**	3.5.3.3./	216 and 217
		Duty of care plan	3.5.3.4.	217 to 229

United Nations Sustainable Development Goals	Main SDG targets impacted	Our commitments and actions	References	Pages
		Environmentally proactive group		
	13.2.	**Implementing a low-carbon strategy to fight against climate change**	3.5.4.2.	232 to 234
	7.2.; 11.1.; 13.2.	**Preserving natural resources, reducing their use and supporting the circular economy** ▪ Reducing energy consumption and encouraging the use of renewable energies	3.5.4.3.	235 to 237
	12.2.; 12.3.; 12.4.; 12.5.; 12.8.	▪ Reducing, sorting and reusing waste ▪ Reducing the impact of packaging **Combating food waste**	3.5.4.3.3./ 3.5.4.3.4./ 3.5.4.4.	236 236 and 237 238
	14.4.; 15.1.; 15.2.	**Encouraging consumption that respects biodiversity**	3.5.4.5.	239 to 241

3.8.2. Global Reporting Initiative – GRI

	Corresponding sections
GRI 101: Introduction	
Reporting principles	3.3./3.2.2./3.5.1.3.3./3.5.3.4.
Using the GRI Standards for sustainability	-
Making claims related to the use of the GRI Standards	-
GRI 102: 2017 General information	
Organisational profile	1.3./1.6./2.1./3.5.1./3.5.3.4./8.5./3.6./9.1.
Strategy	3.2.2./3.5.1.3.
Ethics and integrity	3.4.
Governance	5.4./5.5.4./6.1./6.2./3.1./3.4./3.5.1.3.
Stakeholder engagement	3.3.
Reporting practice	3.9
GRI 103: Management Approach 2017	
Explanation of the material topic and its boundary	3.2.1./3.2.2.
The management approach and its components	3.5.1.3.
Evaluation of the management approach	3.9
GRI 200: Economic	
201: Economic Performance	3.3./3.5.3./3.5.1.3./3.5.7.
202: Market Presence	3.5.1.
203: Indirect Economic Impacts	3.5.2.
204: Procurement Practices	3.5.3.4.
205: Anti-corruption	3.4./3.4.3./3.4.4./3.4.5./4.1.
206: Anti-competitive Behaviour	4.3./3.4./9.10.
GRI 300: Environmental	
301: Materials	3.5.4.3./3.6.
302: Energy	3.5.4.3./3.6.
303: Water	3.5.4.3.2./3.6.
304: Biodiversity	3.5.4.5./3.5.7.1.
305: Emissions	3.5.4.2./3.6.
306: Effluents and Waste	3.5.4.3.3./3.5.4.3.4./3.6.
307: Environmental Compliance	3.5.3.4.
308: Supplier Environmental Assessment	3.5.4./3.6.
GRI 400: Social	
401: Employment	3.5.1./3.5.1.3.
402: Labour/Management Relations	3.3./3.3.1./3.5.1.3.
403: Occupational Health and Safety	3.5.1.3./3.5.1.3.6./3.6.
404: Training and Education	3.5.1.3./3.5.1.3.8./3.6.
405: Diversity and Equal Opportunity	3.5.1.1./3.5.1.2./3.6.
406: Non-discrimination	3.5.1.1.
407: Freedom of Association and Collective Bargaining	3.5.1.3.1.
408: Child Labour	3.5.3.4.
409: Forced or Compulsory Labour	3.5.3.4.
410: Security Practices	3.5.1.3.6.
411: Rights of Indigenous Peoples	-
412: Human Rights Assessment	3.5.3.4.
413: Local Communities	3.3./3.3.5.
414: Supplier Social Assessment	3.5.3.4.
415: Public Policy	3.4./3.4.7.
416: Customer Health and Safety	3.5.3.2./3.5.3.1.
417: Marketing and Labelling	3.5.3.2.
418: Customer Privacy	4.3.1./4.3.3.
419: Socio-economic Compliance	3.2./3.4.

3.9. REPORTING METHODOLOGY FOR NON-FINANCIAL INDICATORS

REPORTING SCOPE

Unless otherwise specified, the human resources, societal and environmental data concern all entities under the operational control of Casino Group and any of its majority-held 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 scope of non-financial reporting is the same as the Group's financial reporting:

- "The Group" includes the consolidated data of all business units in the Group's host countries.
- "Country" includes the consolidated data of store activity and the associated support services (logistics, purchasing, human resources, etc.) of business units located in:
  - France: operations under the Casino, Monoprix (including Naturalia), Cdiscount and Franprix banners,
  - Brazil, encompassing the operations of Pão de Açúcar Group (GPA) and its entities Multivarejo, Assaí and Compre Bem,
  - Colombia: comprising Grupo Éxito operations,
  - Uruguay: comprising Grupo Disco and Devoto operations,
  - Argentina: comprising Libertad operations;
- "Casino" encompasses the activities under the Casino banners in France and their support services.

The CSR reporting scope excludes discontinued operations in application of IFRS 5 and assets held for sale. It therefore excludes the entities Vindémia, Leader Price, Viavarejo and Cnova Brazil.

The non-financial indicators cover 100% of the Group's scope by default as defined above, excluding some exceptions that are specifically mentioned in the report. The indicators proposed per square metre of retail space cover only the data reported by stores.

Data from previous years presented in this document were recalculated on the 2019 CSR reporting scope to enable comparisons with performance indicators.

REPORTING PERIOD AND ACCOUNTING PRINCIPLE

The non-environmental data collected cover the activity of the concerned entity or entities for the period starting on 1 January and ending on 31 December of the reference year and include sites opened or closed down during the year, except for the Casino scope, for which workplace accident frequency and severity rates and the number of lost hours cover the period from 1 December 2018 to 30 November 2019.

Environmental data cover offices, logistics sites and stores that operated for a full 12-month period between 1 October 2018 and 30 September 2019.

DATA COLLECTION

An integrated reporting tool was implemented in 2018 to improve data collection and the reliability of calculating and consolidating non-financial indicators for the Group scope. The procedures for collecting data and the calculation methods for non-financial indicators are distributed to all those involved in the reporting process in France and in foreign subsidiaries. Improvements are made each year to guarantee:

- compliance with the legal and regulatory requirements relating to government order no. 2017-1180 of 19 July 2017 and decree no. 2017-1265 of 9 August 2017 relating to the disclosure of non-financial information;
- consistency and proper understanding of calculation methodologies in all subsidiaries in France and abroad;
- the reliability of reported data.

During the 2018 rollout of the integrated reporting tool, training sessions were organised and assistance was made available to all. The following matters were covered as part of this process:

- the organisation of the process for gathering, validating and consolidating CSR indicators;
- responsibilities at the various process levels;
- the reporting scope and the principles for taking account of changes in scope (disposals, acquisitions);
- useful definitions for the proper understanding of required data;
- the methodologies for calculating indicators, consistent with applicable international or national reporting standards.

DATA CONSOLIDATION AND VERIFICATION

Internal procedures provide for the implementation of controls to limit the risk of error in the transmission of information and ensure the reliable production of indicators. Accordingly, each indicator is assigned to a CSR contributor, who is responsible for collecting and checking the data for his or her reporting scope.

Each indicator is also assigned a person who is in charge of validating the data entered by the contributor.

All the data are then brought together and consolidated centrally by the Group CSR department, which also conducts a series of controls to verify the data's consistency and compliance with the calculation methods and the reporting scope.

EXTERNAL AUDIT

The reporting procedures and tools, as well as indicators related to the Non-Financial Information Statement, were audited by EY, our Statutory Auditors.

The conclusions of this audit are set out in section 3.10. of this chapter.

BACKGROUND

Casino Group mainly operates in France and Latin America.

Each subsidiary deploys local policies and initiatives in accordance with the Group's CSR policy.

The Group's host countries have significant economic, social, cultural and regulatory differences. Consequently, significant differences exist between the various geographic regions where the Group operates.

DETAILS ON METHODOLOGY AND SCOPE

Human resources data

- Workforce: indicators about the workforce are calculated at 31 December and do not include contracts expiring on that date. Suspended contracts are also not included.
- Employees with disabilities: the status of "employees with disabilities" is defined by the laws applicable to each of the Group's host countries. In France, the applicable provisions are set out in Article L. 323-3 of the French Labour Code (*Code du travail*).
- The lost-time accident frequency rate is expressed as the number of accidents per million hours worked. It corresponds to the "Number of work accidents" as a proportion of the "Actual number of hours worked". Actual number of hours worked comprises contractual working hours, overtime and additional hours less lost hours (due to occupational and non-occupational illness, and workplace accidents).
- The lost-time accident severity rate is expressed as the number of lost days per thousand hours worked. It corresponds to the "Number of lost hours due to workplace accidents" as a proportion of the "Actual number of hours worked".
- The absenteeism rate due to accidents and illness (including occupational illness) corresponds to the number of lost hours as a proportion of the total number of hours worked. Hours worked include contractual hours, overtime and additional hours. These data do not include hours lost due to commuting accidents.
- Training:
  - Includes the following:
    Initial training and continuous training hours as well as distance learning (e-learning) programmes with an actual connection time of between 10 and 60 minutes and more than 60 minutes if the theoretical training time is more than 60 minutes.
  - Does not include the following:
    Training hours spent in school under a vocational training contract (apprenticeship or work/study programme); training hours provided to non-Group employees; coaching initiatives implemented on site by supervisors; training programmes for which proof is not received at the reporting date, which can lead to the recording of fewer training hours.

Product and supplier data

- Organically farmed products comprise food products compliant with the local regulations applicable in each country. In France, "Bio" (organic) food products comply with European Regulation No. 834/2007.

  "Textile" products are not included in this category, although some of them are produced with organic cotton.
- "Sustainable-certified" products include:
  - organically farmed food products;
  - organic cotton textile products;
  - organic or eco-friendly hygiene and personal care products compliant with the local regulations applicable in each country and, in particular, with the Ecocert guidelines in France;
  - fair trade products, identifiable by a fair label;
  - products with certification attesting to an environmental progress programme, e.g., MSC, NF Environnement, FSC, PEFC, European Ecolabel.
- ICS audit: regular inspections are carried out to assess company labour or environmental practices and measure plants' compliance with the Social Clause Initiative (ICS) methodology (available at https://www.ics-asso.org). The audits are unannounced or semi-announced and are valid for a period of two years as of the initial audit date.

  Consolidated data are based on the monitoring of each Group business entity regarding the audit coverage of their active plants. As a result, a plant that operates for several Group entities may potentially be counted several times.

Environmental data

- GHG emissions:

  Scope 1 corresponds to direct GHG emissions and includes the items below:
  - direct emissions from stationary combustion sources (natural gas, fuel oil);
  - direct emissions from mobile combustion engine sources (fuel for owned vehicles or vehicles leased long-term);
  - direct fugitive emissions such as those linked to refrigerant leaks.

  Scope 2 corresponds to indirect GHG emissions associated with energy and, more particularly, with electricity.

  The Group uses the ADEME Carbon Base emission factors or factors published by recognised sources such as the IPCC's 5th assessment report (IPCC AR5).
- Sustainable use of resources: water and electricity consumption can be measured from meter readings or from the entity's utility bill.
- Operational waste: the volume of recovered operational waste includes waste sorted by the Group's facilities and delivered to accredited service providers for recovery. Depending on subsidiaries, it includes the following: cardboard, plastics, paper, office and sales equipment, organic waste, wood, glass, lighting consumables, print consumables, waste cooking oil, bone and tallow, and scrap and metals.
- Hazardous waste is sent for specific local management in accordance with applicable standards. It is collected and stored separately from other types of waste before delivery to specialised and accredited service providers for treatment. Only hazardous waste recovered by an accredited service provider is included in the quantity of waste recovered.

3.10. INDEPENDENT THIRD PARTY'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended the 31st of December 2019

To the General Assembly,

In our quality of independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31st of December 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITY OF THE ENTITY

The Board of Directors is responsible for preparing the Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and are available on request from the entity's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, ethical requirements and French professional guidance.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, i.e. the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF THE WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with international standard ISAE 3000[1]:

- We obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

(1) *ISAE 3000 standard: Assurance engagements other than audits or reviews of historical financial information.*

- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For the risk of corruption, our work was carried out on the consolidating entity; for the others risks, our work was carried out on the consolidating entity and in the entities Multivarejo (Brazil), Assaí (Brazil), Casino France (France), Monoprix (France) and Grupo Exito (Colombia);
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures that the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in data;
  - details tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting evidence. This work was carried out on a selection of contributing entities and covers between 27% and 61% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (29% of employees, 61% of scope 1 GHG emissions and 27% of scope 2 GHG emissions);
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

  We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our verification work mobilized the skills of four people and took place between October 2019 and March 2020 on a total duration of intervention of about sixteen weeks.

We conducted several interviews with the persons responsible for the preparation of the Statement including in particular the Human Resources and Corporate Social Responsibility departments.

CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, the 9 April 2020

Independent third party

French original signed by:
EY & Associés

Jean-François Bélorgey
Partner

Eric Mugnier
Partner, Sustainable Development

APPENDIX 1: THE MOST IMPORTANT INFORMATION

Social Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Percentage of women in management	Combating discrimination and stereotypes Action to promote the integration and retention of disabled workers Action in favor of intergenerational diversity Action in favor of professional equality between women and men

Environmental Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Greenhouse gas emissions in absolute value: Scopes 1 and 2 (*tonnes CO_2 eq.*) Greenhouse gas emissions associated with cooling systems by square metre of retail space *(kgCO_2eq./m^2)* Greenhouse gas emissions associated with electricity consumption by square metre of retail space *(kgCO_2eq./m^2)*	Low-carbon strategy based in particular on the reduction of emissions related to refrigerants (preventive maintenance of existing facilities, increasing proportion of fluids with lower global warming potential, gradual replacement of cold equipment)

Societal Information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Number of quality analyses carried out on private-label products Number of ICS audits (social and environmental) performed in plants involved in the production of private-label products for the Group. Part of active audited factories, located in a country at risk, with *Acceptable* status Number of confirmed cases of corruption	The product quality management system (dedicated organization and experts, regular audits, quality analyses, traceability, recall and crisis management procedures and tools) Product withdrawal policy The approach to assessing the social and human risks associated with suppliers and sectors The control and improvement process for suppliers of own-brand products located in high-risk countries, particularly with regard to the duty of care Commitment to the fight against corruption (Group Ethics Committee, Code of Ethics and Business Conduct, mapping of corruption risks, network of ethics officers, training and raising awareness of the Group's ethics and anti-corruption policy)

Chapter 4

Risks and control

4.1 INTERNAL CONTROL AND RISK MANAGEMENT

4.1.1. Organisation of and general approach to internal control and risk management

4.1.1.1. STANDARDS

The Group's internal control and risk management system is based on the internal control and risk management framework published by France's securities regulator, the *Autorité des marchés financiers* (the "AMF Framework"). The system's organisation and procedures comply with the general principles described in the AMF Framework, the related internal control and risk management guidelines dated January 2007 and the updated risk management guidelines dated July 2010.

This chapter has been prepared based on interviews, reviews of audit reports and responses to AMF questionnaires and internal questionnaires designed to identify all components of the Group's internal control and risk management system.

4.1.1.2. SCOPE

The Group's risk management and internal control systems as described below are those applicable to the parent company and to its controlled subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code (*Code de commerce*).

The Group's three listed subsidiaries, Intexa in France and GPA and Cnova outside France, are also subject to various internal control and risk management obligations. Companhia Brasileira de Distribuçao (GPA) is listed on the NYSE and is therefore required to comply with the Sarbanes-Oxley Act.

4.1.1.3. PARTIES INVOLVED IN RISK MANAGEMENT AND INTERNAL CONTROL

Senior Management Executive Committee Operating Managers		Board of Directors Audit Committee Governance and Social Responsibility Committee
1st line of control	2nd line of control	3rd line of control
All employees Implement internal control day after day. **Operating management** Performs appropriate controls on the processes/activities under their responsibility and reports all necessary information to the second line of control. **Business units' Management Committees** Responsible for establishing and overseeing the system of internal control over the activities under their responsibility. Also responsible for identifying each year their top ten major risks, as well as their top five major CSR risks, assessing the extent to which they are controlled and defining action plans to manage the risks.	**Group Risks and Compliance department, including the Internal Control department** Coordinates the preparation and implementation of internal control and risk management systems. Promotes, distributes and oversees compliance with the Group's Code of Ethics and Conduct, with the support of the Ethics Officer and the network of compliance officers. Reports annually to the Audit Committee and the Governance and Social Responsibility Committee on the results of its work. **CSR department** Participates in identifying and assessing the Group's main CSR risks and opportunities through the risk mapping process and materiality analyses. Prepares the duty of care risk map used to identify the business units' highest risk suppliers and participates in meetings of the Duty of Care Committee. Reports to the Governance and Social Responsibility Committee on the results of its work. **Group Insurance department** Contributes to identifying and assessing operational risks and transferring themto the insurance market. **Group Legal department** Ensures that the Group's operations comply with the applicable laws and regulations. Ensures, with the Group Risks and Compliance department and the relevant business unit departments, that risks related to laws and regulations are identified and that the associated controls are properly applied. **Group Information Systems Security department** Regularly assesses each unit's information systems security, ensures that action plans have been drawn up to address areas for improvement and leverages synergies between information systems security departments to ensure a consistent level of security across all units. Reports annually to the Audit Committee on the results of its work. **Special committees** Group Ethics Committee Risk Prevention Committee Data Compliance Committee	**Internal Audit department** Performs regular audits of risk management and internal control systems covering operational, accounting and financial, and compliance risks and procedures, in accordance with the annual internal audit plan. Reports annually to the Audit Committee and the Governance and Social Responsibility Committee on the results of its work.

Senior Management, via the Executive Committee, is responsible for defining, designing and implementing the risk management and internal control system.

The Board of Directors of Casino, Guichard-Perrachon (the "Company") is informed of the main characteristics of the risk management and internal control systems. It has set up an Audit Committee, whose composition, role and work in 2019 are described in the Board of Directors' corporate governance report (see Chapter 5 Corporate Governance Report, section 5.5.2 Specialised committees of the Board of Directors – Audit Committee).

Under the responsibility of the Board of Directors, the Audit Committee's primary role is to supervise the preparation and control of accounting and financial information, which includes obtaining assurance about the effectiveness of the internal control and risk management systems. It periodically reviews internal control procedures and, more generally, audit procedures. It reviews all facts or events that could have a significant impact on the position of the Company or its subsidiaries in terms of commitments and/or risks. The Committee is also responsible for checking that the Group has the appropriate resources and structures to identify, detect and prevent risks, errors or irregularities in the management of its business. As such, it maintains continuous oversight of the risk management and internal control system.

Concerning non-financial information, another Committee of the Board – the Governance and Social Responsibility Committee – works with the Audit Committee to ensure that procedures are in place to identify and manage the main ethical and corporate social responsibility (CSR) risks and to verify compliance with the laws and regulations applicable in these areas.

The roles and responsibilities of the Audit Committee and the Governance and Social Responsibility Committee, including the limits thereon, are described in the Board of Directors' internal rules and the Committees' charters.

The Boards of Directors of most of the Group's listed subsidiaries have set up Audit Committees or an equivalent structure to assist them in these areas and play a key role in monitoring the effectiveness of the Group's internal control and risk management system.

The Group Risks and Compliance department is structured into three main functions:

- Risks and Compliance unit, whose role is to:
  1. help Casino Group entities, in France and abroad, identify and monitor risks;
  2. create and update risk maps; and
  3. make sure that the Group's internal systems and policies comply with the applicable regulations.
- Internal Control unit, whose role is to:
  1. oversee the implementation of a common internal control system across the Group in response to identified risks;
  2. ensure that internal control weaknesses identified by internal or external players in the course of their work are addressed by action plans and that implementation of these plans is monitored; and
  3. establish and lead a process for identifying and analysing instances of fraud, and improving efficiency in the detection and prevention systems set up in the Group's business units.
- Anti-corruption/Sapin II unit, whose role is to continue implementing and coordinating measures related to Sapin II requirements.

Within the Group, each business unit is responsible for defining and implementing its own internal control and risk management system and the Group Risks and Compliance department works with the local teams responsible for these areas.

The Group Risks and Compliance department also deploys initiatives to raise awareness of the risks of fraud and corruption, encouraging executives of each business unit to continuously strengthen the management of these risks.

The Group Legal department shares and disseminates best practices among the business units, primarily through the work of the cross-functional dedicated competence centres. The legal team is responsible for advising the business units to ensure that they comply with the laws and regulations applicable to them. To do this, it prepares and circulates opinions, standard procedures and memos on the Group's legal and regulatory obligations, in line with the best practices defined at Group level.

To guarantee compliance with the applicable laws and regulations, each Group company's legal team monitors legal and regulatory developments under the supervision of the Group General Counsel and with the help of external advisors if appropriate. Monitoring of changes in employment laws is the responsibility of the Human Resources department and its dedicated employment law advisor. The business units' legal departments report to the Group Legal department on their unit's legal risks.

Training programmes for managers and/or operations teams on current issues or specific points are regularly organised by the legal teams, with the assistance of external experts if necessary.

The Group Legal department works closely with the Risk Prevention Committee to develop and implement action plans to raise awareness about legal risks among the Group's operational and support teams, by distributing procedures and providing training to employees.

The Group Insurance department contributes to identifying and assessing operational risks and transferring them to the insurance market. It also helps to promote the risk management culture and process by:

- providing input for the risk mapping process and overseeing the implementation of action plans;
- participating in reviews of the Group's contracts, business developments and new business ventures;
- contributing to the quality and risk prevention process launched several years ago and covering both private-label and other products (see section 4.3. Main risk factors, section 4.3.3. Product quality and safety risks, and Chapter 3 Corporate Social Responsibility Report and Non-Financial Information Statement);
- organising regular risk prevention audits by the insurance companies' engineers at the largest (or most strategic) sites, including hypermarkets, shopping centres, warehouses and headquarters;
- reviewing the engineers' findings and monitoring implementation of the related action plans with the departments concerned;
- managing and analysing insurance claims reported by Group entities, with the insurance brokers and companies and the legal teams;
- helping to manage any crises and/or major incidents.

The Group Information Systems Security department coordinates systems security initiatives. Regular security assessments are performed in each business unit and action plans are drawn up as part of the continuous improvement process. The department analyses the subsidiaries' systems security projects to ensure that they effectively address current threats and are appropriate considering the systems' maturity. These issues are addressed by leveraging synergies between the various systems security teams to optimise the choice of topics, share information in order to achieve greater agility, and coordinate initiatives in order to ensure a consistent level of security across the Group.

The Group Internal Audit department and the business units' Internal Audit departments regularly review the effectiveness of the risk management and internal control system during their internal control assessments and contribute to its monitoring (see section 4.1.3.5 for more information about the Internal Audit department's monitoring activities).

The Risk Prevention Committee participates in the Group-wide risk management process and ensures that a consistent overall process is in place to prevent risks that could have a major impact on the implementation of the Group's strategy, the achievement of its objectives or, more generally, its continuity. Any specific problems identified by the Committee are reported to Senior Management.

The Committee meets several times a year as and when needed and includes representatives of the Executive Committee, the main corporate departments (Legal, Human Resources, Finance, Internal Audit and Internal Control) and operational divisions (Hypermarkets, Supermarkets, Supply Chain, Group Purchasing, Property Development), as appropriate.

The Data Compliance Committee, which meets once a month to verify compliance with personal data protection rules and discuss the issues regularly faced by the Data Protection Officers (DPOs) in order to harmonise practices relating to the General Data Protection Regulation (GDPR). Any specific problems identified by the Committee are reported to Senior Management.

The Group Ethics Committee is responsible for overseeing the ethics system and making sure that the system is taken into account in local management decisions. Its main role is to:

- set out the framework of the ethics system and associated procedures;
- promote the presentation, understanding and implementation of the Group's ethics system, particularly in the fight against corruption;
- oversee the establishment of the network of ethics officers within the Group;
- make sure that the operating business units implement training and awareness raising actions.

With the support of the Group Risks and Compliance department and the Group Ethics Officer, the Committee oversees the effectiveness of the ethics systems set up by and under the responsibility of the business units' senior management. The network of ethics officers appointed by the business units and led by the Group Ethics Officer and the ethics committees set up by the subsidiaries outside France all contribute to the ethics governance mechanisms.

Lastly, a crisis management process has been set up to manage crises affecting employees, consumers, the Group's image and its assets. The process involves representatives of Senior Management, the Chairman and Chief Executive Officer, when necessary, the Human Resources Director and the Group General Secretary as well as internal staff (heads of the branches, business lines, or units concerned, and the External Relations, Quality, Communication, Legal and Insurance departments) or external experts (specialists, lawyers, etc.) as needed to deal effectively with the crisis.

The process is improved continuously based on actual experience, with the aim not only of better managing crisis situations but also of pre-empting them by setting up intelligence systems covering the various crisis factors the Group might need to address. Periodic drills are organised involving the main parties that deal with crisis management.

4.1.2. General risk management principles

4.1.2.1. DEFINITION OF RISK MANAGEMENT

The risk management system encompasses a set of resources, behaviours, procedures and actions adapted to the Group's specific characteristics that enables executives to effectively detect and keep risks at acceptable levels for the Group if not eliminate them altogether. Taking advantage of opportunities and developing the business in an inherently uncertain environment necessarily involves a certain amount of risk-taking.

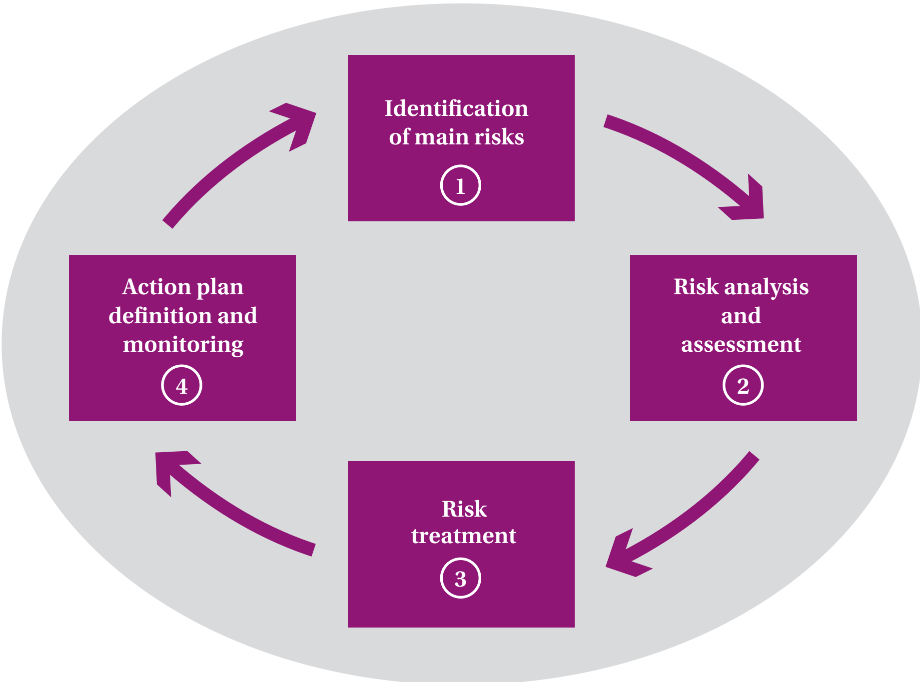
Employees, managers and department heads are responsible for ensuring that risk management and internal control systems operate efficiently while continuously seeking to improve them.

4.1.2.2. RISK MANAGEMENT OBJECTIVES

The key objectives of risk management are to help:

- create and preserve the Group's value, assets and reputation;
- secure decision-making processes and the processes that help the Group meet its objectives;
- ensure that the Group's actions are consistent with its values;
- promote a shared vision of the main risks among all employees.

4.1.2.3. RISK MANAGEMENT PROCESS



Within Casino Group, risk management is decentralised under the supervision of the parent company's Senior Management. The business units' Management Committees are responsible for identifying, analysing and dealing with the main risks facing them.

Risk identification

The Group is faced with various types of risks such as operational risk,CSR risk, legal risk and financial risk. These risks are described in section 4.3. "Main risk factors".

Each year, major risks at the parent company level are reviewed by a cross-functional working group made up of representatives of the Group Finance, Internal Audit, Risks and Compliance (including Internal Control), Insurance, Legal, Information Systems Security and Human Resources departments. At business unit level, each unit's Management Committee is asked to identify the ten risks considered as major and to provide, for each one:

- an assessment of the inherent and residual risk;
- a correlation analysis between the main causes and consequences of each risk;
- a recommendation on the best way of treating the risk in order to improve internal control (with four options: conservation, mitigation, transfer or avoidance – see below);
- formal action plans to reduce the level of residual risk.

The Group Risks and Compliance department has developed methods and tools to assist the business units in identifying their ten major risks. These include:

- a risk catalogue to facilitate the identification process and ensure that all business units describe the same risks in the same way. Business units may include in their top ten any major risk that is not listed in the catalogue;
- criteria and rules for determining the probability and impact of the risks, so as to perform assessments of both the inherent risk (before the effects of any existing internal controls) and the residual risk.

For all business units, risk checklists are used to manage and track the implementation of action plans.

In 2019, a specific CSR risk campaign was launched for French and international business units. These units were asked to identify and assess their five main CSR risks in terms of the impact on the entity and on its stakeholders (i.e., employees, suppliers, consumers/customers, local communities, shareholders and investors). CSR risks have also been included in the aforementioned risk catalogue and used as a tool to assist the business units in mapping their major risks. For more detailed information, see Chapter 3 Corporate Social Responsibility Report and Non-Financial Information Statement.

Risk assessment

The risks identified by each business unit's Management Committee are analysed and quantified by the business unit and the resulting map of major risks is used as the basis for the Group Internal Control department's work and for preparing the annual audit plan implemented by the Group Internal Audit department.

To help ensure the specified action plans are duly implemented and monitor their implementation, each major risk identified by the business units' Management Committees is placed under the responsibility of one of the members of that Committee.

Risks are reviewed regularly during certain Group Internal Audit assignments. The internal auditors evaluate them independently according to their impact and likelihood of occurrence, taking into account internal controls.

Risk treatment and definition of action plans

The control activities described below in section 4.3 Main risk factors are intended to reduce the risks identified by the Management of each business unit and at Group level, and whose occurrence may prevent the Group from achieving its objectives.

Depending on the chosen risk treatment, the business units draw up action plans to reduce the risks.

The four possible ways in which risks can be treated include:

- risk mitigation: measures are taken to mitigate the probability and/or impact of the risk; the Group Internal Control department may be requested by the business unit to implement necessary means to mitigate the risks;
- risk conservation: no additional measures are taken to change the level of residual risk; the risk is accepted and assumed by the business unit's Management;
- risk transfer: the probability of occurrence or impact of the risk is reduced by transferring or sharing part of the risk, for example on the insurance market;
- risk avoidance: the activities giving rise to the risk are abandoned.

The Group Internal Audit department assesses the risks inherent in the business units' activities and the implementation of the associated internal controls, in order to identify residual risks which may be potentially material. Action plans are recommended to control these residual risks. The internal auditors subsequently check that these recommendations have been implemented and the risks reduced.

The Group Risks and Compliance department monitors implementation of the action plans drawn up by the business units to strengthen the effectiveness of their internal control system for managing these risks.

Lastly, a crisis management process has been set up involving representatives of Senior Management and internal staff (heads of the branches, business lines, or units concerned, and the External Relations, Quality, Communication, Legal and Insurance departments) or external experts (specialists, lawyers, etc.) as needed to deal effectively with the crisis. Periodic drills are organised involving the main parties that deal with crisis management.

4.1.3. General internal control principles

4.1.3.1. DEFINITION OF INTERNAL CONTROL

The internal control system is defined and implemented under the responsibility of each business unit. This organisation allows them to participate in controlling their activities, while ensuring operational efficiency and efficient use of resources. It also helps to ensure that the material risks that may affect a business unit's ability to achieve its objectives are dealt with appropriately.

4.1.3.2. INTERNAL CONTROL OBJECTIVES

The AMF Framework states that internal control aims to provide reasonable assurance concerning:

- compliance with laws and regulations;
- compliance with Senior Management instructions and guidelines;
- efficient execution of processes, particularly for the safeguarding of assets;
- the reliability of financial information.

However, as underlined by the AMF Framework, no matter how well-designed or well-applied, no internal control system can provide absolute assurance that the Group will achieve its objectives. All internal control systems have inherent limitations, due notably to uncertain external events, the exercise of human judgement and the breakdowns that can occur because of human failures or simple errors.

4.1.3.3. INTERNAL CONTROL ENVIRONMENT

Because of its diverse business base and broad international reach, the Group has adopted a decentralised structure that takes better account of each business unit's local features and makes the decision-making process more efficient.

Each business unit has its own support functions, which work in cooperation with the corresponding Group department.

Setting and communicating objectives

Casino Group's strategic and financial objectives are set by the parent company's Senior Management in a three-year business plan that is reviewed every year. The first year of the plan constitutes the annual budget.

The business plan process is led by the Strategic Planning department, which is responsible for:

- coordinating preparation of the business units' three-year business plans and checking that they are consistent and are aligned with the Group's strategy;
- liaising with the business units' Finance departments to check that major cash inflows and outflows are balanced, particularly capital expenditure, financial resource allocation and debt management transactions;
- with the Group Finance department and its Budget Control unit, monitoring actual performance compared to the business plan and updating the business plan to take into account actual results;
- contributing, with the Executive Committee and the business or support units concerned, to the preparation of the main corrective action plans and monitoring their implementation.

Ethics and conduct

The Group's Code of Ethics and Conduct, adopted in 2017, is based on the values and commitments set out in the Group's Ethics Charter and defines the rules of conduct that all members of personnel must abide by at all times in their daily work. The Code specifically sets out the principles and behaviour to adopt as regards bribery and corruption.

In accordance with the Sapin II Act of 9 December 2016 on transparency, anti-corruption and the modernisation of the economy, the Group rolled out the Code to all of its units in France, Asia and the Indian Ocean region.

It also set up an internal whistleblowing system and created a network of Ethics Officers whose main role is to answer employees' questions about the Code of Ethics and Conduct and to receive and deal with alerts raised under the whistleblowing system. The system guarantees that the whistleblower's identity and the contents of the alert will remain strictly confidential.

The Group continued its training programmes to raise employee awareness about bribery and corruption issues. All employees were informed about these arrangements, including through notices displayed in the various business premises and on intranets, and in an explanatory document detailing the Group's ethics policy attached to their payslips.

Similar arrangements exist in the Group's business units in South America.

More detailed information on action taken by the Group to prevent bribery and corruption can be found in section 3.4 of Chapter 3 Corporate Social Responsibility Report and Non-Financial Information Statement.

The Group Risks and Compliance department will monitor the effectiveness of these systems in coordination with the Group Internal Audit department.

Responsibilities and powers

Segregation of duties

Each business unit is responsible for organising its structure in such a way as to ensure proper segregation of duties. The structure is set out in a formal organisation chart. Organisation charts for the main business units and support functions are available on the Company's intranet. Compliance with the principle of segregation of duties is also supervised by local or Group Internal Audit departments as part of their work.

Delegation of powers and responsibility

The business units' Legal and Human Resources departments manage and supervise the process of delegating signature powers and responsibilities in accordance with local law. The Legal department is responsible for issuing guidelines for delegations and defining their scope. The Human Resources department implements and oversees application of these guidelines.

■ Information systems

The Group has developed a target model based primarily on two well-known management software suites available on the market: one for administrative functions and the other for sales functions. The model also encompasses IT standards and governance frameworks to ensure that the information systems are geared to the Group's current and future objectives. The dissemination of these best practices also helps to enhance systems security (hardware and software), data storage, secure access management and business continuity.

■ Operating procedures and methods

Internal control procedures have been set up covering all of the Group's core business processes. These procedures identify key controls and the principles to be applied. They are published on the intranet sites and other documentary databases of the various Group business units. They are updated under the supervision of Group Internal Control, including recently in connection with the development of controls over the application of the Sapin II Act.

■ Dissemination of information

The Group's information systems, intranet sites, databases and other communication media are used not only to communicate information but also to centralise and circulate procedures applicable to the various activities.

The timeframe for providing information is designed to give the parties involved sufficient time to react appropriately.

A specific procedure sets out what to do in situations likely to lead to a crisis at Group level. A reporting tool is used by a number of business units for prompt reporting to Senior Management.

All Group employees are bound by a duty of confidentiality covering any information used in the course of their work.

Insider trading prevention

The Company complies with the regulations on inside information and with recommendations issued by the stock market authorities regarding the management of risks related to the possession, disclosure and use of inside information.

A Stock Market Code of Conduct was adopted in the first quarter of 2017 on the recommendation of the Governance and Social Responsibility Committee. Its content, which is updated regularly, is described in the Board of Directors' corporate governance report (see Chapter 5 Corporate Governance Report, section 5.5.5 Prevention of insider trading). It sets out the applicable regulations and the risk prevention measures implemented by the Company, in particular the black-out periods prior to publication of the Group's results during which the relevant employees may not trade in the Company's shares. In accordance with the Code's provisions, a Stock Market Conduct Committee has been set up to spread information about and monitor compliance with the Code.

4.1.3.4. INTERNAL CONTROL ACTIVITIES

The internal control activities described below concern the application of Senior Management's instructions and guidelines. Internal control activities addressing operational, legal and financial risks are presented in section 4.3 Main risk factors below.

■ Circulation of Senior Management instructions and guidance

In France, the Chief Executives of the business units are responsible for deploying the Group's strategy, whilst in the international business units, responsibility for implementation lies with the Country Managers. The International Coordination department assists the international entities. This department is responsible for monitoring the units' monthly results, preparing the top management succession plans, implementing synergies and sharing best practices between business units, supported by the Development and Holdings department on external expansion issues.

■ Monitoring compliance with management instructions and guidance

A large number of key performance indicators are used to monitor compliance with Senior Management instructions and guidance, and to measure any deviations from its objectives. The frequency of indicator reporting depends on the type of information concerned. The accounting and financial reporting systems are used to monitor performance on a consolidated and business unit basis.

Senior Management receives a monthly management report prepared by Group Budget Control, presenting the key performance and management indicators, together with consolidated financial indicators and financial indicators for each business unit. It also includes comments on performance compared to objectives and a report on the status of the main action plans.

The business units' management reporting packages are all prepared according to a standard format based on IFRS so that they can easily be consolidated by Group Budget Control. The consolidated reports produced by Group Budget Control after analysing and reviewing the individual packages are used to manage the business, and also to analyse actual-to-budget and year-on-year variances.

The monthly reporting data provides a basis for monthly business reviews conducted by Group Senior Management with the business units' Management. The reviews cover sales, operational and financial performance and also include a discussion of the action plans needed to meet the main objectives set for the business. Group Budget Control also submits regular reports to Senior Management on its analysis work.

Monthly working capital and capital expenditure reviews are organised between each business unit's Finance department and Group Budget Control.

The comprehensive management information reported to Senior Management is used to track actual performance against annual objectives and ensure that additional action plans are decided on and implemented whenever necessary.

Group Budget Control may also provide support and assistance to the business units by analysing their position and making recommendations.

Business unit budgets are reviewed from time to time during the course of each year and full-year targets may be adjusted to take account of any developments specifically affecting a given business unit.

The Strategic Planning department's recommendations concerning the business units' investment and capital spending projects in excess of a certain amount are submitted for approval during weekly meetings with Senior Management. The Group Investment Committee is then notified of the approved projects.

4.1.3.5. MONITORING OF INTERNAL CONTROL

■ Continuous monitoring

The risk management system is regularly monitored and reviewed by the senior managers of each business unit, who ensure the day-to-day supervision of its effective implementation. The managers are notably responsible for implementing corrective action plans and reporting any significant deficiencies to the Group's Senior Management. This allows Senior Management to check that the system matches business requirements and to take any required remedial action.

■ Monitoring by Internal Audit

The Group Internal Audit department and the business units' Internal Audit departments regularly review the effectiveness of the risk management and internal control system during their internal control assessments and contribute to its supervision.

The Group Internal Audit department assists Senior Management and the various French and international business units in fulfilling their responsibility for monitoring the risk management and internal control systems. It reports to the Company's Audit Committee at least twice a year on its activity and supervisory role and responds to the Committee's questions and requests.

The Group Internal Audit department helps the business units to stay abreast of internal control best practices developed within or outside Casino Group.

Group Internal Audit is supported by a central Internal Audit team, as well as by local teams in France and in international business units, which report to Group Internal Audit on a dotted-line basis. These central and local teams represent 83 auditors.

The central team's annual audit programme is prepared by the Group Internal Audit department based on the Group's risk analysis, the principle of audit cycles for the key business processes and any major issues identified by the senior managers of the business units or departments falling within the central team's audit scope. This revisable audit plan includes initial audit engagements and follow-up assignments on the implementation of action plans and the resolution of audit points. The follow-up assignments are included in the audit plan based on an approach validated by the Group Audit Committee.

The business units' Internal Audit departments draw up their own annual audit programmes, which are approved by their Senior Management and, where applicable, reviewed by their own Audit Committee, and subsequently sent to the Group Internal Audit department. Certain assignments are performed by the Internal Audit teams of the business units with Group Internal Audit oversight and presentation of the audit report to the Group Audit Committee.

The Group Internal Audit Charter, approved by the parent company's Audit Committee, describes the role and responsibilities of the Group Internal Audit department in accordance with the professional standards issued by the Institute of Internal Auditors (IIA). The Charter has been cascaded to the business units' internal audit teams with some adjustments.

All Group Internal Audit reports are sent to Group Senior Management and the Company's Audit Committee, as specified in the Internal Audit Charter.

■ Monitoring by external auditors

The Statutory Auditors are required to obtain an understanding of the organisation and operation of the Group's internal control procedures and to present their observations. In addition, the Statutory Auditors have regular discussions with Group Internal Audit, Group Risks and Compliance, the local Finance departments and the Group Finance department. They report on their work to the Company's Audit Committee.

4.2. INTERNAL CONTROL OVER ACCOUNTING AND FINANCIAL INFORMATION

4.2.1. Objectives

Internal control over accounting and financial information aims to provide reasonable assurance regarding:

- the compliance of published accounting and financial information with the applicable standards;
- compliance with Senior Management instructions and guidelines concerning accounting and financial information;
- the reliability of information circulated and used internally for management or control purposes that contributes to the preparation of published accounting and financial information;
- the reliability of the published financial statements and the other information disclosed to the markets;
- the protection of assets;
- the prevention and detection of fraud and accounting and financial irregularities to the extent possible.

The scope of internal control over accounting and financial information described below covers the parent company and all companies included in its consolidated financial statements.

4.2.2. Monitoring the financial reporting process

GENERAL ORGANISATION

Each business unit has its own Accounting and Finance departments to ensure that local requirements and obligations are fully taken into account. However, some business units outsource some of these activities to shared services centres. The Group encourages business units to organise their accounting and finance function by process, which helps ensure more consistent accounting treatments, better segregation of duties, implementation of controls and compliance with procedures.

The Group-level Accounting, Budget Control and Corporate Finance departments monitor and oversee the local departments. They also consolidate data reported by the business units and produce the accounting and financial information published by the Group.

Each year, the subsidiaries' Chief Executive Officers and Chief Financial Officers jointly sign representation letters attesting to the accuracy of their company's accounting and financial information and the existence of an appropriate system of internal control.

The Audit Committee reviews the annual and interim financial statements and the Statutory Auditors' conclusions in order to form an opinion as to whether the financial statements should be approved for publication by the Board of Directors.

For this purpose, it makes enquiries about the process for preparing accounting and financial information and obtains assurance that:

- appropriate control procedures have been applied through its review of the internal auditors' work;
- the account closing process went smoothly;
- the main accounting options selected for the preparation of accounting and financial information and for the application of new standards are appropriate;
- the Statutory Auditors have completed their work.

APPLICATION AND CONTROL OF ACCOUNTING AND TAX POLICIES

The system aims to ensure that local accounting standards comply with regulations and that they are available to everyone involved in the preparation of accounting and financial information.

As part of the consolidation process, each Group entity transmits to the Group Accounting and Management Control departments the IFRS-compliant accounting data, in particular their income statement, statement of financial position, statement of cash flows, statement of changes in equity and various key performance indicators.

The Group Accounting and Management Control departments have prepared and distributed a "Financial Reporting Guide" designed to ensure the production of reliable and consistent information. The guide describes Group accounting policies and consolidation principles, adjustments and entries, as well as management accounting principles and the accounting treatment of complex transactions. It is updated regularly and is sent to and discussed with all users of the Group's financial reporting system.

A system to monitor developments in accounting regulations and standards helps to ensure early identification of changes that may affect the Group's IFRS-based accounting policies. Any regulatory developments that have an impact on the Group's accounting procedures are generally explained in a presentation seminar and in memos.

As regards taxation, validation audits are performed on the Group's taxable results and major transactions for the year are analysed from a tax perspective with the assistance of the Group Tax department and external advisors, where applicable. Lastly, information meetings are organised and procedure memos are issued by the Group Tax department to communicate details of any new tax laws, regulations or legal precedent.

TOOLS

Each business unit uses the tools required to process and prepare accounting and financial information in compliance with the segregation of duties principle.

Accounting and financial information prepared in accordance with IFRS and restated based on Group consolidation policies is reported by the business units to the Group using a single consolidation and financial reporting system, which offers a user identification feature, better remote access authentication, improved security and evolvability.

The reporting system is administered by a dedicated unit.

4.2.3. Process for the preparation of accounting and financial information

IDENTIFICATION OF RISKS AFFECTING THE PREPARATION OF PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION

Management of each business unit is responsible for identifying risks affecting the preparation of published accounting and financial information. Upstream tasks and tasks associated with the production and closing of the accounts are segregated to prevent fraud and accounting and financial irregularities. Controls are performed at the appropriate level taking into account the degree of risk. An accounting standards team makes sure that any developments in the relevant standards are taken into account.

CONTROL ACTIVITIES TO ENSURE THE RELIABILITY OF PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION

■ Preparation and consolidation of accounting and financial information

The processes for preparing and closing the accounts are organised with the aim of ensuring that published accounting and financial information is of a high quality. A hard close is performed, based on estimates. This process allows the accounting treatment of complex transactions to be determined in advance and also reduces the year-end workload so that financial information can be published within a short timeframe without sacrificing data quality or reliability.

Most of the consolidation adjustments are recorded by the business units based on consolidation instructions issued by the Group Accounting Standards department. The Group Accounting department, which is responsible for keeping track of accounting developments, has set up training programmes to assist business units in using the reporting system and the Financial Reporting Guide, so as to guarantee the quality of reported data and the reliability of financial and accounting information.

Data consistency is assured through programmed controls covering both local and consolidated data.

Together with the Group Legal department, the Group Accounting department continuously monitors changes in the Group's percentage interest in the capital and voting rights of subsidiaries and associates. It is responsible for ensuring that changes in the scope of consolidation or in consolidation methods are duly applied.

As required by law, the Group has two Statutory Auditors. The current auditors were first appointed in 2010 and reappointed in 2016. Their network of local accounting firms may also be involved in auditing the accounting information reported by the Group's subsidiaries, including consolidation adjustments. Their procedures include verifying that the annual financial statements are prepared in accordance with generally accepted accounting principles and give a true and fair view of the results of operations for the year and the financial position and net assets at the year-end.

The Accounting department acts as the interface with the external auditors of the Group business units. The Group's Statutory Auditors are appointed according to a process initiated and overseen by the Audit Committee, in accordance with Afep-Medef Code recommendations and the new European regulations (Regulation (EU) No. 537/2014 and Directive 2014/56/EU) applicable since 17 June 2016.

■ Management of external financial reporting

The Group Investor Relations department's role is to provide the financial community with accurate, specific and fair information about the Group's strategy, business model and performance.

Financial information is prepared and validated by the Accounting and Budget Control units prior to publication.

The legal and accounting units also contribute to producing the Universal Registration Document and the management report.

The Board of Directors reviews all information and news releases about the Group's results or financial and strategic transactions, and may make comments and proposals. The Audit Committee reviews information on the annual and interim financial statements prior to release. Sales and earnings news releases are submitted to the Statutory Auditors for review and comment.

Financial information is disclosed to the markets through the following communication channels:

- financial and other media releases;
- conference calls for quarterly releases of sales figures;
- annual and interim results presentations;
- roadshows, conferences, meetings and conference calls with financial analysts and investors, in France and abroad;
- Annual General Meetings;
- Universal Registration Documents and Annual and Corporate Social Responsibility Reports;
- the Group's corporate website.

Group Investor Relations is also involved in checking and setting the publication dates for the financial information prepared by listed subsidiaries and ensures consistency between the various media used by the Group.

4.3. MAIN RISK FACTORS

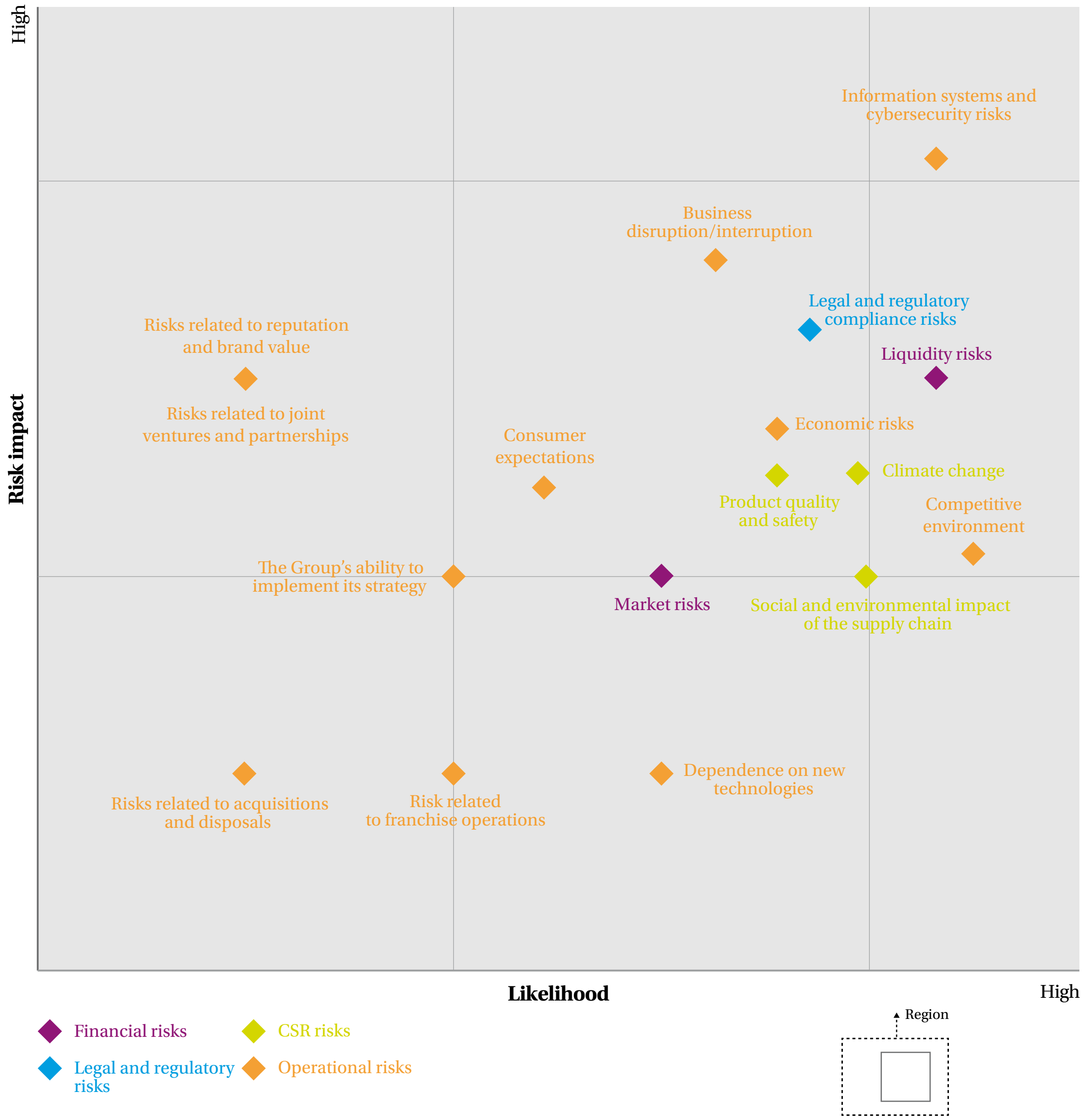
The main risk factors presented below in the Group risk matrix were identified using the major risk mapping methodology presented in section 4.1. The risk matrix below classifies the main risks to which the Group is exposed according to their potential impact and likelihood of occurrence. It reflects the Group's assessment of the net risk, i.e., taking into account internal controls put in place to mitigate the impact and/or likelihood of occurrence of the risk in question.

Risks are divided into four main categories:

- Operational risks;
- Financial risks;
- Corporate social responsibility (CSR) risks;
- Legal and regulatory risks.

The Covid-19 risk has been included in "business disruption/ interruption risks" and "economic risks". It is not recorded as a specific risk.

Major risk map



Risk classification

◆ *Risks considered the most material.*

Risk factors are organised into four main categories. The most significant risks in each category are presented first.

4.3.1. Operational risks

I. INFORMATION SYSTEMS AND CYBERSECURITY RISKS

Description of the risk

The Group runs, directly or indirectly, an extensive network of information systems that are essential to the operation and management of its activities. The development, implementation and continued, uninterrupted operation of these information systems, including systems supplied by third parties, are key to the Group's ability to deliver products and services to customers across all of its banners. They are especially critical for Cdiscount's operations, as well as for the relevanC digital marketing activity and the ScaleMax Data Centers. These risks also concern stores and warehouses due to the critical information systems used for payment, supply chain and warehouse management. The Group is dependent on its technical infrastructure and computer applications for all aspects of the day-to-day management of the business, including communications and internal information sharing.

Potential impacts on the Group

Any breach of systems integrity, for example due to a technical failure or cyber-attack, could have a serious adverse effect on the Group's business operations and assets. A hardware or software failure, or failure by a service provider (especially a hosting company), interruption of mission-critical IT services or a data security breach could have an unfavourable impact on the Group, particularly the E-commerce business, which is highly dependent on reliable and secure computer systems.

There were no material occurrences of this risk in 2019 and none since 1 January 2020.

Risk management (control and mitigation)

The Group implements comprehensive measures in each business unit to protect sensitive data, in particular personal data about customers and employees, and ensure business continuity. It aims to be a responsible and engaged leader in the digital economy and in personal data protection.

A set of cybersecurity rules, procedures and indicators have been defined by the Group Information Systems Security department and circulated among all business units to protect their information systems and data more effectively. This department also reports regularly to the Group Audit Committee and Executive Committee on the status of action plans for preventing cybersecurity risks.

The Information Systems department's CITADEL database lists business-critical applications for Casino. The database is regularly updated in light of developments in the business, most recently in December 2019. CITADEL is used by the Information Systems department to manage its IT continuity plan. In 2019, the Information Systems department performed 34 tests on the business recovery plan, with the results analysed and taken into account within the scope of the continuous improvement process.

In addition, cybersecurity insurance was purchased in 2017 covering all Group units including GPA in Brazil and Éxito in Colombia. The cover was increased in February 2018 and is considered by the Group as being sufficient based on estimates of the potential losses that would result from the occurrence of this risk.

II. BUSINESS DISRUPTION/INTERRUPTION RISKS

Description of the risk	Potential impacts on the Group
Business disruption/interruption risk includes the risks of supply disruption, inability to gain access to facilities (stores, warehouses, headquarters), and building destruction or damage. An effective, uninterrupted and timely operation of the supply chain is critical, particularly for the fresh produce sold by the Group. Changes in the Group's logistics structures, for example resulting from labour disruption, problems with the fleet of delivery trucks, strikes, natural events, or technical disruptions or accidents, could lead to a temporary or prolonged business interruption or to store supply issues, and could disrupt inventory management. Catastrophic events such as terrorist attacks, wars, floods, fires, earthquakes, violent storms, pandemics or epidemics (Covid-19) have an adverse impact on retailers' operations, particularly food retailers. Other events such as local strikes, boycotts, social and economic unrest, or civil disturbances could also adversely impact the Group's business. The occurrence of such events can affect consumer morale and have a negative impact on tourism. This in turn could affect sales in the Group's retail stores, which are mostly located in tourist destinations.	A temporary or prolonged disruption in the Group's business activities, in warehouses and/or stores and/or in the headquarters of some of the Group's business units may have an adverse impact on the Group and its banners, and on its net sales, operating performance and financial position. Covid-19: The epidemic could lead to the partial or total shutdown of retail space and warehouses due to staff absences and/or supply-related difficulties. This could have an adverse impact on the Group's net sales, operating performance and financial position. Any resurgence of social and/or political uncertainty exposes the Group to significant business interruption risks. All incidents related to violence or social unrest can result in an increase in security costs and a decline in store traffic. Similarly, the E-commerce business may be adversely affected if the operations of vendors and/or freight forwarders are disrupted by demonstrations. In view of the uncertainty regarding the macroeconomic and social impact of Covid-19 over the next year, and as a precautionary measure, the Group is no longer formulating quantified objectives for 2020-2021, while remaining mobilised on all the priorities already communicated to the market.

Risk management (control and mitigation)

Business disruption/interruption largely depends on factors outside the Group's control. However, the Group has put in place various measures aimed at reducing the impact of such risks should they occur:

- **COVID-19:**

The Group has deployed a coordination unit, which provides general instructions to the Human Resources department. These instructions are updated on a regular basis as the situation evolves.
In addition to these instructions, each company implements procedures adapted to its specific business environment.
These procedures are then communicated to the management, personnel and employee representative bodies concerned within each business unit.
The Group is monitoring the situation very closely and is prepared to deploy new measures depending on the development of the pandemic.

- Business continuity plans and business recovery plans are in place in most French and international business units (Monoprix, Cdiscount, GPA, Éxito, Libertad, etc.). Each unit has developed its own internal control procedures. For example, Monoprix addressed the risk of being unable to gain access to its stores in Paris by developing a business continuity plan, setting up a crisis management team and conducting drills based on a simulation of the crisis situation that would arise if the Seine were to break its banks. Libertad in Argentina focused on the risk of building damage or destruction due to a maintenance failure, by ensuring that maintenance plans are in place and are properly executed.
- Crisis management units have been set up within the Group's main international business units (GPA, Éxito and Libertad) and a crisis management process is in place involving representatives of Senior Management (the Chairman and Chief Executive Officer, when necessary, the Human Resources Director and the Group General Secretary), as well as internal or external experts as needed to deal effectively with the crisis.

The "Information systems and cybersecurity risks" section on page 273 describes the critical information systems interruption risk and describes how it is managed.

III. ECONOMIC RISKS

Description of the risk

The Group's businesses and particularly its sales, operating performance and cash generation are strongly correlated with non-discretionary household expenditure, which is influenced by the cyclical nature of the economy at large, by a global pandemic, by rates of unemployment, demographic growth, inflation/deflation, disposable income, VAT increases and interest rates, by the availability of consumer credit and by consumers' perception of the global economic environment and their own economic prospects. None of these factors are within the Group's control.

The Group does most of its business in France and in a small number of Latin American countries, which increases its exposure to the adverse macroeconomic conditions that may affect these countries. At 31 December 2019, 71% of the Group's stores were located in France. Accordingly, any deterioration in the French or European economy could have a significant impact on the Group's trading, as well as on its operating performance and the financial conditions it is able to obtain.

Traditionally, Latin American economies have been subject to sharp fluctuations in business volumes, as illustrated for example by the economic downturn in Brazil in 2015 and 2016 and its near-recession in 2019, or by the hyperinflationary economy in Argentina.

Potential impacts on the Group

A global economic downturn concerning all of the countries in which the Group does business could have a negative impact on customer confidence and on their demand for "non-essential" products. It might also drive down sales of food products and other essentials by leading customers to curb their overall expenses by buying more low-end products and/or buying more from Cash & Carry or hard discount-type stores.

To conclude, adverse economic conditions or an uncertain economic or political outlook on one or more of the markets in which the Group operates could have an adverse impact on net sales, growth and profitability, and could significantly affect the Group's business, financial position, earnings or ability to implement strategic decisions.

In view of the uncertainty regarding the macroeconomic and social impact of Covid-19 over the next year, and as a precautionary measure, the Group is no longer formulating quantified objectives for 2020-2021, while remaining mobilised on all the priorities already communicated to the market.

Risk management (control and mitigation)

The Group has taken steps to limit and reduce its sensitivity to economic risks at several levels:

- Its business activities are spread across several geographic areas (primarily France and Latin America since the sale of operations in Asia and the sale in progress in the Indian Ocean region).
- It is developing omni-channel distribution involving a broad spectrum of both digital and bricks-and-mortar formats, from hypermarkets and supermarkets to convenience stores, wholesalers and e-commerce.
- Banners and concepts are adapted to the target customer base, whether premium stores, hard discounters, stores specialising in organic produce, etc.
- Business has been diversified to include new activities offering green energy/energy efficiency (GreenYellow) and data (relevanC and ScaleMax) solutions in order to reduce dependence on the food business cycle.

IV. COMPETITIVE ENVIRONMENT

Description of the risk	Potential impacts on the Group
The Group's stores and e-commerce sites are exposed to fierce competition and operate in markets subject to fast-paced changes. Competition is particularly intense in the mature French market. Outside France, the Group's leadership in most of its markets (e.g., Brazil and Colombia) is under constant attack from international and local retailers that are seeking to strengthen their positions. Competition generally concerns store location, product quality, services, pricing, product range, brand reputation and store condition. The Group's ability to adjust its selling models to customer expectations is also a major issue, given the structural changes in consumer habits.	Besides promotional campaigns and loyalty programs, the Group's response to the performance of competitors and to changes in their pricing strategies, promotional initiatives, product mix and other business strategies may lead it to cut its prices in order to defend its market shares. This could have a negative impact on its net sales, increase its operating costs and/or decrease its margins. The Group expects competition on e-commerce channels to intensify, which may put downward pressure on prices and lead to a loss in market share.

Risk management (control and mitigation)
In the short term, the competitive environment and related developments are monitored and taken into account for each country and banner, mainly through efficient pricing management and promotional and customer loyalty initiatives. Over the medium term, the Group monitors all of its formats and banners and looks to identify opportunities to develop its multi-channel sales. The Group also seeks to identify opportunities to grow its asset or franchise operations and to carry out purchases and sales by identifying and developing store formats and banners best suited to the countries in which it operates.

V. CONSUMER EXPECTATIONS

Description of the risk

The success of the Group's business depends on the continued appetite for the range of products and services on offer in the Group's network of integrated and franchised stores and e-commerce platforms. Given the diverse profile and expectations of its clientele, the Group has to offer a range of products able to satisfy an extensive array of preferences that can vary from one country and store format to the next.

Demand for the Group's food products can be affected by consumers' growing concerns about food safety, and health and well-being issues associated with the produce they buy. For example, consumers are increasingly concerned about the health effects of certain controversial ingredients such as processed fats, gluten, sugar, processed wheat and other such products.

An analysis of consumer expectations shows both (i) a trend towards organic, environmentally-friendly products, a preference for buying locally and a real demand for transparency in terms of product traceability, sustainability and nutritional value, and (ii) a constant rise in e-commerce sales prompted by the need for a seamless customer experience.

Potential impacts on the Group

There is a risk that the Group will fail to anticipate these consumer trends or the demand for certain products. Even though the Group sells a wide range of products through its different banners, failure to accurately or quickly identify changes in consumer expectations as regards concepts, health and nutrition could have a negative impact on its relations with its customers, on customer demand for its products and on its market shares if consumers were to disregard its products and turn to other options.

Keeping up with changing consumer preferences can also be extremely costly.

Finally, if the Group fails to accurately anticipate the demand for certain products, particularly non-food items, this could lead to stock surpluses that would require it to significantly reduce prices in order to sell the items, resulting in inefficient management of working capital. On a large scale, the above factors could impact the Group's business, its financial position and its operating performance.

Risk management (control and mitigation)

To mitigate this risk, the Group endeavours to identify and respond to consumer trends, with the CSR, Marketing and Innovation departments responsible for consumer monitoring and research activities.

In France, the Casino Max loyalty programme has been upgraded to include a new service displaying the Nutri-Score of over 10,000 products directly in the app. The Group therefore supports the nutritional quality drive and assists its customers in their efforts to adopt better consumption habits.

In France, alongside the Amazon-Monoprix partnership offering express deliveries of Monoprix products – which has since been extended to certain towns and cities outside the Paris region – Franprix and Cdiscount have joined forces to launch an express delivery service bringing food items (including hot meals) as well as certain key non-food products to the doorsteps of their Parisian customers in under 30 minutes. This service, which is available online and as a mobile app, marks a further step in the Group's innovation efforts and creates unprecedented synergies between digital commerce and physical stores.

In Colombia, in addition to technological innovations associated with the development of Carulla SmartMarket (*see Dependence on new technologies, page 279*), Éxito is acting for the environment by removing all plastic bags from its stores, along with the plastic packaging protecting its fruit and vegetables. For products requiring packaging protection, the packaging must be fully biodegradable and compostable. In France, Monoprix no longer produces paper copies of its catalogues, while Franprix has set itself the goal of eliminating all single-use plastics in 2020.

VI. THE GROUP'S ABILITY TO IMPLEMENT ITS STRATEGY

Description of the risk	Potential impacts on the Group
The Group's future performance depends on its ability to define, develop and implement its business strategy. (1) The Group's current strategy is to maintain and reinforce its competitive position on its historical key markets, to become a leading player in its new business ventures, to simplify its structure in Latin America, and to reduce or divest its interests in certain non-core assets or businesses. (2) One of the key thrusts of the Group's business strategy, particularly in France, is also to provide a seamless purchasing experience by incorporating innovative digital solutions and reinforcing its e-commerce distribution channels in a variety of ways, including strategic partnerships and acquisitions of new technologies. The Group's ability to adapt to developments in e-commerce and especially to grow its online sales depends on a number of factors, including its ability to effectively promote its websites and to identify key additional partnerships to help it expand its online sales channels, and the capacity of the Group's existing retail networks to incorporate online sales growth and generate profitable online sales. The Group also strives to improve the customer experience by adapting to consumer preferences. Its increasingly multi-channel purchase offer covers purchases made, or discount coupons obtained, via mobile apps. The Group's strategy is to identify and acquire or partner with start-ups that offer technological solutions enabling it to incorporate digital innovation into its operations. (3) The Group also looks to make certain cost savings in order to maintain and reduce its cost base by optimising corporate and banner-level headquarters costs and reducing store costs, by negotiating better purchasing terms and conditions, by unlocking logistics synergies through the pooling of Casino, Franprix and Leader Price logistics operations, and by closing or selling loss-making stores under the Rocade Plan. (4) The Group has assessed the potential of its non-core businesses and assets that could be sold (e.g., an announced disposal plan worth €2.5 billion in France to be carried out by first-quarter 2020 and a second €2 billion plan to be completed by first-quarter 2021).	Given the diverse nature of the risks to which the Group is exposed and the uncertainty facing its activities, there is no guarantee that its strategy will be successfully implemented. The deployment of this strategy may also lead to operating constraints on the Group's business, may be time-consuming and may require the full attention of management teams to the detriment of current activities. Should the Group not achieve its strategic objectives or initially anticipated results, this could have a significant adverse impact on its business, its financial position and its operating performance. (1) Failure to appropriately use equity and other sources of funds to further the Group's strategy may have an adverse impact on planned initiatives. GreenYellow, relevanC and ScaleMax, the new businesses focused on the retail distribution market in France – which are still in the development phase and therefore continue to incur development costs – may not produce the results expected, either during a given period or ever. Any inaccurate assessment or flawed execution could have a significant adverse impact on the Group's business, its financial position and its operating performance. (2) Historically, the Group's e-commerce operations have proved less profitable than its physical stores. Consequently, the growth outlook for the portion of the Group's business dedicated to e-commerce could negatively impact the Group's future profitability. (3) The Group's business, operating performance, financial health and outlook could be significantly and adversely affected if these measures are not carried out according to schedule or are not completed; if costs are incurred in relation to these measures, such as potential lease termination fees associated with store closures; or if some of the measures do not produce the expected improvement in performance. (4) The Group could encounter difficulties in finding buyers or alternative exit strategies under acceptable conditions or within an appropriate timeframe, which could push back the timeline for achieving its strategic objectives. Certain assets may also be sold at a lower price or under worse conditions than initially expected. Disposals may have a bigger-than-expected impact on net sales growth or the Group's negotiating leeway with suppliers. After reaching an agreement with a buyer for the sale of a business or asset, the effective disposal will be subject to meeting "pre-closing" conditions and to regulatory and governmental approval. If these conditions are not met or approval is not granted, this could modify the terms initially negotiated or even prevent the transaction from going ahead. Certain clauses may also cause the Group to retain a degree of financial involvement in businesses sold, such as a part of the shares, warranties, indemnities or other financial and commercial obligations.

Risk management (control and mitigation)

To mitigate and limit all or part of the risks identified above, Senior Management has put several procedures in place.

- The Group has set up a monitoring procedure aimed at ensuring that good progress is made on the strategic plan and that regular reports are made to governance bodies such as the Board of Directors and the Audit Committee. Management is regularly informed on the business and performance of the Group's various business units through their Executive Committees and governance bodies, as well as daily, weekly or monthly general and financial reports. Particular attention is paid to monitoring new activities such as GreenYellow, relevanC and ScaleMax. Resource allocation among the Group's various entities and projects is also monitored closely.
- To benefit fully from the boom in e-commerce and improve margins based on this retail model, the Group has forged an exclusive partnership with Ocado, which has developed automated warehouse technology. Through this partnership, the Group is able to significantly reduce the duration and costs associated with preparing orders while offering a high service level. The first automated warehouse entered the trial phase at the end of March 2020 and covers the northern half of France.

In order to ensure good progress on the strategic asset disposal plan according to the planned schedule and conditions, the Group analyses several options for each disposal. When the conditions or impacts of a disposal diverge from expectations, the Group has the ability to find an alternative solution or to accelerate other disposals in the plan. If the Group retains a level of financial involvement in businesses sold, it strives to negotiate a favourable exit strategy in the short or long term.

VII. DEPENDENCE ON NEW TECHNOLOGIES

Description of the risk

The Group is exposed to a risk that it will become dependent on new technologies and/or unable to anticipate or quickly respond to changes in technologies or in consumer preferences.

Significant, fast-paced technological change characterises the digital environment in which some Group entities do business, in particular Cdiscount, a pure e-commerce player, along with the relevanC and ScaleMax data businesses.

Failure to anticipate or address technological change or consumer expectations in a timely manner, to manage inventory levels effectively or to reliably forecast product returns could have a significant impact on the Group's operating performance.

Potential impacts on the Group

Should it arise, this type of situation could harm the image of the Group's banners (use of out-dated or obsolete technologies, or tools or services offered to customers that adversely affect the user experience), leading to a loss of loyalty and a decline in customer visits to the Group's websites or stores, or to a decrease in the use of data on consumer behaviour sold by the Group's specialist subsidiaries. This could have an adverse impact on the Group's business, financial position or performance.

Risk management (control and mitigation)

To mitigate this risk, the Group has an Innovation department that is responsible for monitoring technological developments and for promoting and driving technological innovation (robotisation, artificial intelligence, data sciences, blockchain, etc.) that enables the Group to meet increasingly demanding consumer expectations and facilitates the work done by employees.

2019 saw the following innovations:

- Thanks to partnerships with some 15 French start-ups, a hypermarket in the Bordeaux region was transformed into a laboratory for testing innovative logistics solutions and other experimental technologies in real conditions. Tests covered for example the detection of shelf stockouts or incorrect labelling using an autonomous robot in the store aisles; reduction in food waste and monitoring of use-by dates using an application issuing daily alerts to in-store teams about products approaching their best-before dates; store deliveries in "green" vehicles fitted with GPS in order to limit adverse environmental impacts and optimise the work of store staff thanks to exact delivery truck ETAs; and optimised loading of delivery trucks in order to reduce their number by 10%.
- The first Carulla SmartMarket store was launched in Colombia in December 2019. Carulla SmartMarket is an "innovation lab" featuring some 20 new technologies, including **Check & Go** (customers can pay without getting money out); **Smile ID** (on entering the store, customers can be identified via facial recognition to accelerate and improve the payment flow); **smart labels** for all products, so inventories remain updated; and **enhanced reality** (using QR Code technology, customers can interact with some 100 products in order to obtain details of their origin and nutritional value, as well as recipes in which they can be used).

VIII. RISKS RELATED TO JOINT VENTURES AND PARTNERSHIPS

Description of the risk	Potential impacts on the Group
The Group has set up joint ventures and entered into partnerships that it does not fully control. There is a risk that these partnerships will prove unsuccessful or do not develop as expected, according to the schedules set, and that certain approaches or even decisions will have a significant adverse impact on the Group's business. Joint ventures have been set up in the consumer credit sector (Banque Casino in France, FIC in Brazil and Tuya in Colombia) and in the solar energy sector (Reservoir Sun, a joint venture between GreenYellow and Engie). The Group has also entered into commercial partnerships with Amazon and Ocado in the form of service and/or licence agreements. Investments in projects over which the Group only has partial control expose it to the risk that its partners, whose investment strategies could differ from those of the Group should they require adjustment, could potentially have a significant adverse impact on operating, financial or management decisions. This could include, for example, capital-driven partnerships in which the decision to pay out dividends or to appoint members of management may lead to debate with the partner involved in a particular project, which could prove crucial to the success of the venture or the Group's investment in the project.	Should this type of risk materialise, it could have an adverse impact on the Group's business, operating performance or financial position.

Risk management (control and mitigation)

As a general rule, for capital-driven partnerships, the Group's rights and obligations are principally based on the rate of capital held in the partnership vehicle and/or on the level of financing of the vehicle provided by the Group. According to these factors, the Group may be entitled to a certain majority or minority number of representatives or voting rights in the partnership's governance bodies. Where it is in the minority, it may have specific veto rights enabling it to influence partnership decisions and to best preserve its interests as an investor and/or lender.

In terms of significant purely commercial partnerships, expanded contractual protections are implemented to give the Group the legal power to ensure partners fulfil their commitments.

IX. RISKS RELATED TO REPUTATION AND BRAND VALUE

Description of the risk

The brands associated with the Group's banners are important assets. Protecting the Group's reputation and the values associated with its various brands is essential to the success of its business. The development of social media in recent years has led to a sharp increase in image and reputational risks. The Group could be significantly impacted if customers were to lose confidence in the quality or safety of products sold or supplied in its stores. The Group sells private-label products which are a source of differentiation with respect to its competition and on which margins are higher than for other products. Private-label products are prepared and/or packaged by third parties whose practices may breach applicable employment, health and safety or environmental laws and regulations, despite the quality and ethical standards imposed by the Group. Any breach or alleged breach of these laws or regulations, or any failure by certain manufacturers or suppliers to comply with a given standard could result in negative publicity for the Group or in a fall in demand for the Group's products, or could require changes to the organisation of the supply chain, thereby leading to additional costs.

Potential impacts on the Group

Malicious attacks designed to harm the Group's image or an incident involving the Group or manufacturers or suppliers of products sold by the Group, could significantly harm the Group's image and reputation, as well as the value of its brands. This could have an adverse impact on the Group's business and performance.

Risk management (control and mitigation)

See Risks related to product quality and safety on page 288 for details of the management of image and reputational risks related to the quality and safety of food products sold by the Group's banners.

External communications are prepared by Casino Group's Communications department and all published information is approved by Senior Management and released under Senior Management's responsibility. The Group Communications department also has authority over and responsibility for all releases by the business units – even those that have their own Communications department – that could potentially affect the Group's image. Most of the Group's business units have a Communications correspondent. These correspondents meet at least once a month with the head of the Group Communications department to share significant information and provide feedback on communication initiatives.

The Group Communications department is also responsible for managing risks to Casino's image and that of its executives. It checks any information published about the Group on all types of media (traditional media, social networks, etc.) by implementing monitoring and alert systems and responds in a manner tailored to the situation concerned.

X. RISKS RELATED TO FRANCHISE OPERATIONS

Description of the risk	Potential impacts on the Group
The Group's banners in France and in international markets have affiliate and franchise networks. These include the Casino, Franprix and Monoprix supermarket networks, the Leader Price and Surtimax discount networks, the Vival and Spar convenience networks and the Géant, Géant Casino and Hyper Casino hypermarkets operated by affiliates. At 31 December 2019, 6,876 stores were operating as franchises, of which 5,380 in France (or 48% of the total number of stores in the Group's network and 68% of the Group's stores in France) and 1,496 in Colombia (or 70% of Grupo Éxito's stores in Colombia, Uruguay and Argentina). Since franchises are independent, the Group is unable to manage or control numerous factors that influence store traffic, which directly impacts the stores' net sales. Operations by franchisees can harm the Group's brands and reputation.	These networks expose the Group to reputational risk in the event that franchisees' practices do not comply with applicable regulations or with the Group's standards or values, and also to default risk and the risk of losing part of the store base if a franchisee decides to join a competitor's network.

Risk management (control and mitigation)

Each network maintains close relations with its franchisees/affiliates, through regular contact with and support from the networks' sales advisors. Credit risk is managed by each network by closely monitoring receivables and in some cases by taking out credit insurance.

The commercial leases signed by business units are drawn up in accordance with the Group's requirements to ensure that they offer adequate protection against the risk of eviction. They are monitored by the property management teams, who are responsible for renewing them on expiry.

The Group has a large number of affiliated stores and franchisees. The Group Legal department ensures that the contracts are watertight and the operations teams oversee the partners' activities. To effectively manage the legal and other risks inherent in the business, the business development and sales and marketing teams implement robust controls during the contract drafting and implementation phases, and make every effort to resolve problems before they go to litigation.

XI. RISKS RELATED TO ACQUISITIONS AND DISPOSALS

Description of the risk

Acquiring companies or activities presents many risks, some of which may harm the Group's activities, for example: difficulties in integrating technologies, operations, existing contracts and the acquired company's staff; difficulties in retaining and taking over suppliers from the acquired company; diversion of financial and managerial resources from existing operations or other acquisition opportunities; failure to achieve expected levels of profitability or synergies; failure to identify all problems, expenses or liabilities (business plans may present significant, unforeseen events); shortcomings or other faults or difficulties associated with an acquired company or technology, including intellectual property matters, regulatory compliance practices, recognition of revenue, or problems relating to staff or customers; risks of entering new markets with little or no experience; potential loss of employees or key competencies, customers or key suppliers in the initial scope or business of the acquired company; inability to generate sufficient additional net sales to offset the acquisition costs; additional costs or capital dilution related to the financing of the acquisition; and possible depreciation, amortisation or impairment expenses related to the acquired activities.

Additionally, merger control and anti-trust rules and limits imposed by the European Union and national regulations may have an adverse impact on the Group's business if such laws or regulations prevent the Group from growing through mergers or acquisitions in certain areas, or if they oblige the Group to sell certain stores or activities that could have an impact on its market share in certain geographic areas, particularly in Paris. At the same time, if a consolidation occurs among smaller players on the Group's markets, this could lead to an increase in competitive pressure on the Group's activities due to economies of scale among these competitors and the reduction in their operating costs. Furthermore, competitors could acquire smaller players on the Group's markets, which would, in turn, reinforce their position on these markets.

Potential impacts on the Group

If these acquisition-related risks should arise, they could have a significant adverse impact on the Group's level of business, operating performance and financial position.

When goodwill is recorded following acquisitions, an unfavourable change in business projections and assumptions applied for projected cash flows during impairment tests on intangible assets acquired could result in the recognition of impairment losses for the Group.

In the case of equity-accounted investees or where minority shareholders retain their share capital in companies controlled by the Group, governance-related difficulties could arise with partners and/or minority shareholders, notably if there are differences in the strategy, development or operational management of these equity-accounted investees.

The programme of asset disposals announced by the Group is now going ahead. The success of these disposal operations, some of which have already been carried out, depends on the market interest for the assets sold and the Group's capacity to maintain optimal management of operations of the entities concerned during the transition phase. During the asset sales, the Group may face implementation difficulties, a challenging environment or unfavourable market conditions, which could lead to adverse effects on the conclusion of the sales.

Additionally, in managing the sale plan, unforeseen difficulties may arise, whether of a regulatory, human, technical or other nature. Such events may delay or increase the associated costs.

Risk management (control and mitigation)

When making acquisitions, the Group implements:

- a procedure for analysing the risks inherent to the target and linked to its historical practices. These analyses notably include due diligence that may be carried out by specialised consultants, covering all aspects of the target under consideration, including financial, tax-related, legal and operational matters;
- a specific integration plan outlining the human and material resources required to cover the identified risks as well as a schedule for the plan's completion.

When making disposals, the Group also uses specialised consultants for the due diligence process, to ensure that it is carried out under optimal financial conditions.

The Group has employees and key skills in this area.

According to the scope of the operation considered, asset disposal operations and acquisitions are subject to the approval of the Board of Directors.

4.3.2. Financial risks

I. LIQUIDITY RISKS

Description of the risk	Potential impacts on the Group
Liquidity risk is the risk of a company not having the necessary funds to settle its commitments when they fall due. Casino Group is exposed to liquidity risk as it has a high level of debt financing. In addition, the Group's access to sources of financing (including negotiable European commercial paper [NEU CP] programmes) has been limited since May 2019 amid increased volatility (Rallye safeguard proceedings, downgrade in the Group's credit rating by Standard and Poor's and Moody's, and market volatility), even though this risk was considerably reduced by the refinancing transactions carried out at end-2019, extending the maturity of the Group's credit facilities in France. Its loan and bond agreements include acceleration clauses, as described below. These clauses include financial covenants, the non-compliance with which may lead to a request for cancellation and early repayment of credit from the lenders involved.	If this risk were to occur, the Group could experience financial difficulties and, in the worst case scenario, its survival could be threatened.

Risk management (control and mitigation)

The Group's liquidity policy is to ensure, to the extent possible, that it always has sufficient liquid assets to settle its liabilities as they fall due, in either normal or impaired market conditions.

The main methods used consist of:

- diversifying financing sources;
- diversifying borrowing currencies;
- maintaining a level of confirmed financing facilities significantly in excess of the Group's payment obligations at all times;
- limiting the amount of annual repayments and proactively managing the repayment schedule;
- managing the average maturity of debt.

The liquidity analysis is performed both at the level of Casino, Guichard-Perrachon (taking into account the cash pool operated with all French subsidiaries) and for each of the Group's international subsidiaries.

All business units submit weekly cash reports to the Group and all new financing facilities require prior approval from the Corporate Finance department.

At 31 December 2019, the Group's liquidity position in France was robust, with €1,793 million of cash and cash equivalents and €2.3 billion of confirmed, undrawn credit lines with an average maturity of 3.6 years.

A fraction of the credit lines can be used throughout the year to respond to the business' seasonal needs.

In addition, the Group has signed asset sale agreements for the equivalent of around €900 million in cash inflows for the coming months (Leader Price and Vindémia) and is expecting an earn-out on Apollo and Fortress of up to €250 million. The total amount of expected cash inflows on asset sales is therefore substantially larger than the €597 million bond repayment due in May 2021.

Rallye's safeguard proceedings launched in May 2019 prompted Standard and Poor's and Moody's to downgrade Casino's credit rating. At 31 December 2019, Casino was rated B and B2 (negative outlook) by Standard and Poor's and Moody's, respectively, compared with its BB and Ba1 (negative outlook) ratings at 31 December 2018.

Casino's access to the negotiable European commercial paper market (NEU CP) was restricted following the launch of Rallye's safeguard proceedings, although the amount outstanding under these instruments has increased once again since bottoming out in August. At 31 December 2019, amounts outstanding under commercial paper issues represented €129 million (versus €221 million at 31 December 2018).

However, Rallye's safeguard proceedings did not have a negative impact on goods payment periods. Furthermore, to our knowledge, credit insurers have not reduced the amount of their cover for the Group's borrowings.

On 2 March 2020, Casino, Guichard-Perrachon was informed by its controlling shareholder Rallye that on 28 February, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol, and for their parent companies, Foncière Euris, Finatis and Euris.

Risk management (control and mitigation)

The Group renegotiated all of its credit facilities in France in November 2019 and signed a new €2.0 billion confirmed credit line maturing in October 2023. The new line was subscribed by 21 French and international banks. The remaining syndicated credit lines include banks that have not committed to participating in the new credit line.

Casino also proved its ability to raise funds on the capital and private placement markets in two transactions carried out in November 2019: a €1 billion secured term loan and an €800 million secured high-yield bond issue (carried out by Quatrim, an indirect wholly-owned Casino subsidiary). These two financing operations maturing in January 2024 were largely oversubscribed.

The Group has posted collateral and sureties in respect of these two operations, as well as for its new €2.0 billion confirmed credit line.

Apart from this financing, Casino, Guichard-Perrachon's debt and the debts of its main subsidiaries (GPA, Éxito and Monoprix) are unsecured, except for loans obtained by GPA from BNDES, which totalled €6 million at end-2019.

Under its new €2.0 billion confirmed credit line, Casino is required to comply with two financial covenants, tested quarterly as from 31 March 2020. These covenants are calculated for the France and e-commerce scope as follows:

- adjusted gross debt(1) divided by EBITDA, the required level of which depends on the test periods (see details in Note 11.5.4 to the consolidated financial statements);
- EBITDA divided by net finance costs, which must be higher than 2.25x.

Casino, Guichard-Perrachon's other confirmed lines of credit are subject to a covenant based on the consolidated net debt/EBITDA ratio at 31 December each year, which must be less than 3.5x. This covenant was respected as at 31 December 2019 (calculations differ according to lines, see details in Note 11.5.4 to the consolidated financial statements).

The financing facilities of GPA, Éxito and Monoprix are also subject to hard covenants. All of the covenants were complied with at 31 December 2019.

(1) "Loans and other borrowings" for the France Retail and E-commerce segments, as presented in Note 11.2.1.

Liquidity risk is discussed at length in Note 11.5.4 to the 2019 consolidated financial statements (see Chapter 2 of this Universal Registration Document).

II. MARKET RISKS

Description of the risk	Potential impacts on the Group
Due to its geographically diversified business base, its activities and its level of debt, the Group is exposed to various market risks, including: ▪ foreign currency risk: currency translation risk on the translation of the balance sheets and income statements of subsidiaries outside the euro zone and transactions denominated in currencies other than the euro. Currency translation risk primarily concerns the financial statements of the Group's subsidiaries in Brazil and Colombia and arises from changes in exchange rates for the Brazilian real and Colombian peso against the euro; ▪ interest rate risk: interest rate risk is the risk of the Group experiencing an increase in borrowing costs due to higher interest rates.	An unfavourable change in exchange rates could have a negative impact on the consolidated financial statements (translation risk) and lead to financial losses (transaction risk). At 31 December 2019, an increase of 10% in the value of the euro against the Brazilian real would have had a negative impact of €1,124 million on total revenue, of €39 million on trading profit, of €10 million on net profit and of €466 million on equity. An increase of 10% in the value of the euro against the Colombian peso would have had a negative impact of €291 million on total revenue, of €14 million on trading profit, of €1 million on net profit and of €167 million on equity. Transaction risk mainly concerns goods purchases billed in US dollars. The materialisation of interest rate risk may have an adverse impact on the Group's financial performance. Assuming the net debt structure and management policy are constant, a 100-bps annual increase (decrease) in rates across the yield curve would lead to a 9.4% or €33 million increase (7.1% or €25 million decrease) in finance costs. For the purposes of the analysis, all other variables, particularly exchange rates, are assumed to be constant.

Risk management (control and mitigation)

Group policy consists of hedging currency transaction risk on highly probable future purchases (mainly goods purchases billed in US dollars). The risk is hedged through forward purchases of the payment currency. Currency risks on debt issues denominated in a currency other than that of the issuer are hedged in full.

The Group uses standard financial instruments such as interest rate swaps and forward currency transactions to manage its exposure to interest rate risks and currency risks. These instruments are mainly over-the-counter instruments transacted with first-class bank counterparties. Most of these transactions or derivative instruments qualify for hedge accounting.

However, like many other large groups, Casino may take very small, strictly controlled positions that do not qualify for hedge accounting, for more dynamic and flexible management of its interest rate exposures.

Interest rate risk is managed by monitoring and, when necessary, adjusting the interest cover ratio based on rate forecasts. The aim is to manage the risk of an increase in interest rates and optimise borrowing costs.

Various standard instruments are used to implement this strategy, but mainly interest rate swaps and options.

Specifically, Casino, Guichard-Perrachon's and Quatrim's debt is mainly composed of fixed-rate bonds and a Term Loan B (representing a principal amount of €4,679 million and €1,000 million, respectively, at 31 December 2019). Interest streams on part of this debt were swapped for variable rate streams. At 31 December 2019, the interest rate risk on Casino, Guichard-Perrachon's bond debt and on the Term Loan B breaks down as: 26% at fixed rates (€1,471 million), 28% at a capped or floored variable rate (€1,607 million) and 46% at a variable rate (€2,601 million).

Note 11.5.2 to the 2019 consolidated financial statements includes an analysis of the sensitivity of debt to a 100-bps increase or decrease in interest rates.

Liquidity risk is discussed at length in Note 11.5.2 to the consolidated financial statements at 31 December 2019 in Chapter 2 of this Universal Registration Document.

4.3.3. Corporate social responsibility (CSR) risks

I. CLIMATE CHANGE

Description of the risk

Owing to its geographical footprint, Casino Group is exposed to significant country risks related to climate change.

These involve a broad range of risks, since current climate-related disruptions can have impacts at several different levels, for example:

- on the Group's businesses, due to the increase in extreme weather events such as extreme rainfall in France, which resulted in the Seine river reaching a 100-year high in Paris, a mix of drought and torrential rain in Brazil, and floods, storms and landslides in Colombia;
- on Group products sold by stores, due to significant, fast-paced changes in customers' purchasing behaviour;
- on the supply chain, due to increasingly strict regulations for deliveries in city centres, for example;
- on access to financing, in the event of a failure to meet target greenhouse gas reduction goals under the Paris Agreement;
- on the Group's image and reputation among its customers and stakeholders, who expect companies to actively fight against climate change.

Potential impacts on the Group

Natural disasters could affect the continuity of the Group's business, or its assets, customers and employees, with potential consequences for its operations and financial position.

An increase in the occurrence of such extreme events would have not only direct consequences for the Group's operations (business interruption/supply chain difficulties), but also an indirect impact through higher raw material prices, energy prices and insurance premiums, a drop in sales of seasonal products and changes in consumer habits.

Risk management (control and mitigation)

Policies and action plans are in place to help reduce greenhouse gases, and thereby mitigate the impacts of climate change.

The Group is contributing to the effort to limit global warming by deploying a low-carbon strategy that is aligned with international objectives for the reduction of greenhouse gas emissions. In this respect, Casino has committed to reducing its scope 1 and 2 greenhouse gas emissions by 18% by 2025 compared with 2015. These commitments have been validated by the Science Based Targets Initiative and are consistent with the objectives of reducing the increase in global surface temperature to less than 2°C, as defined by the Paris Agreement. This concerns all the main sources of greenhouse gas emissions generated by the Group's business activities. All of the Group's units are implementing action plans.

The Group draws up action plans and implements measures to mitigate the impacts of these risks. For example, on the issue of refrigerant leakage, cooling equipment carrying refrigerant with a significant adverse impact on global warming is gradually being replaced. Regular maintenance operations are also performed to limit leakage. In terms of goods transport, the Group endeavours to minimise road transport in favour of shipping, or even electrically-powered transport wherever possible (France). The business units all have their own business continuity plans.

The Group's policy of improving coverage of these risks was pursued during the year. In France, natural disaster cover represents €400 million, while flood insurance cover is limited to €100 million. Internationally, natural disaster cover is between €80 million and €160 million, depending on the country.

For additional information, see Chapter 3 Corporate Social Responsibility Report and Non-Financial Information Statement.

II. RISKS RELATED TO PRODUCT QUALITY AND SAFETY

Description of the risk	Potential impacts on the Group
Guaranteeing product traceability and safety and complying with health and safety standards in stores is a major challenge. From product specifications to store operations, the Group strives to ensure that it sells safe, healthy products of the highest quality. Sales of food products for human consumption expose the Group to health risks such as product contamination, food poisoning, inaccurate labelling or spoilage. A health crisis can be caused by flaws in product quality, compliance or safety, or by a failure to implement product withdrawal or recall procedures, leading to food poisoning.	In the event products are contaminated or spoiled, or inaccurately labelled, they may have to be withdrawn or recalled, or inventories may have to be destroyed, leading to negative publicity, the temporary closure of warehouses, and significant compliance or remediation costs. Complaints or legal action may also be filed against the Group for suspected or proven illness, injury or death linked to a contaminated product or to other incidents compromising the safety and/or quality of products sold by the Group. High-profile litigation, large-scale product recalls or any other events leading to a loss of consumer confidence in the safety and/or quality of the Group's products could harm its brands, reputation and image and have a negative impact on its net sales, profitability, growth outlook and financial performance.

Risk management (control and mitigation)

The Group Quality department defines and implements product and supplier control processes for Casino private-label and similar products, value lines bearing the Casino seal of approval and direct imports. Quality audits are carried out at supplier plants, particularly those that manufacture Casino private-label products. Analytical product control plans are also drawn up and implemented.

The Group Quality department coordinates regular exchanges of information with the various local Quality departments, which are responsible for guaranteeing the quality of private-label products and ensuring that all products sold are safe for the consumer.

Withdrawals or recalls of defective or non-conforming products are formally documented and implemented around 200 times a year for various reasons. Withdrawals of products presenting serious dangers to consumer health are extremely rare. However, despite these robust, tried and tested procedures, in early 2018 a series of unusual factors prompted the Group to accelerate deployment of its system to prevent withdrawn or recalled products being scanned at the check-out and bring forward the withdrawal/recall system upgrade. In order to set up an efficient warning system and take proportionate action, a system has been tested and deployed to assess the seriousness of each situation leading to the withdrawals/recalls.

For additional information, see Chapter 3 Corporate Social Responsibility Report and Non-Financial Information Statement.

III. SOCIAL AND ENVIRONMENTAL IMPACT OF THE SUPPLY CHAIN

Description of the risk

Due to its business activities, the Group is exposed to risks related to the social and environmental impact of its supply chain.

Social impacts concern its suppliers' compliance with human rights and fundamental freedoms (e.g., prohibiting child and forced labour, combating discrimination, guaranteeing freedom of association, offering at least the minimum wage, and ensuring occupational health and safety).

The Group also monitors the environmental impact of its suppliers' businesses in terms of water and soil pollution, greenhouse gas emissions, deforestation, the sustainable management of resources and waste management.

Potential impacts on the Group

The Group may incur penalties in the event it fails to comply with the French "duty of care" law of 27 March 2017 or with commitments undertaken in the context of the UN Global Compact.

Potential impacts may also result from damage to the Group's image and reputation, which could affect its business, sustainability rating and financial position.

Risk management (control and mitigation)

The Group looks to ensure responsible management of risks related to the social and environmental impact of its supply chain.

One of the primary goals of CSR policy is to monitor and improve the social and environmental impacts of the supply chain.

Social, human and environmental risks associated with the Group's suppliers and business units are also assessed on a regular basis within the scope of the annual risk map review. The Duty of Care Committee set up in 2017 is responsible for analysing the results of the risk map and ensuring that appropriate action plans are in place to mitigate those risks and prevent serious harm. Suppliers manufacturing private-label products containing palm oil and beef suppliers in Brazil are subject to regular assessments and actions to mitigate risks or prevent serious harm. A specific procedure for monitoring suppliers of private-label products (including textiles) based in high-risk countries rounds out the social and environmental compliance measures applicable to the Group's suppliers.

For additional information, see Chapter 3 Corporate Social Responsibility Report and Non-Financial Information Statement.

4.3.4. Legal and regulatory risks

LEGAL AND REGULATORY COMPLIANCE RISKS

Description of the risk

Due to the nature of its businesses and its international reach, the Group is subject to a wide variety of local laws and regulations, including labour, competition, retail and consumption, planning, personal data protection, and health and environmental laws.

The Group considers that the **anti-corruption provisions of France's Sapin II Act** and the **European General Data Protection Regulation (GDPR)** give rise to the greatest legal and regulatory risks, because they have only recently been adopted and because their impact in terms of penalties and reputational damage could be significant.

The Group receives and manages certain personal financial information concerning its customers and employees. It uses independent service providers to process payments made by customers via bank or credit cards. Its online operations are based on the secure transfer of confidential information via public networks, including electronic payments. The protection of data about its customers and employees is also a major focus.

Both in France and abroad, the Group is subject to all laws and regulations governing the operation of establishments open to the public, notably health and safety regulations and product compliance and safety regulations, and of regulated facilities (service stations).

Potential impacts on the Group

Despite measures taken to comply with the regulations applicable to its business activities, the Group cannot guarantee that all risks will be eliminated, due mainly to ever stricter and broader regulatory, investigative and supervisory tools and methods and the associated penalties. The materialisation of such a risk could negatively impact the Group's business activities, results or reputation.

Risk management (control and mitigation)

- The Group Legal department's role is to ensure that the Group's operations comply with the applicable laws and regulations. The heads of business units and their representatives are responsible for ensuring compliance with the applicable laws in their host country. The Group Risk Management and Compliance department, in liaison with the Group Legal department and the relevant business unit departments, is responsible for identifying risks related to laws and regulations and for ensuring that the associated controls are properly applied.
- Measures have been taken since 2016 to raise awareness of the European General Data Protection Regulation as well as other legislation arising from it. A Data Compliance Committee, which meets monthly, was set up to monitor the "Personal Data Protection" compliance actions carried out by the banners, to arbitrate between different banner positions on compliance matters, and to discuss and anticipate the operational challenges arising from regulatory changes.
- A Group Ethics Committee was set up in 2016, while a Steering Committee responsible for monitoring the implementation of Sapin II Act requirements was set up in January 2017. Several new departments or positions (ethics officers, Risks and Compliance department) were also created and tasked with drawing up and implementing the necessary procedures and ensuring the Group's compliance with the provisions of the new law.

More detailed information on the action taken by the Group to prevent bribery and corruption can be found in section 3.4 Ethics and compliance of Chapter 3 Corporate Social Responsibility Report and Non-Financial Information Statement.

4.4. INSURANCE – RISK COVER

Overview of the insurance policy

Risks are insured under master policies – whenever this is allowed under local regulations and does not pose any operational problems – in order to ensure consistent levels of cover and benefit from economies of scale by pooling risks.

The Insurance department, which reports to the Group Finance department, is notably responsible for:

- contributing to the risk culture;
- helping to identify and analyse operational risks and transferring them to the insurance market;
- defining and coordinating French and international life and non-life insurance programmes;
- managing and controlling the captive reinsurance company;
- managing and overseeing claim processes;
- contributing to the crisis management process;
- supporting the distribution of insurance products (affinity products, franchisee insurance).

To help the department to fulfil these responsibilities, the Group uses the services of international brokers, engineering firms and consulting firms. The programmes are purchased from leading insurance companies with a satisfactory financial strength rating that are specialised in insuring major risks. The Group has purchased several international insurance programmes. Where permitted under local laws and regulations, risks are insured directly under the master policies. Alternatively, the master policies may increase or extend the limits or conditions of cover available under policies purchased locally.

Assessment of insurance cover and related costs

SELF-INSURANCE

To manage and control its insurance costs, in 2019 the Group continued its policy of self-insuring small, high-frequency claims, corresponding mainly to civil liability and property damage claims.

In addition to the partial self-insurance represented by deductibles, the Group reinsures part of its property damage risks through its captive reinsurance company in Luxembourg. In 2019, the reinsurance captive's commitments continued to be capped at €10 million per year.

This strategy helps to strengthen the Group's control over risks and the management of claims while also keeping premiums as low as possible.

SUMMARY OF INSURANCE COVER

In 2019, the Group pursued its policy of rationalising its insurance programmes covering all French and international subsidiaries.

The insurance programmes described below are those for 2018, which were still in force as of the date of this report. They may be changed at any time to account for changing risks and developments in the activities to be insured, changes in claims experience, or changes in insurance provider decided by the Group, in particular to account for insurance market capacity, available cover and rates.

PROPERTY DAMAGE AND BUSINESS INTERRUPTION INSURANCE PROGRAMME (INCLUDING NATURAL DISASTER AND POLITICAL VIOLENCE COVER)

The aim of this programme is to protect the Group's assets. It covers fire, flood, explosion, natural disasters, terrorism and political violence, subsidence, electrical damage, business interruption and tenant risks.

In 2019, the Group rolled over the programme with the same limit of €400 million per claim and per year. In France, natural disaster cover also represents €400 million, while flood insurance cover is limited to €100 million. Internationally, natural disaster cover is between €80 million and €160 million, depending on the country. Cover for acts of terrorism and political violence in France and internationally is €148 million and €150 million, respectively.

CIVIL LIABILITY INSURANCE PROGRAMME

This programme covers the Group for all losses that might be incurred due to bodily injury, damage to property or consequential loss suffered by third parties that may be caused by the Group's fault, error, omission or negligence in the performance of a service and/or its business operations. General liability cover is capped at €75 million per claim and per year, with the same limits applicable to professional liability cover.

OTHER INSURANCE PROGRAMMES (MANDATORY AND DISCRETIONARY)

Additional or separate insurance programmes may be purchased due to the specific nature of certain activities or risks. These programmes are purchased on an international basis or locally in liaison with the subsidiaries, either because they need to be managed locally or for regulatory or cost reasons.

These insurance programmes mainly concern the following policies:

- health and death/disability insurance in France;
- general liability insurance;
- environmental liability insurance;
- building manager and/or property portfolio manager professional liability insurance;
- fleet insurance;
- construction insurance: structural damage/non-builder developer/comprehensive site insurance, etc.;
- transported goods insurance;
- corporate officers' liability insurance;
- cybercrime insurance;
- fidelity insurance.

The Group believes that the guarantees and insured amounts under these master insurance policies correspond to those generally purchased by companies of a similar size operating in the same industry. When permitted by law, the Group will pursue its policy of purchasing worldwide master insurance policies in order to improve and/or increase the levels of cover or the management of risks in areas where this is necessary, while controlling the associated costs.

4.5. SAFEGUARD PROCEEDINGS AT THE GROUP'S PARENT COMPANIES – IMPLEMENTATION OF A GOVERNANCE SYSTEM

Most of the capital and voting rights in Casino, Guichard-Perrachon (the "Company") are held by Rallye SA ("Rallye"). On 23 May 2019, the Paris commercial court opened safeguard proceedings with respect to Rallye (and its subsidiaries Cobivia, HMB and Alpétrol), as well as its parent companies Foncière Euris, Finatis and Euris. Safeguard proceedings are designed to protect companies facing unresolvable difficulties but which are not insolvent, by giving them sufficient time to restructure their debt and secure their long-term operations. As a result of the proceedings, the financial liabilities of these companies have been frozen.

The safeguard proceedings do not concern Casino, which has conducted its business and strategy – including in terms of debt reduction – in line with its business and asset disposal plans since the proceedings were opened.

The Rallye safeguard proceedings notably had two immediate impacts at the level of the Company:

- on 28 May 2019, Standard & Poor's downgraded Casino Group's rating to B/negative outlook (from BB/negative outlook). On 31 May 2019, Moody's downgraded the Group's rating to B1/negative outlook (from Ba3/negative outlook);
- the outstanding amount under the Negotiable European commercial paper ("NEU CP") programme was reduced.

In this context, Casino implemented a plan to strengthen its liquidity and financial structure in a transaction that was finalised on 21 November 2019 (for further information, see Chapter 2).

On 28 February 2020, the Paris commercial court approved the safeguard plans for Rallye and its subsidiaries Cobivia, HMB and Alpétrol, and for their parent companies, Foncière Euris, Finatis and Euris.

Casino Group took note of the court's decisions, which impose financial commitments on these companies from 2023, and confirmed that the implementation of its 2020-2022 strategic plan would continue. The plan involves enhancing the Group's unique positioning on buoyant formats (premium, convenience and e-commerce) and geographies, accelerating fast-growing business lines (energy and data) and, in financial terms, giving priority to debt reduction and recurring cash flow generation.

It should be noted that the only decisions taken to date by Casino Group concerning its asset disposal plan and its dividend policy have already been communicated:

- an asset disposal plan totalling €4.5 billion in France to be implemented by the end of first-quarter 2021, which will complete the Group's commercial transformation begun several years ago, including €2.1 billion signed and €1.8 billion in proceeds to date;
- no dividend payment in 2020.

Decisions on future payouts will be taken in light of the Group's financial position, and will take account of the interests of the Company and compliance with its loan and bond agreements.

4.5.1. Potential conflicts of interest

In light of these proceedings and the implementation of the safeguard plans, conflicts of interest could arise. For example, the majority shareholder could vote in favour of increasing debt and selling certain items of property, plant and equipment, which could increase the Group's debt servicing obligations or reduce its ability to generate net sales or lead to the issue of dividends, at the expense of the Group's financial position.

The perception of safeguard proceedings by various stakeholders may lead to a loss in the value of the Casino share, or to creditors being reluctant to lend on favourable terms, or to lend outright. Suppliers could also introduce stricter payment conditions and credit insurers could reduce or suspend their cover for the Group's suppliers. No such action has been identified to date however.

If the safeguard plan is not implemented, this could lead to *redressement judiciaire* (court-ordered administration) proceedings for Rallye, which could in turn result in the loss of control of the Company by Rallye or its holding companies. The Company pointed out that a loss of control would have no legal impact on Casino's debt and would not constitute an event of default, either under the bank financing documentation or under the bond financing documentation of Casino (see the press release dated 12 July 2019). Neither would the loss of control of Casino by Rallye or its holding companies constitute a change of control under the bank and bond documentation signed in November 2019 for the Group's refinancing transaction. It would therefore not have an impact on this new Casino debt. For more information, see Note 11 to the consolidated financial statements.

4.5.2. Governance measures implemented by the Company

At its meeting on 13 June 2019, the Board of Directors decided to follow the recommendation of the Governance and Social Responsibility Committee by setting up a specific governance framework in response to the initiation of safeguard proceedings at the level of the Group's parent companies. The Governance and Social Responsibility Committee was given responsibility for dealing with issues arising from the safeguard proceedings, including:

- exchanging information with Rallye and the Group's other parent companies concerning the preparation, negotiation and implementation of the parent companies' safeguard plans;
- assessing the consistency of the safeguard plans prepared by the holding companies with Casino's strategic objectives, as determined by the Board of Directors;
- reviewing any Board decisions related to the implementation of the safeguard plans or that could potentially be affected by the safeguard proceedings applicable to the parent companies (for example, implementation of the current disposal plan and possible adjustments thereto, any decision to pay a dividend, or the assessment of any related-party agreements with companies concerned by the safeguard proceedings).

This framework aims to ensure that the governance mechanisms in place at Casino are appropriate and notably that the Board of Directors is in (i) a position to continue to provide its members with full and accurate information, (ii) make impartial and objective decisions, with a view to protecting Casino's corporate interest, and (iii) identify and contain potential conflicts of interest within the Board.

For further information on the composition of the Board and the Company's governance structure, please refer to Chapters 5.5.2, 5.3 and 5.5.5 of this Universal Registration Document.

4.6. SPECULATIVE ATTACKS ON THE SHARE PRICE

- At the end of 2015, Casino and Rallye asked France's securities regulator, the AMF, to conduct an investigation following the distribution by Muddy Waters Capital – while trading was in progress – of a report containing untrue or misleading information about the Group, triggering an abrupt, very steep fall in the Casino share price. On 17 December 2019, the AMF closed the investigation opened in February 2016, without taking any further action. On the same day, it published a press release announcing that letters had been sent to both Casino and Muddy Waters Capital and specifying as follows:

  "The letter of observations sent to Casino concerns the quality of its financial information between 2013 and 2018, and in particular regarding transactions qualified as 'property development.' The AMF reminded Casino of the importance of compliance with the relevant regulations for the proper functioning of the market and investor protection.

  The AMF also sent a letter of observations to Muddy Waters Capital on the issuing of investment recommendations. The letter of observations stresses the importance of compliance with the principles of honesty, fairness and impartiality that apply to any person issuing investment recommendations, including from abroad, where these recommendations involve securities admitted to trading on a regulated market and can be accessed from France. The [AMF] Board considers that Muddy Waters Capital's communications constitute investment recommendations.

  In addition, in view of the practices it has observed and the many reports produced on the subject in recent weeks, the AMF Board plans to inform the public on its approach and proposals regarding the issue of shareholder activism, in the first quarter of 2020."

- Moreover, in September 2018, Casino and Rallye once again applied to the AMF concerning new speculative attacks, suffered since June 2018 and giving rise to short selling on an unprecedented scale, massive borrowings of Casino securities and misinformation campaigns, all with the aim of artificially reducing share prices and destabilising the Group's companies and their employees and shareholders.

  As such, they filed a criminal complaint in October 2018 with the Public Prosecutor for price manipulation, in addition to a complaint for false allegations in November 2018.

- The speculative attacks on the share price of Casino and Rallye continued in 2019. The Casino share thus recorded a sharp decrease in April, which was exacerbated in May 2019. Given the additional Casino share collateral that had to be obtained for credit lines, and given the associated risks, Rallye and its parent companies were forced to file for safeguard proceedings with the Paris commercial court on 21 May 2019.

- To the best of the Company's knowledge, the investigations opened by both the AMF and the Financial Prosecutor in autumn 2018 are still in progress.

Chapter
5

Corporate Governance Report

The Board of Directors' report on corporate governance ("Corporate Governance Report"), prepared pursuant to Article L. 225-37, last paragraph, of the French Commercial Code (*Code de commerce*), was reviewed and approved by the Board of Directors at its meetings of 25 March 2020 and 27 April 2020.

The section of this Report on the composition of the Board of Directors, the diversity policy applicable to its members, the offices and positions held in any other company by each corporate officer during the financial year, the conditions applicable to the preparation and organisation of the Board's work, the choices for the way in which senior management authority is exercised, the limits that the Board of Directors has imposed on the powers of the Chairman and Chief Executive Officer, the corporate governance code to which the Company adheres, and the agreements described in Article L. 225-37-4 of the French Commercial Code is set forth in this chapter (Chapter 5).

Chapter 6 contains the section of this Report presenting the compensation and benefits of any kind granted to the corporate officers, as well as the components of compensation paid or granted to the executive corporate officer and the other corporate officers during or in respect of 2019 in consideration of their position pursuant to Article L. 225-37-3 of the French Commercial Code, and the compensation policy for the corporate officers pursuant to Article L. 225-37-2 of the French Commercial Code, which are respectively subject to binding *ex post* and *ex ante* votes at the Annual General Meeting.

The provisions of the Articles of Association relating to shareholder participation at shareholders' meetings and the information that could have an impact in the event of a public tender offer, pursuant to Article L. 225-37-5 of the French Commercial Code, are set forth in Chapter 8, on pages 393 and 395, respectively. The table showing outstanding delegations of authority granted at the Annual General Meeting with respect to capital increases is presented in Chapter 7, page 379. For further information on the content of the Corporate Governance Report, please refer to the cross-reference table on page 412 of this Universal Registration Document.

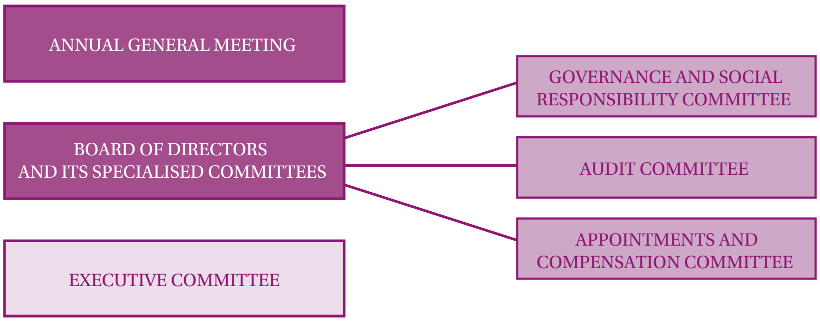
The Corporate Governance Report was prepared by the Secretary of the Board with input from Senior Management and the Group's Legal department. This Report was prepared on the basis of applicable law and regulations, the Afep-Medef Code revised in June 2018 and January 2020, the recommendations contained in the Code's guidelines updated in January 2019, the 2019 Activity Report of the High Commission on Corporate Governance (*Haut comité de gouvernement d'entreprise*), the recommendations of the French financial markets regulatory authority (*Autorité des marchés financiers* – AMF), and the recommendations of shareholders, voting consultants and non-financial rating agencies.

A draft of the Report was submitted to the Governance and Social Responsibility Committee and the Appointments and Compensation Committee on matters in their respective scopes of responsibility at their meetings prior to the review and approval by the Board of Directors.

The Statutory Auditors have stated in their report on the statutory accounts (pages 151 to 154) that said Report contains the information required of the report on corporate governance by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code, that they attest to the accuracy and the fairness of the information provided pursuant to the provisions of Article L. 225-37-3 relating to compensation and benefits received by the corporate officers and any other commitments made in their favour, and that they have no comments on the information relating to matters that could have an impact in the event of a takeover bid or exchange offer.

5.1. SUMMARY OF GOVERNANCE AT 25 MARCH 2020

Governance structure

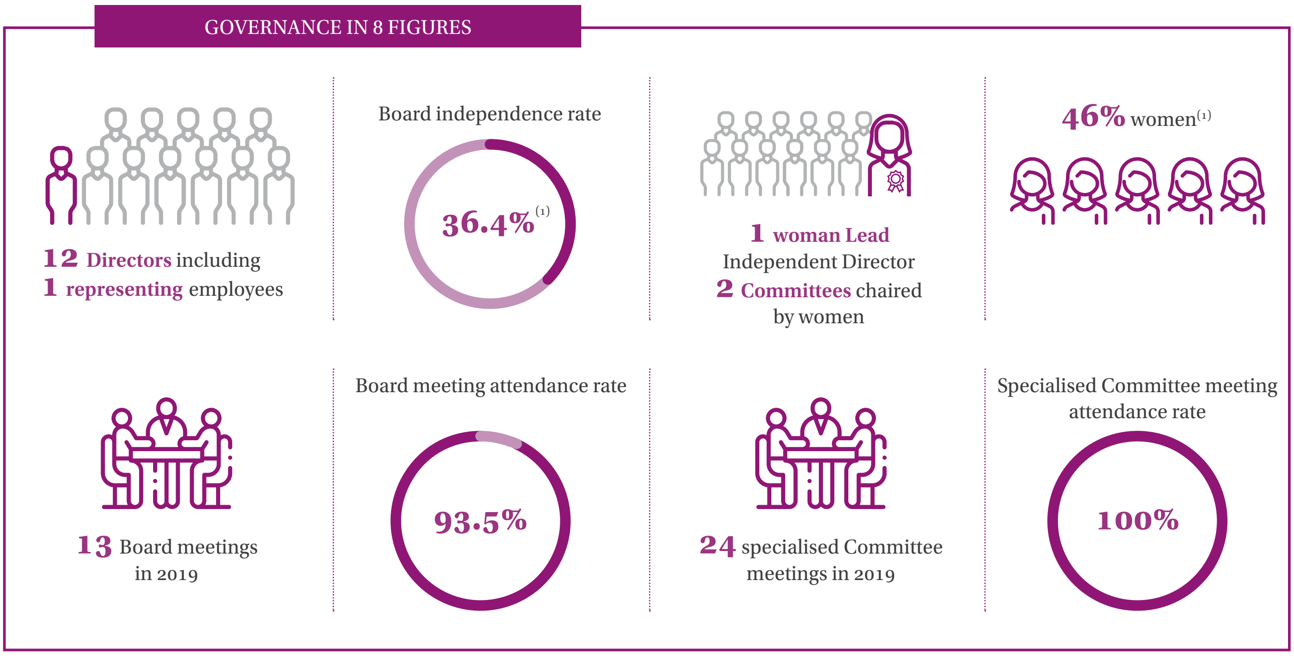


Casino, Guichard-Perrachon ("Casino" or the "Company") is ultimately controlled by Euris, an unlisted company, which is chaired by its majority shareholder Jean-Charles Naouri (see the ownership structure presented on page 381 of the Universal Registration Document).

The Board of Directors is chaired by Jean-Charles Naouri, who is also the Chief Executive Officer. It has a balanced structure and undertakes to meet best corporate governance practices, alongside its three Committees:

- It helps to define and oversee the implementation of Casino Group's sustainable growth strategy in the interests of the Company and its stakeholders.
- It regularly reviews its operation.
- It has appropriate procedures in place to identify, prevent and manage potential conflicts of interest.

Governance in 8 figures

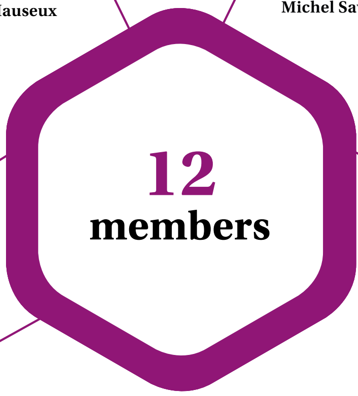


(1) Excluding the Director representing employees, in accordance with the Afep-Medef Corporate Governance Code for French listed companies or as required by law.

Diversity of the Board of Directors

4 Independent Directors
Catherine Lucet – Lead Director
Nathalie Andrieux
Christiane Féral-Schuhl
Laure Hauseux

5 representatives of the majority shareholder
Jean-Charles Naouri – Chairman and Chief Executive Officer
Jacques Dumas – Representative of Euris
Didier Lévêque – Representative of Finatis
Odile Muracciole – Representative of Matignon Diderot
Michel Savart – Representative of Foncière Euris



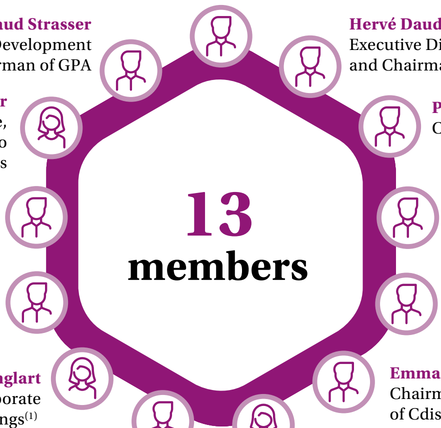
2 Directors not qualifying as independent
David de Rothschild
Frédéric Saint-Geours

1 Director representing employees
Gilbert Delahaye

2 Non-Voting Directors
Gilles Pinoncély
Gérald de Roquemaurel

The Board of Directors has defined its diversity policy and regularly reviews the composition of its membership.

Composition of the Executive Committee



Jean-Charles Naouri
Chairman and Chief Executive Officer

Arnaud Strasser
Executive Director, Corporate Development and Holdings, Vice-Chairman of GPA

Hervé Daudin
Executive Director, Merchandise Director and Chairman of AMC

Tina Schuler
Chief Executive Officer of Leader Price, Casino Supermarchés, Géant Casino and Casino Proximités

Peter Paul Estermann
Chief Executive Officer of GPA

Jean-Paul Mochet
Chairman of Monoprix and Chairman of Franprix

Franck-Philippe Georgin
General Secretary, Executive Committee Secretary

David Lubek
Chief Financial Officer

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

Karine Lenglart
Director of Group Corporate Development and Holdings[1]

Emmanuel Grenier
Chairman and Chief Executive Officer of Cdiscount and Chief Executive Officer of Cnova

Julien Lagubeau
Chief Operating Officer

Cécile Guillou
Chief Executive Officer of Franprix[1]

(1) As from 4 May 2020.

Reference code

The Board of Directors refers to the Afep-Medef Corporate Governance Code for Listed Companies (hereinafter the "Afep-Medef Code"), in particular when drafting the Corporate Governance Report including disclosures on the compensation of corporate officers (Chapters 5 and 6).

The Afep-Medef Code, revised in January 2020, is available on the Company's website (http://www.groupe-casino.fr/en), on the Medef website (www.medef.com) and on the Afep website (www.afep.com).

As part of its corporate governance process, the Board relies on the work of a Governance and Social Responsibility Committee, whose role with respect to social responsibility was broadened at the end of 2017. In order to protect the minority shareholders of the Group's different subsidiaries and parent companies, the Board of Directors introduced a procedure in 2015 whereby agreements entered into by Casino Group related parties are systematically reviewed by the Audit Committee prior to their signing, and in June 2019 it tasked the Governance and Social Responsibility Committee with a specific temporary assignment in connection with the safeguard proceedings iniated on 23 May 2019 at the Company's parent companies (Rallye, Foncière Euris, Finatis and Euris). The initiatives and tasks assigned in this respect to such Committees reflect the determination of the Board of Directors and Senior Management to ensure best corporate governance practices.

The Company's situation in relation to each of the recommendations of the Afep-Medef Code is presented in section 5.5.6.

5.2. COMPOSITION OF THE BOARD OF DIRECTORS

5.2.1. Composition of the Board of Directors at 25 March 2020 *(date of approval of the 2019 financial statements)*

(1) Above the one-third minimum set forth by the Afep-Medef Code. The Director representing employees is not taken into consideration for the calculation of the independence rate, in accordance with the Afep-Medef Code.
(2) Excluding the Director representing employee in accordance with the Afep-Medef Code.

At 25 March 2020, the Board of Directors seats 12 Directors. It comprises 11 Directors elected by the Annual General Meeting and one Director representing employees (appointed in May 2017 by the most representative union) pursuant to Article L. 225-27-1 of the French Commercial Code.

The functions of Chairman of the Board of Directors and of Chief Executive Officer are combined and Jean-Charles Naouri, the Chairman and Chief Executive Officer, is the only Director who performs executive duties.

Directors are elected for a three-year term, and memberships to the Board of Directors are renewed in part each year. The Company's Articles of Association impose a legal age limit according to which no more than one-third of the Directors may be aged over 70.

At 25 March 2020, the members of the Board of Directors were as follows:

	Age/ Gender	Nationality	No. of shares	No. of directorships of listed companies[3]	Independence	First term of office	Term expires	Years on the Board	Participation in Committees: Audit	Governance and Social Responsibility	Appointments and Compensation Committee
Executive Corporate Officer											
Jean-Charles Naouri[1] *Chairman and Chief Executive Officer*	71/M		376[4]	-		2003	2022	17			
Directors											
Nathalie Andrieux	54/W		375	1	☑	2015	2021	5		M	C
Jacques Dumas[1] *Representative of Euris, Director*	67/M		61,368			2015	2020	5			
Christiane Féral-Schuhl	62/W		674	-	☑	2017	2020	3		M	
Laure Hauseux	57/W		700	-	☑	2018	2021	2	M		M
Didier Lévêque[1] *Representative of Finatis, Director*	58/M		275	-		2008	2022	12			
Catherine Lucet *Lead Director*	61/W		445	-	☑	2011	2021	9	M	C	
Odile Muracciole[2] *Representative of Matignon Diderot, Director*	59/W		0	-		2020	2022	-			
David de Rothschild	77/M		400	-		2003	2020	17			M
Frédéric Saint-Geours	69/M		350	-		2006	2020	14	C	M	
Michel Savart[1] *Representative of Foncière Euris, Director*	57/M		22,158	1		2011	2020	9			
Director representing employees											
Gilbert Delahaye *Director representing employees*	64/M		2,144	0	N/A	2017	2020	3			M

(1) Representing the controlling shareholder.
(2) Odile Muracciole was appointed as Matignon Diderot's permanent representative on 4 March 2020, succeeding Diane Coliche.
(3) Excluding Casino/Euris (Euris and its subsidiaries, and Casino, Guichard-Perrachon and its subsidiaries).
(4) The Chairman and Chief Executive Officer also exercises majority control over the Company through Euris (see Chapter 7, Controlling shareholder).
C: Chairman / M: Member.

Gilles Pinoncély and Gérald de Roquemaurel participate in Board Meetings in their capacity as Non-Voting Directors elected for a three-year term (see section 5.2.6 Non-Voting Directors below).

Pursuant to the Board's Internal Rules, each Director appointed at the Annual General Meeting is required to own registered shares, the value of which is equivalent to at least one year's worth of directors' fees. This requirement does not apply to the Director representing employees, as provided by law.

5.2.2. Board diversity policy

The Board of Directors aims to apply the principles laid down in the Afep-Medef Code with respect to its members. Assisted by its Governance and Social Responsibility Committee and its Appointments and Compensation Committee, it periodically reviews its size, structure and membership, and performs a similar review of its Committees. New candidates and re-appointments, which are submitted for approval at shareholders' meetings, take into account the findings of the review into the Board's functioning and are the subject of recommendations by the Appointments and Compensation Committee. Since June 2017, employee representation on the Board has been organised in accordance with applicable law and the provisions of the Company's Articles of Association (see below the changes resulting from French law No. 2019-486 of 22 May 2019 on corporate growth and transformation, the "Pacte Law").

The size of the Board is deemed appropriate. The Board pursues the objectives of maintaining the diversity and complementarity of technical skills and experience among its members, gender balance, and a proportion of Independent Directors greater than the one-third threshold recommended by the Afep-Medef Code for companies having a controlling shareholder, which is the case with the Company. The Group also seeks increased representation by non-French professionals and experts in the retail sector.

Directors are proposed for election or re-election to maintain or achieve such balance and ensure expertise consistent with the Group's business and growth strategy (food retail in France and Latin America, food and non-food e-commerce and related services, commercial real property, CSR improvement programmes, multi-channel strategy and digital innovation) and the technical tasks given to the Board's Committees. Other important factors are their willingness to be part of the Group's growth, their commitment to the Group's ethical standards and social responsibility programme, in addition to their availability in light of the frequency of Board and Committee meetings.

No objective is set in terms of age, except for compliance with the statutory age limit for holding office as a Director. The Board gives priority to ensuring that its members have a wealth of experience and complementary expertise.

The election and re-election of candidates proposed at shareholders' meetings, as well as changes in the Committees, are consistent with the implementation of this policy (see sections 5.2.3 and 5.2.4 below).

New candidates are proposed by independent consulting firms based on the criteria, profiles and areas of expertise specified by the Board and its Committees, and are reviewed by the Appointments and Compensation Committee. The Lead Director and the Chairman and Chief Executive Officer also participate in the selection process.

The resulting diversity of skills on the Board is described in section 5.2.7 below.

CHANGES TO EMPLOYEE REPRESENTATION ON THE BOARD OF DIRECTORS

From 2017, the Company organised employee representation on its Board of Directors in accordance with the procedure applicable at that date under Articles L. 225-27-1 *et seq.* of the French Commercial Code. Gilbert Delahaye was designated in 2017 by the Group's most representative union to sit on the Board of Directors for a three-year term expiring at the end of the 2020 Annual General Meeting. He has been a member of the Appointments and Compensation Committee since 15 December 2017.

The Board of Directors has noted that the amendments made to Articles L. 225-27-1 *et seq.* of the French Commercial Code pursuant to French law No. 2019-486 of 22 May 2019 on corporate growth and transformation (the "Pacte Law") mean that Rallye (the parent company) is now subject to the mandatory procedure on employee representation applicable under said Articles without exception and that its subsidiary Casino, Guichard-Perrachon is therefore no longer subject to said procedure on the basis that employee representation is now organised at the level of its parent company Rallye. Accordingly, the term of office of Gilbert Delahaye cannot be renewed at the close of the 2020 Annual General Meeting. The Board of Directors and the members of the Appointments and Compensation Committee warmly thank Gilbert Delahaye for his contribution to the work of the Board. The Board notes the steps taken by Rallye to implement the procedure for employee representation on its Board of Directors at the close of its 2020 Annual General Meeting.

5.2.3. Changes to the composition of the Board in 2019

Annual General Meeting of 7 May 2019	Expired term	Renewed term	Elections	Departures
	Jean-Charles Naouri Finatis (Didier Lévêque) Matignon Diderot (Diane Coliche) Gilles Pinoncély (Non-Voting Director)	Jean-Charles Naouri Finatis (Didier Lévêque) Matignon Diderot (Diane Coliche)(2) Gilles Pinoncély (Non-Voting Director)	-	Sylvia Jay(1)

(1) Independent member who resigned on 29 July 2019.
(2) Odile Muracciole succeeded Diane Coliche on 4 March 2020.

The Annual General Meeting of 7 May 2019 approved all of the submitted proposals to re-elect and elect Directors. At a meeting held immediately after said Annual General Meeting, the Board of Directors unanimously approved the proposal to keep the positions of Chairman of the Board of Directors and Chief Executive Officer combined and to re-appoint Jean-Charles Naouri to this dual role, in line with the unanimous recommendations of the Governance and Social Responsibility Committee and the Appointments and Compensation Committee.

The Chairman informed the members of the Board of Directors that Sylvia Jay – a Director since 11 May 2012 – had resigned from the Board by way of a letter dated 29 July 2019, citing that her personal and professional activities outside France prevented her from participating in all ordinary and extraordinary meetings, at a time when a greater number of meetings and strong involvement by all members was required.

Following Sylvia Jay's resignation, the proportion of women remains consistent with gender balance provisions, with women representing 46% of Board members (5/11 excluding the Director representing employees as per applicable law). The proportion of independent Board members was 36.4% (excluding the Director representing employees), above the one-third threshold recommended by the Afep-Medef Code. The Board includes one member who has dual nationality.

CHANGE IN THE COMPOSITION OF THE APPOINTMENTS AND COMPENSATION COMMITTEE IN 2019

At the close of the Annual General Meeting of 7 May 2019, the composition of the Board Committees remained unchanged. In October 2019, Audit Committee member Laure Hauseux joined the Appointments and Compensation Committee at its proposal.

	Audit Committee	Governance and Social Responsibility Committee	Appointments and Compensation Committee
After the Annual General Meeting of 7 May 2019	Frédéric Saint-Geours *(Chairman)* Laure Hauseux[1] Catherine Lucet[1]	Catherine Lucet[1] *(Chair and Lead Director)* Nathalie Andrieux[1] Christiane Féral-Schuhl[1] Frédéric Saint-Geours	Nathalie Andrieux[1] *(Chair)* Gilbert Delahaye[2] Sylvia Jay[1] David de Rothschild
From 10 October 2019	Frédéric Saint-Geours *(Chairman)* Laure Hauseux[1] Catherine Lucet[1]	Catherine Lucet [1] *(Chair and Lead Director)* Nathalie Andrieux[1] Christiane Féral-Schuhl[1] Frédéric Saint-Geours	Nathalie Andrieux[1] *(Chair)* Gilbert Delahaye[2] Laure Hauseux[1] David de Rothschild

(1) Independent members.
(2) Director representing employees.

5.2.4. Composition of the Board of Directors submitted to the 2020 Annual General Meeting

2020 Annual General Meeting	Term expiring	For re-election
	Christiane Féral-Schuhl[1] David de Rothschild Frédéric Saint-Geours Euris (Jacques Dumas) Foncière Euris (Michel Savart) Gilbert Delahaye[2]	Christiane Féral-Schuhl[1] David de Rothschild Frédéric Saint-Geours Euris (Jacques Dumas) Foncière Euris (Michel Savart)

(1) Independent member.
(2) Director representing employees. As the Company is no longer subject to the procedure under which the Director representing employees was appointed, it is no longer possible to organise the inclusion of such a Director.

The terms of the following Directors expire at the close of the 2020 Annual General Meeting: Christiane Féral-Schuhl, David de Rothschild, Frédéric Saint-Geours, Euris, Director representing the controlling shareholder, currently represented by Jacques Dumas, and Foncière Euris, Director representing the controlling shareholder, currently represented by Michel Savart.

On the recommendation of the Appointments and Compensation Committee, the Annual General Meeting will be asked to renew their terms for a period of three years.

The annual review of the representation of independent members is conducted by the Board of Directors based on the proposals of the Appointments and Compensation Committee (see section 5.2.5 Independent Directors, below).

The Directors' biographical details are presented on pages 312 and following.

The functions of Chairman of the Board of Directors and Chief Executive Officer, which were combined by the Board of Directors at its meeting dated 21 March 2005, have since been exercised by Jean-Charles Naouri, controlling shareholder of the Group and the sole executive corporate officer of the Company (see section 5.3.1 The Chairman and Chief Executive Officer below).

DIVERSITY AND INDEPENDENCE OF THE BOARD AT THE CLOSE OF THE 2020 ANNUAL GENERAL MEETING

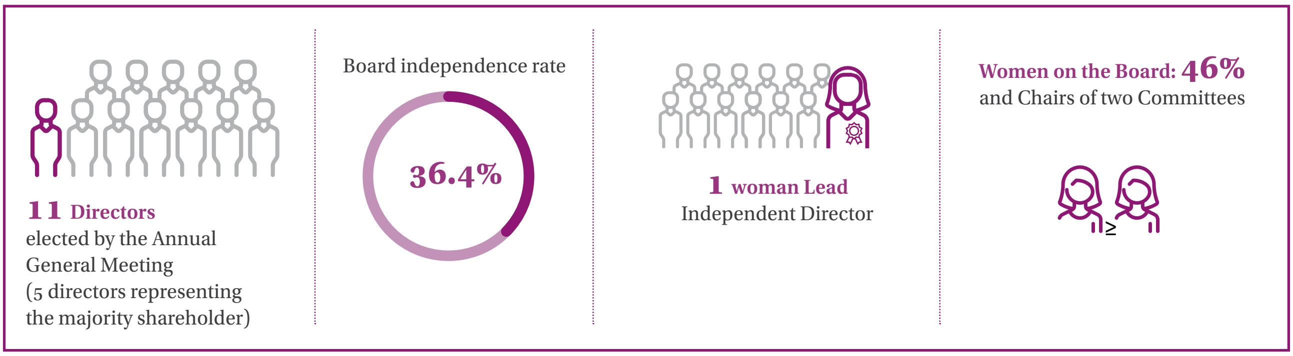
In these conditions, subject to approval of these proposals at the General Shareholders' Meeting, and considering that the Company no longer falls within the applicable scope of the procedure set out in Articles L. 225-27-1 *et seq.* of the French Commercial Code relating to the representation of employees on Boards of Directors, as presented above in section 5.2.2, at the conclusion of the Meeting, the Board will comprise 11 corporate officers. It would have four Independent Directors (i.e., 36.4%), two external Directors not qualifying as independent according to the criteria set out in the Afep-Medef Code, and five Directors representing the controlling shareholder who do not control a majority of votes on the Board of Directors.

46% of Board members (5/11) are women.

Matignon-Diderot, initially represented by Diane Coliche, has been represented by Odile Muracciole, Legal Director of Euris, since 4 March 2020.

The Board has expertise consistent with the Group's business and growth strategy and with the technical tasks given to the Board's Committees. The findings on Director independence and the diversity of skills within the Board are presented in sections 5.2.5 and 5.2.7 below.

On the basis of the recommendations of the Appointments and Compensation Committee, the Board of Directors intends to continue to search for a new independent member to strengthen the proportion of independent members on the Board.



5.2.5. Independent Directors

In accordance with Afep-Medef Code recommendations, during the annual review of its composition, the Board of Directors analysed the representation of independent members on the basis of the proposals of the Appointments and Compensation Committee.

Relying on the definition contained in the Afep-Medef Code, the Board considered that a Director is independent when he or she has no relationship of any kind whatsoever with the Company, its Group or the management of either that could compromise the independence of his or her judgement.

The independence of each Director serving on the Board after the 2020 Annual General Meeting (provided the proposed resolutions concerning re-elections of Directors are approved) has been assessed in relation to all of the independence criteria in the Afep-Medef Code. These criteria are as follows:

- criterion 1: not be an employee or executive corporate officer of the Company, or an employee, executive corporate officer, or Director of a company within the Company's consolidation scope, or of the Company's parent or a company within said parent's consolidation scope, and not have held any of said positions in the previous five years;
- criterion 2: not be a senior corporate executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or a senior executive corporate officer of the Company (currently in office or having held such office for less than five years) is a Director;
- criterion 3: not be (or be related either directly or indirectly to anyone who is) a customer, supplier, investment banker or commercial banker material to the Company or its Group, or that generate a material portion of its business with the Company or the Group;
- criterion 4: not to be related by close family ties to a corporate officer;
- criterion 5: not have been a Statutory Auditor of the Company during the previous five years;
- criterion 6: not have been a Director of the Company for more than 12 years (a Director no longer qualifies as independent once the 12-year threshold is reached);
- criterion 7: not to be a non-executive corporate officer of the Company who receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or the Group;
- criterion 8: not be and not control or represent a shareholder that owns, either alone or together with others, over 10% of the shares or 10% of the voting rights at Company shareholders' meetings (beyond a 10% threshold in shares or voting rights, the Board, upon a report from the Appointments and Compensation Committee, should systematically review the qualification of a Director as independent in the light of the make-up of the Company's capital and the existence of a potential conflict of interest).

The Board has carefully reviewed material business ties, as it does each year (criterion 3). When business flows or relationships have been identified between the Company or Group and companies in which Directors who qualify as independent hold positions or directorships, a number of qualitative and/ or quantitative factors are generally taken into account by the Board to confirm their independence, including the non-materiality of the transactions for each of the parties, the fact that the Director does not hold an executive position within the company or group concerned or does not have a stake in managing the relationship and that the business relationship pre-dates his or her election to the Company's Board.

The Board of Directors has confirmed its analysis of the independence of Nathalie Andrieux, Christiane Féral-Schuhl, Laure Hauseux and Catherine Lucet with regard to the Company or its Group and confirmed that none of them has any direct or indirect business ties with the Company or its Group that might compromise their freedom of judgement.

With regard to Catherine Lucet, the Board has confirmed its assessment that the business ties between the Editis/Nathan group, of which she is an executive corporate officer, and Casino Group in France are unlikely to compromise her independence with respect to matters discussed by the Board, nor are they likely to give rise to conflicts of interest. These business ties largely precede her election to Casino's Board. All transactions are on arm's-length terms and no potential conflict of interest has ever been flagged. Within Casino Group, this type of purchase is managed independently by a dedicated subsidiary, Achats Marchandises Casino (AMC), the central purchasing organisations or the operating subsidiaries, and the number of approved suppliers is significant. After reviewing the parties' respective purchase and sale volumes with each other (which are not disclosed for trade secrecy reasons) compared to their total purchases and sales, as reviewed by the Appointments and Compensation Committee, the Board of Directors found that the transaction volumes were not material for either party.

Catherine Lucet also stated that she has never, since the beginning of her directorship, been the subject of a conflict of interest and that, should any such conflict arise, she would refrain from taking part in any Board discussion or decision involving either of these companies in accordance with the Board's Internal Rules. As in preceding years, David de Rothschild does not qualify as independent owing to the material business relationships he has with the Group and/or its executives. On the basis of length of service provided in the Afep-Medef Code, Frédéric Saint-Geours ceased to qualify as an Independent Director as from the 2018 Annual General Meeting, having at that time served for twelve years. Notwithstanding the strict application of the Code, the Board of Directors and all the Independent Directors consider that Frédéric Saint-Geours retains freedom of judgement and intellectual and ethical independence, which are unanimously recognised and appreciated.

The number of Directors representing the controlling shareholder would be five: Jean-Charles Naouri, Chairman and Chief Executive Officer, Jacques Dumas, Didier Lévêque, Michel Savart, and Odile Muracciole. They do not hold the majority of votes on the Board of Directors. The following table shows the extent to which each member of the Board of Directors will have fulfilled independence criteria after the 2020 Annual General Meeting:

Directors	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Qualification
Nathalie Andrieux	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Christiane Féral-Schuhl(1)	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Laure Hauseux	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Catherine Lucet	yes	yes	yes	yes	yes	yes	yes	yes	Independent
Frédéric Saint-Geours(1)	yes	yes	yes	yes	yes	no	yes	yes	Not Independent
David de Rothschild(1)	yes	yes	no	yes	yes	no	yes	yes	Not Independent
Jean-Charles Naouri	no	yes	yes	yes	yes	no	yes	no	Not Independent
Jacques Dumas, representing Euris(1)	no	yes	yes	yes	yes	yes	yes	no	Not Independent
Didier Lévêque, representing Finatis	no	yes	yes	yes	yes	no	yes	no	Not Independent
Odile Muracciole, representing Matignon Diderot	no	yes	yes	yes	yes	yes	yes	no	Not Independent
Michel Savart, representing Foncière Euris(1)	no	yes	yes	yes	yes	yes	yes	no	Not Independent

(1) Director proposed for re-election at the 2020 Annual General Meeting.

After the 2020 Annual General Meeting called to propose the re-election of existing Directors, four out of eleven of the Directors serving on the Board of Directors would qualify as independent – equivalent to 36.4% – which exceeds the one-third proportion recommended by the Afep-Medef Code for controlled companies. On the basis of the recommendations of the Appointments and Compensation Committee, the Board of Directors intends to continue to search for a new independent member to strengthen the proportion of independent members on the Board.

5.2.6. Non-Voting Directors

Non-Voting Directors, elected for three-year terms, attend Board meetings in an advisory capacity only. They express opinions or make observations that they deem appropriate. No more than five Non-Voting Directors can sit on the Board. The age limit for serving as a Non-Voting Director is 80.

Gérald de Roquemaurel was appointed as a Non-Voting Director at the Annual General Meeting of 15 May 2018 after serving as a Company Director for 12 years.

Gilles Pinoncély, a member of the founding Guichard family who was appointed as a Non-Voting Director in 2016 after serving as a Company Director for 13 years, was re-elected at the Annual General Meeting of 7 May 2019. Given the statutory age limit, his term of office will expire in 2021 at the Annual General Meeting called to approve the financial statements for the financial year ending 31 December 2020.

As Non-Voting Directors on the Board of Directors, their expertise and extensive knowledge of the Group, its operations, and the retail sector enriches debate and discussion between the Directors. At the Audit Committee's request, Gilles Pinoncély is invited to attend Audit Committee meetings where he provides opinions or observations based on his significant expertise in the operations side of business. The Non-Voting Directors are subject to the same obligations as the other Directors with regard to keeping information confidential and abstaining from carrying out transactions involving Company securities, under the conditions set forth in the Company's Insider Trading Policy.

5.2.7. Diversity of skills on the Board

The Board offers a diversity of skills, as follows:

	Commerce Retail	Digital/ Technology/ Media	Finance	Real Property/ Asset management	Industry/ Transportation/ Tourism	Law	Social Responsibility	International experience	Senior management experience
Nathalie Andrieux[1]	*	*	*					*	*
Gilbert Delahaye[2]			*				*		
Jacques Dumas[3]	*		*	*		*			*
Christiane Féral-Schuhl[1] [3]		*				*	*	*	
Laure Hauseux[1]	*		*		*			*	*
Didier Lévêque			*	*					*
Catherine Lucet[1]	*	*	*					*	*
Odile Muracciole				*		*			*
David de Rothschild[3]			*					*	*
Michel Savart[3]			*	*				*	*
Frédéric Saint-Geours[3]	*		*		*			*	*
Gilles Pinoncély[4]	*								*
Gérald de Roquemaurel[4]		*	*					*	*

(1) Independent members.
(2) Director representing employees. Term expiring (and non-renewable) at the close of the 2020 Annual General Meeting.
(3) Proposals to elect or re-elect directors submitted to the 2020 Annual General Meeting.
(4) Non-Voting Directors.

The directorships, other positions and expertise of the members are described in detail below in section 5.5 Information about corporate officers.

5.3 GOVERNANCE STRUCTURE

5.3.1. The Chairman and Chief Executive Officer

Since the decision of the Board of Directors at its meeting of 21 March 2005 to combine the functions of Chairman of the Board of Directors and Chief Executive Officer and attribute them to the one person, said functions have been performed by Jean-Charles Naouri, controlling shareholder of the Group and the sole executive corporate officer of the Company.

After Jean-Charles Naouri was re-elected as Director at the Annual General Meeting of 7 May 2019, the Board of Directors decided to maintain this combination of functions as it was considered well suited to a company with a sole controlling shareholder and to re-appoint Jean-Charles Naouri as Chairman and Chief Executive Officer, in line with the unanimous recommendations of the Governance and Social Responsibility Committee and the Appointments and Compensation Committee and with the unanimous support of the Independent Directors.

The Board considers that the Group's strategic and financial challenges represent a compelling argument in favour of continuing to combine the roles of Chairman and Chief Executive Officer in a highly-competitive, fast-changing environment, as this governance structure makes decision-making processes more efficient by strengthening the link between strategic planning and implementation. The Independent Directors unanimously agreed that continuing to combine the positions of Chairman of the Board and Chief Executive Officer was in the Group's interests. They expressed the opinion that the strategic and financial challenges facing the Group require a unified approach that can undeniably best be provided by the Chairman and Chief Executive Officer, supported by a high quality Executive Committee.

BALANCED GOVERNANCE

In accordance with the Chairman and Chief Executive Officer's wishes, Senior Management's powers were restricted and an Independent Lead Director was elected to ensure, in particular, that the combined duties of Chairman of the Board of Directors and Chief Executive Officer are performed in compliance with the principles of sound governance. As a result, the role of Lead Director was created as of 11 May 2012 and has been entrusted since then to an independent member (see sections 5.3.3 and 5.5.3 below).

The sound practices favouring balanced governance are listed in the Board's Internal Rules, and are mainly the following:

- the existence of specialised committees that prepare the Board's work and the chairmanship of which is typically entrusted to an Independent Director: the Audit Committee, the Appointments and Compensation Committee, and the Governance and Social Responsibility Committee;
- compliance with the Afep-Medef Code's recommendations concerning the proportion of Independent Directors on the Board of Directors and on the Committees;
- monitoring of significant or strategic transactions, or the study of specific matters, entrusted to the Audit Committee or ad hoc committees consisting of Independent Directors who may seek advice from independent experts;
- holding a meeting of independent members at least once a year to discuss any subject. These meetings, chaired by the Lead Director, provide an opportunity to conduct an annual review of the functioning of the Board and to monitor implementation of the suggestions resulting from the review;
- the Independent Lead Director's work in preventing and managing conflicts of interest and his or her role vis à vis Independent Directors;
- implementing procedures to strictly manage conflicts of interest, the ability of the Governance and Social Responsibility Committee to examine any exceptional issue that could potentially give rise to a conflict of interest and the procedure for reviewing agreements between related parties, entrusted since 2015 to the Audit Committee in addition to the review of related-party agreements and related independent expert advice issued in that respect (see section 5.5.5 Rules of conduct – Conflicts of interest – Protection of minority shareholders below);
- periodic review of the Board's internal rules and the Committees' charters, and modification of their provisions, where required.

As part of these good practices, following the initiation of safeguard proceedings at the Company's parent companies (Rallye, Foncière Euris, Finatis and Euris) and on the recommendation of the Governance and Social Responsibility Committee, in 2019 the Board of Directors decided to ask the Governance and Social Responsibility Committee, whose membership was expanded for this specific purpose to include all the Independent Directors, to carry out a temporary assignment, which consisted in regularly informing the Board of the developments in the safeguard proceedings and the preparation of the safeguard plans, examining the impacts on Casino and ensuring that Casino's corporate interests were protected as part of the safeguard proceedings (see sections 5.5.1, 5.5.2 and 5.5.5 below).

5.3.2. Restrictions on the Powers of the Chief Executive Officer – Powers of the Board of Directors

Article L. 225-56 of the French Commercial Code gives the Chief Executive Officer unlimited powers to act on the Company's behalf in all circumstances. He exercises his powers within the scope of the corporate purposes and subject to those powers specifically vested by law in the shareholders at shareholders' meetings or in the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

Consistent with the principles of sound corporate governance, the Chairman wished certain management transactions to be submitted to the Board for prior approval in view of the type of transaction and/or the amounts involved. Thresholds have been fixed so as to reserve the most significant transactions for the Board of Directors, in accordance with law and the principles of good corporate governance.

Specifically, the Chief Executive Officer is required to obtain the Board's prior authorisation for the following:

- transactions that could potentially affect the strategy of the Company and its controlled subsidiaries, their financial structure or scope of business, particularly the execution or termination of industrial and commercial agreements that could significantly impact the Group's future development;
- transactions valued individually at over €500 million, including but not limited to:
  - investments in securities and immediate or deferred investments in any company or business venture,
  - contributions or exchanges of assets, with or without additional compensation, concerning goods, rights or securities,
  - acquisitions of real property or property rights,
  - purchases or sales of receivables, acquisitions or divestments of goodwill, or other intangible assets,
  - issues of securities by directly or indirectly controlled companies,
  - granting or obtaining loans, borrowings, credit facilities or short-term advances,
  - transactions or compromises to settle legal disputes,
  - disposals of real property or real property rights,
  - full or partial divestments of equity interests,
  - constitution of collateral and guarantees.

As an exception to the above rules, the Chief Executive Officer may, on an exceptional basis and after obtaining the opinion of the Audit Committee, carry out any transaction valued at no more than 15% of consolidated equity as measured at the previous year-end. The Chief Executive Officer reports on any such transaction at the next Board meeting.

These provisions apply to transactions carried directly by the Company and by all entities the Company directly or indirectly controls, except for intragroup transactions.

In addition, the Chief Executive Officer is also given specific authorisations each year to issue sureties, collateral and guarantees and carry out financing transactions. These authorisations are renewed each year on the recommendation of the Governance and Social Responsibility Committee, and were most recently renewed in December 2019 for 2020.

Under these authorisations, the Chief Executive Officer may grant liens or security interests, collateral, or guarantees to third parties in the Company's name, subject to a maximum annual limit of €1.5 billion and a maximum limit per commitment of €500 million.

The Chief Executive Officer may negotiate and/or renew or extend loans, confirmed credit lines and all syndicated and non-syndicated financing agreements subject to a maximum annual limit of €3.5 billion per year and a maximum limit per transaction of €500 million.

To cover seasonal needs, he/she may also negotiate, implement, roll over and extend short-term advances up to a maximum amount of €1 billion.

The Chief Executive Officer may issue bonds or any debt securities other than commercial paper, including under the EMTN programme (joint programme for the Company and its subsidiary Casino Finance) or otherwise, subject to a ceiling of €3.5 billion, determine the terms and conditions of any such issue and carry out all related market transactions. He/she may also issue commercial paper subject to a ceiling of €2 billion.

He/she is also authorised to repurchase debt securities issued in an annual nominal amount of €1 billion and determine the terms and conditions thereof.

As well as these specific annual authorisations, the Chief Executive Officer may act in the Company's name to guarantee all commitments given by Casino Finance on behalf of third parties in respect of:

- bond issues, including those as part of an EMTN programme (joint programme for the Company and its subsidiary Casino Finance), and/or commercial paper, and/or short-term debt securities, as well as loans, confirmed credit lines, financings and short-term advance facility agreements, within the limit of the same specific caps per transaction and per year as fixed above for annual authorisations of the aforementioned loans;
- foreign exchange transactions and derivative instruments associated with an ISDA or FBF Master Agreement entered into by Casino Finance, subject to a ceiling of €100 million per bank and within the limit of a total of €1.2 billion.

5.3.3. Role of the Lead Director

In accordance with Article 13 of the Board of Directors' Internal Rules, the Lead Director is elected from among the independent members of the Governance and Social Responsibility Committee on the proposal of the Chairman and Chief Executive Officer and upon review by the Appointments and Compensation Committee. The Lead Director ensures that the Company's governance structure is balanced and that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on the proper functioning of the Board, in terms of such matters as the information given to Directors, the inclusion of items on the agenda and organisation of Board discussions and votes. He or she also plays an essential role in preventing and managing conflicts of interest.

Catherine Lucet has served as Lead Director since 15 May 2018, when she replaced Frédéric Saint-Geours.

She is also Chair of the Governance and Social Responsibility Committee, which is responsible for monitoring and implementing best governance practices, and may submit to the Committee any issues that arise during the performance of her duties as Lead Director. She may attend meetings of Committees of which she is not a member and have access to all their work and to information that is made available to them.

She chairs meetings of Independent Directors, which provide an opportunity to discuss any subjects they may suggest and to conduct an annual review of the functioning of the Board.

Accordingly, she acts as guarantor of the sound governance and independence of the Board of Directors. She ensures the balance of power and the protection of minority interests.

In 2019, the Governance and Social Responsibility Committee proposed a temporary adjustment to her role in order to the broaden the scope of her duties following the initiation of safeguard proceedings at Casino's parent companies (Rallye, Foncière Euris, Finatis and Euris) (see sections 5.5.1, 5.5.2 Governance and Social Responsibility Committee and 5.5.5 Rules of conduct – Conflicts of interest – Protection of minority shareholders). She is also a member of the Audit Committee, which she chaired between 7 July 2015 and 15 May 2018. The Audit Committee is also responsible for examining or monitoring material or strategic transactions and examining specific issues, as well as – since 2015 – reviewing the agreements between related parties and – since 2019 – performing an annual review of so-called "arm's length" agreements entered into by the Company (see sections 5.5.2 Audit Committee and 5.5.5 Rules of conduct – Conflicts of interest – Protection of minority shareholders). During the year, she was also asked by the Board on two occasions to hold discussions with investors on corporate governance matters.

The activity report of the Lead Director for 2019 is set forth on page 345 (see section 5.5.3 below).

5.3.4. Executive Committee

Under the authority of the Chairman and Chief Executive Officer, the Executive Committee is responsible for the day-to-day management of the Group's operations. It implements the Group's strategy as defined by the Board of Directors and the Chief Executive Officer. Responsible for strategic thinking, as well as coordinating, sharing, and monitoring cross-functional projects, it ensures that action plans implemented by all its subsidiaries and operating divisions are consistent with one another and, in that respect, can take any necessary decisions. It monitors the Group's results and financial position and draws up the Group's overall business plans. The Committee meets once a month.

The Executive Committee has 13 members, including the Chairman and Chief Executive Officer, the Chief Executive Officers of the Group's main subsidiaries and Directors of the corporate functions:

- Jean-Charles Naouri, Chairman and Chief Executive Officer;
- Hervé Daudin, Executive Director, Merchandise Director and Chairman of Achats Marchandises Casino;
- Peter Paul Estermann, Chief Executive Officer of GPA (Brazil);
- Franck-Philippe Georgin, General Secretary, Executive Committee Secretary;
- Cécile Guillou, Chief Executive Officer of Franprix[1];
- Carlos Mario Giraldo Moreno, Chairman and Chief Executive Officer of Grupo Éxito (Colombia);
- Emmanuel Grenier, Chairman and Chief Executive Officer of Cdiscount and Chief Executive Officer of Cnova;
- Karine Lenglart, Director of Group Corporate Development and Holdings[1];
- Julien Lagubeau, Chief Operating Officer;
- David Lubek, Chief Financial Officer;
- Jean-Paul Mochet, Chairman of Monoprix and Chairman of Franprix;
- Tina Schuler, Chief Executive Officer of Leader Price, Casino Supermarchés, Géant Casino and Casino Proximités;
- Arnaud Strasser, Executive Director, Corporate Development and Holdings; Vice-Chairman of GPA.

(1) As from 4 May 2020.

GENDER BALANCE ON MANAGEMENT COMMITTEES AND DIVERSITY IN THE MOST SENIOR MANAGEMENT POSITIONS

The Group's long-standing human resources development policies, covering such areas as hiring, training, support, mentoring, career management and cross-functional mobility, are designed to foster and develop diverse potentials, without discriminating against potential candidates – women in particular – in order to prepare succession plans to take over from Senior Management when the time comes.

All of the initiatives deployed each year aim notably to improve over time the gender balance on the Business Units' management committees and in the Group Executive Committee. Senior Management tracks the main indicators concerning the women employed in the Business Units in order to ensure that gender balance and fairness are embedded in career advancement opportunities.

The review is based on consolidated indicators produced as of 30 June and 31 December of each year. The indicators notably measure the change in the proportion of top management positions (corresponding to the top two levels in the management hierarchy represented by senior executives and Senior Management) held by women and the proportion of women members on the management committees in France.

As of 31 December 2019, the proportion of women was 28.9% for top management and 31.1% for the 12 management committees of the Business Units in France and the Upstream (merchandise and supply chain) functions.

These indicators provide a basis for assessing the results of efforts to increase the proportion of women holding the top 10% of senior management positions in France as of 31 December 2019.

In order to make faster progress towards gender balance, Senior Management told all the Business Units in France in January 2020 that additional measures would need to be taken and asked each of the Business Units to define the details of such measures and to be prepared to report to Senior Management in 2020. As a first step, the Board of Directors was informed of the decision to set up women-only Talent Committees to identify all potential talent and enable the Group Human Resources Department to put forward training and development plans tailored to each person thus identified.

At its meeting of 25 March 2020, on the recommendation of the Appointments and Compensation Committee, the Board of Directors also decided to incorporate a CSR objective into the long-term incentive (LTI) plans for the Chairman and Chief Executive Officer and key management, selecting as one of the two CSR criteria for the three-year LTI 2020 plans a gender diversity criterion based on the percentage of women in top management positions in France. The objective for 2022 is set at 34% with a minimum threshold of 32%. The Appointments and Compensation Committee will also monitor progress with regard to this objective (see Chapter 6).

Three of the 13 members of the Group Executive Committee will be women (23%) as from 4 May 2020.

5.4. INFORMATION ABOUT CORPORATE OFFICERS

JEAN-CHARLES NAOURI

Chairman and Chief Executive Officer

Born

8 March 1949

Nationality: French

Business address

1, cours Antoine Guichard – 42000 Saint-Étienne, France

Number of Casino shares held: 376

Profile

A graduate of *École normale supérieure* (majoring in Science), Harvard University and *École nationale d'administration*, Jean-Charles Naouri, an *Inspecteur général des finances*, began his career at the French Treasury. He was appointed Chief of Staff for the Minister of Social Affairs and National Solidarity in 1982, then Chief of Staff for the Minister of the Economy, Finance and Budget in 1984. In 1987, he founded Euris, which became the controlling shareholder of Rallye in 1991 and then of Casino in 1998. Jean-Charles Naouri has been Chairman and Chief Executive Officer of Casino since March 2005.

Main executive positions

Chairman and Chief Executive Officer of Casino, Guichard-Perrachon (listed company)

Chairman of Euris SAS

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	4 September 2003	OGM to be held in 2022
Chairman of the Board of Directors	4 September 2003	OGM to be held in 2022
Chief Executive Officer	21 March 2005	OGM to be held in 2022

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris

- Chairman of the Board of Directors and Director of Rallye (listed company);
- Chairman and Member of the Board of Directors of Companhia Brasileira de Distribuição (listed company – Brazil);
- Vice-Chairman and Director of Fondation d'Entreprise Casino;
- Chairman of Fondation Euris.

Outside Casino Group/Euris

- Director and Member of the Selection, Appointments and Compensation Committee of Fimalac;
- Honorary Chairman and Director of *Institut de l'École normale supérieure.*

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman and Chief Executive Officer of Casino Finance;
- Chairman and Member of the Board of Directors of Wilkes Cnova N.V. (listed company – Netherlands);
- Chairman and Member of the Board of Directors of Wilkes Participações (Brazil);
- Chairman of "Promotion des Talents", a non-profit organisation.

NATHALIE ANDRIEUX

Independent Director

Born

27 July 1965

Nationality: French

Business address

171, rue de l'Université – 75007 Paris, France

Number of Casino shares held: 375

Profile

Nathalie Andrieux is a graduate of *École supérieure d'informatique* (Sup'Info) and ESCP Europe. She joined the La Poste group (French Postal Service) in 1997, was appointed Chief Executive Officer of Média Poste in 2004 and Chair of the Board 2009. She became Chair of the Board of La Poste Numérique in 2012, a position she held until March 2015. Previously, she held various positions in the Banque Populaire group, Casden (1993-1997) and Bred (1990-1993). She was appointed Chief Executive Officer of Geolid, a communication and digital referencing company, on 2 April 2018, and became Chair and Chief Executive Officer of that company on 16 May 2019.

Main executive position

Chair and Chief Executive Officer of Geolid

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Independent Director	12 May 2015	OGM to be held in 2021
Member of the Appointments and Compensation Committee	7 July 2015	OGM to be held in 2021
Chair of the Appointments and Compensation Committee	15 May 2018	OGM to be held in 2021
Member of the Governance and Social Responsibility Committee	15 May 2018	OGM to be held in 2021

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group

- Member of the Supervisory Board and Member of the Audit Committee of Lagardère (listed company);
- Director and member of the Strategy Committee of GFI Informatique.

Other directorships and positions held in the past five years (excluding those listed above)

- Chair of Mediapost Holding;
- Director of Docapost, Maileva and Mix Commerce;
- Member of the Strategy Committee of Cabestan, Matching, Mediapost, Media Prisme, Mediapost Publicité and SMP;
- Member of the Investment Committee of Xange Capital 2;
- Member of the Supervisory Board of Xange Private Equity;
- Member of the Strategy Committee of Idenum;
- Member of the National Digital Committee (*Conseil National du Numérique*);
- Member of the Scientific Board of Institut Mines Telecom;
- Chair of the Board of Directors of ENSCI-Les Ateliers*;
- Non-executive member of the Strategy Committee of Groupe Open* (listed company).

* *Offices and positions expired in 2019.*

GILBERT DELAHAYE

Director representing employees

(term expires at the AGM[1])

Born

15 September 1955

Nationality: French

Business address

1, cours Antoine Guichard – 42000 Saint-Étienne, France

Number of Casino shares held: 2,144

Profile

Gilbert Delahaye has a university degree in technology, with a specialisation in marketing and sales and has spent his entire career with Casino. Joining the Group on 1 January 1979 as Sales Director of Proximités (convenience stores), he became Management Controller in 1982, a position he held until 1986. He was Administrative and Financial Director for supermarket franchises from 1986 to 2001. From 2001 to 2010, he was Director of Sustainable Development with Casino Services, then Director of Cross-Functional CSR Projects from 2010. He has also been Deputy Director of External Relations for Casino Services since 2014.

Main executive position

Director of Cross-Functional CSR projects for Casino Services

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director representing employees	6 May 2017[1]	OGM of 17 June 2020
Member of the Appointments and Compensation Committee	15 December 2017	OGM of 17 June 2020

(1) Gilbert Delahaye was designated by the Group's most representative union to sit on the Board of Directors at its first meeting after the designation date, i.e., 13 June 2017.

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group

- Chairman of FCPE Casino (corporate mutual fund);
- Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Loire Télé.

Other directorships and positions held in the past five years (excluding those listed above)

None

(1) Not re-appointed as the Company is no longer subject to the procedure under which Mr Delahaye was appointed.

CHRISTIANE FÉRAL-SCHUHL

Independent Director

(proposed for re-election)

Born

21 May 1957

Nationality: French and Canadian

Business address

24, rue Erlanger – 75016 Paris, France

Number of Casino shares held: 674

Profile

Member of the Paris Bar (since 1981) and the Quebec Bar (since 2016), Christiane Féral-Schuhl holds a degree from *Université de Paris II* (*maîtrise en Droit des affaires* – Masters in Business Law). She joined the international law firm Serrero, Giroux & Buhagiar before moving to Huglo-Lepage. In 1988, with Bruno Grégoire Sainte-Marie, she founded FG Associés, a firm specialising in the law relating to new technologies. In 1998, they and their team joined Salans, Hertzfeld to form the IT department (Informatics, Technologies and Communication) of the international firm's Paris office. In 2006, they decided to create a specialised firm, FÉRAL-SCHUHL/SAINTE-MARIE, ranked for more than ten consecutive years as a "go-to firm" and "leading firm" in professional reference guides and rated several times as "IT Law Firm of the Year in France".

Christiane Féral-Schuhl holds specialisation certificates in the law relating to new technologies, computers/information systems and communication and in intellectual property law. Her particular areas of practice are IT, internet, media and telecommunications law. She also acts as mediator, arbitrator, and cyber-arbitrator.

Christiane Féral-Schuhl served as President of the 25,000-strong Paris Bar from 2012 and 2013, the second woman to be elected to that office in the history of the Paris Bar. She was a member of the *Haut Conseil à l'égalité entre les femmes et les hommes* (HCEfh) (High Commission for Gender Equality) (2013-2015), Co-Chair of the *Commission parlementaire de réflexion et de propositions ad hoc sur le droit et les libertés à l'âge du numérique* (ad hoc Parliamentary Commission to Develop Proposals on Law and Privacy in the Digital Age) (2014-2015) and member of the *Conseil supérieur des tribunaux administratifs et des cours d'appel administratives* (CSTA CAA) (Superior Council of Administrative Courts and Administrative Courts of Appeal) (2016-2017). She is currently Chair of the *Conseil National des Barreaux* (CNB – French National Bar Council, 2018-2020).

Author of *Cyberdroit: le droit à l'épreuve de l'Internet* (Dalloz Praxis – 8th edition, 2020) (Cyberlaw: the Challenge to Law Represented by the Internet), a reference work in all areas dealing with digital technology and the digital economy. She has also published numerous articles in the specialist press and taken part in numerous discussions and conferences on issues relating to new technologies. She has received many professional distinctions.

Main executive positions

Lawyer admitted to the Paris Bar and the Québec Bar

Mediator accredited with the *Centre de Médiation et d'Arbitrage de Paris* (Center for Mediation and Arbitration of Paris – CMAP)

Mediator accredited with the World Intellectual Property Organisation (WIPO)

Mediator in civil, commercial and labour law accredited with the Quebec Bar

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Independent Director	5 May 2017	OGM of 17 June 2020
Member of the Governance and Social Responsibility Committee	15 May 2018	OGM of 17 June 2020

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group

- Member of the *Comité de Direction* (Management Committee) of the CARPA;
- President of the French National Bar Council (*Conseil National des Barreaux*).

Other directorships and positions held in the past five years (excluding those listed above)

- Member of the French High Commission for Equality (*Haut Conseil de l'Égalité* – HCEfh);
- Co-Chair of the French Parliamentary Committee on Digital Affairs;
- Member of the Paris Bar Association (*Conseil de l'Ordre des Avocats de Paris*);
- Member of the Administrative Courts and Administrative Court of Appeal Council and designated by the French President as a qualified person.

LAURE HAUSEUX

Independent Director

Born

14 August 1962

Nationality: French

Business address

4, villa Schutz et Daumain – 92270 Bois-Colombes, France

Number of Casino shares held: 700

Profile

Laure Hauseux holds a degree from the Franco-German Chamber of Commerce, an MBA from ESCP Europe, a post-graduate degree in Management Control from *Université Paris Dauphine* and an Executive MBA from INSEAD. Ms. Hauseux began her career as Financial Controller, the CFO with Control Data France, then joined Gérard Pasquier in 1995 as CFO. Beginning in 1997, she successively held the positions of Group Financial Controller, then Store Manager with FNAC. She then became CFO of Printemps, then, in 2007, Deputy CEO of Conforama Italy, then Vice-President Finance and Information Systems and Services with Inergy Automotive Systems. From 2010 to 2013, Laure Hauseux continued her career with Virgin Stores as Deputy General Manager, then, in 2014, became CEO of GAC Group, an international audit and consulting firm, a position she held until June 2017.

Main executive position

Independent Director of various companies

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Independent Director	15 May 2018	OGM to be held in 2021
Member of the Audit Committee	15 May 2018	OGM to be held in 2021
Member of the Appointments and Compensation Committee	11 October 2019	OGM to be held in 2021

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group

- Member of the Supervisory Board and Chair of the Audit Committee of ECG Holding SAS;
- Member of the Management Board and Chair of the Audit Committee of Obol France 1;
- Legal Manager of SCI Le Nid.

Other directorships and positions held in the past five years (excluding those listed above)

- Member of the Management Board and Chairman of the Audit Committee of PHM France Topco 19 and PHM France Holdco 19;
- Director of Grande Armée Conseil España (Spain) and Eidostech Consultores (Spain);
- Legal Manager of GA Conseil and Grande Armée Conseil;
- Managing Director of GAC;
- Member of the Supervisory Board, Chair of the Audit Committee of Zodiac Aerospace (listed company).

CATHERINE LUCET

Independent Director

Born

3 February 1959

Nationality: French

Business address

92, avenue de France – 75013 Paris, France

Number of Casino shares held: 445

Profile

Catherine Lucet is a graduate of *École polytechnique* (1979) and *École des mines de Paris* (1984) and holds an MBA from INSEAD (1987). She began her career as an analyst at the Analysis and Forecasting Centre of the French Ministry of Foreign Affairs. She joined McKinsey in 1986 as a consultant, and was then appointed project manager. In 1991, she was appointed Chief Executive Officer of Éditions Harlequin, a subsidiary of Éditions Hachette and of Canadian publisher Torstar. In 1996, she joined the Anglo-Dutch group Reed Elsevier where she headed their French scientific and medical publishing subsidiary until 2001, when she left to join the Vivendi Group as Chief Executive Officer of Éditions Nathan. Catherine Lucet is now a member of the Executive Committee of Editis, Chief Executive Officer of its Education and Reference division which includes Éditions Nathan, Bordas, Clé, Retz, the Le Robert dictionaries, and Daesign, a serious games publisher, and Chair of Éditions Nathan and Daesign.

Main executive position

Chief Executive Officer of the Education and Reference division of Editis

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Independent Director	28 February 2011	OGM to be held in 2021
Lead Director	15 May 2018	OGM to be held in 2021
Member of the Audit Committee	19 June 2012	OGM to be held in 2021
Chair of the Governance and Social Responsibility Committee	15 May 2018	OGM to be held in 2021

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group	
Within the Editis group	**Outside the Editis group**
▪ Chair of S.e.j.e.r and Daesign; ▪ Chair and Chief Executive Officer of Librairie Fernand Nathan.	▪ Member of the Supervisory Board of Brill (Netherlands).

Other directorships and positions held in the past five years (excluding those listed above)

- Chair and Chief Executive Officer of S.e.j.e.r;
- Chair of Dokeo TV;
- Director of the Cap Digital Competitiveness Division.

DAVID DE ROTHSCHILD

Director

(proposed for re-election)

Born

15 December 1942

Nationality: French

Business address

23 bis, avenue de Messine – 75008 Paris, France

Number of Casino shares held: 400

Profile

David de Rothschild ran the Rothschild & Co SCA group (formerly Paris-Orléans) from 2003 to 2018. In May 2018, he was named Chairman of the Supervisory Board of Rothschild & Co SCA in connection with a succession plan whereby his son Alexandre de Rothschild succeeded him as Chairman of Rothschild & Co Gestion SAS, the Managing General Partner of Rothschild & Co SCA. He is a descendant of Mayer Amschel Rothschild, founder of the Rothschild dynasty, and of Baron James de Rothschild, who created Banque Rothschild Frères in Paris in 1812. David de Rothschild has worked in banking for over 40 years, gaining experience in the various branches of the family business. After Banque Rothschild Frères was nationalised in 1981, David de Rothschild and his cousin Eric de Rothschild were authorised to create a new Rothschild bank in France in 1986. In 2003, David and Eric de Rothschild agreed to a plan to merge the family's UK and French businesses, leading in 2008 to the creation of the family holding company Rothschild & Co Concordia SAS. David de Rothschild is a graduate of *Institut d'études politiques de Paris*.

Main executive position

Chairman of the Supervisory Board of Rothschild & Co

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	4 September 2003	OGM of 17 June 2020
Member of the Appointments and Compensation Committee	15 May 2018	OGM of 17 June 2020

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group	
Within the Rothschild group	**Outside the Rothschild group**
▪ Chief Executive Officer, Vice-Chairman of the Board of Directors of Rothschild & Co Concordia; ▪ Chairman of SCS Holding, Rothschild & Co Commandité, RCG Partenaires, RCI Partenaires, Cavour, Verdi, Aida, Financière Rabelais, Financière de Reux, Financière de Tournon; ▪ Legal Manager of Bero; ▪ Member of the Supervisory Board of Banque Martin Maurel; ▪ Sole Director of GIE Sagitas; ▪ Chairman of Rothschild & Co Europe BV (Netherlands).	▪ Legal Manager of Rothschild Ferrières, SCI 2 Square Tour Maubourg, Société Civile du Haras de Reux; ▪ Sole Director of GIE Five Arrows MM. de Rothschild Frères.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of Paris Orléans Holding Bancaire (POHB)*, Rothschild & Co Concordia, Rothschild & Co Gestion and Rothschild Martin Maurel Associés;
- Legal Manager of RCB Partenaires, Rothschild & Cie and Rothschild Martin Maurel;
- Director of Compagnie Financière Martin-Maurel and Edmond de Rothschild;
- Permanent Representative of Rothschild & Co Gestion, Managing Director of RCB Gestion;
- Chairman of Rothschild & Co North America Inc. (United States);
- Vice-Chairman of Rothschild & Co Bank AG (Switzerland);
- Member of the Board of Directors of Continuation Investments NV (Netherlands), Rothschild & Co Concordia AG (Switzerland), Rothschild & Co Continuation Holdings AG (Switzerland), Rothschild & Co Holding AG (Switzerland) and Rothschild Employee Trustees Ltd (United Kingdom).

* *Office expired in 2019.*

FRÉDÉRIC SAINT-GEOURS

Director

(proposed for re-election)

Born

20 April 1950

Nationality: French

Business address

Campus Étoiles – 2 place aux Étoiles – 93200 La Plaine Saint-Denis, France

Number of Casino shares held: 350

Profile

Frédéric Saint-Geours has a degree in Economics, is a graduate of *Institut d'études politiques de Paris* and an alumnus of *École nationale d'administration*. He joined PSA Peugeot Citroën Group in 1986 after a career at the Ministry of Finance and in the offices of the President of the National Assembly and the Secretary of State for the Budget (1975-1986). After serving as Deputy Chief Financial Officer of PSA Group from 1986 to 1988, he became Chief Financial Officer of the Group in 1988. From 1990 to 1997, he was Deputy Chief Executive Officer of Automobiles Peugeot, becoming Chief Executive Officer in early 1998. He was a member of the Management Board of PSA Peugeot Citroën from July 1998 to December 2007. In January 2008, he was appointed Advisor to the Chairman of the Management Board of PSA Peugeot Citroën and member of the Management Committee. He was Chairman of the UIMM trade federation from 20 December 2007 until 2014. As from 2009, he was successively a member of the Management Board of Peugeot SA, Chief Financial Officer and Head of Strategy for the PSA Peugeot Citroën Group, then head of the Peugeot and Citroën brands and Special Advisor to the Chairman of the Management Board of PSA Peugeot Citroën. In September 2013, he was appointed Chairman of Groupe des Fédérations Industrielles. In November 2014, France's Council of Ministers appointed him as Chairman of the Supervisory Board of SNCF, an appointment that was renewed in July 2015 and that expired on 31 December 2019. From April 2016 to November 2017, he served as Vice-Chairman of the French *Conseil National de l'Industrie* (National Industry Council).

Main executive positions

Member of the Supervisory Board of SNCF (until 31 December 2019)

Director of various companies

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	31 May 2006	OGM of 17 June 2020
Member of the Audit Committee	31 May 2006	OGM of 17 June 2020
Chairman of the Audit Committee	15 May 2018	OGM of 17 June 2020
Member of the Governance and Social Responsibility Committee	7 July 2015	OGM of 17 June 2020

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group

- Director of SNCF;
- Director of BPIFrance Investissement and BPIFrance Participations.

Other directorships and positions held in the past five years (excluding those listed above)

- Vice President of the *Conseil National de l'Industrie*;
- Chairman of the Supervisory Board of SNCF*.

* *Office expired in 2019.*

EURIS

Director

(proposed for re-election)

Simplified joint stock company (*société par actions simplifiée*) with share capital of €164,806

Registered office

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France – 348 847 062 Trade and Companies Registry Paris

Number of Casino shares held: 365

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	4 September 2003	OGM of 17 June 2020

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris
▪ Director of Finatis, Foncière Euris and Rallye (listed companies).

Other directorships and positions held in the past five years (excluding those listed above)

None

JACQUES DUMAS

Permanent representative of Euris since 9 February 2017

First elected 12 May 2015

Born

15 May 1952

Nationality: French

Business address

148, rue de l'Université – 75007 Paris, France

Number of Casino shares held: 61,368

Profile

Holder of a Masters Degree in Law and graduate of the *Institut d'études politiques de Lyon*, Jacques Dumas began his career in the Legal department of Compagnie Française de l'Afrique Occidentale (CFAO) before becoming Administrative Director (1978-1986). He left CFAO to take up a position as Deputy Company Secretary of the Rallye group (1987) and subsequently moved to the Euris group as Legal Affairs Director (1994). He is currently Deputy Chief Executive Officer of Euris and Advisor to the Chairman of Casino, Guichard-Perrachon.

Main executive positions

Advisor to the Chairman of Casino, Guichard-Perrachon (listed company)

Deputy Chief Executive Officer of Euris SAS

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Director of Rallye (listed company); ▪ Member of the Supervisory Board of Monoprix (SAS); ▪ Permanent representative of Euris on the Board of Directors of Finatis (listed company) and member of the Audit Committee.	▪ Director and Member of the Appointments and Compensation Committee of Mercialys (listed company); ▪ Legal Manager of Cognac-Parmentier and Longchamp-Thiers.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of GreenYellow;
- Permanent representative of Cobivia on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Member of the Appointments and Compensation Committee of Rallye (listed company);
- Member of the Audit, Risk and Sustainable Development Committee of Mercialys (listed company).

FINATIS

Director

Société anonyme (joint stock company) with share capital of €84,646,545

Registered office

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France – 712 039 163 Trade and Companies Registry Paris

Number of Casino shares held: 380

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	15 March 2005	OGM to be held in 2022

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris
▪ Director of Carpinienne de Participations, Foncière Euris and Rallye (listed companies).

Other directorships and positions held in the past five years (excluding those listed above)

None

DIDIER LÉVÊQUE

Representative of Finatis since 9 February 2017

First elected 29 May 2008

Born

20 December 1961

Nationality: French

Business address

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Number of Casino shares held: 275

Profile

Didier Lévêque is a graduate of *École des hautes études commerciales*. From 1985 to 1989, he was a Research Lead for the Finance department of Roussel-Uclaf. He joined the Euris group in 1989 as deputy Corporate Secretary. In 2008, he was appointed Corporate Secretary.

Main executive positions

Corporate Secretary of Euris SAS

Chairman and Chief Executive Officer of Finatis (listed company)

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris

- Chairman and Chief Executive Officer and Director of Carpinienne de Participations (listed company);
- Chairman and Chief Executive Officer of Euristates Inc. and Euris Real Estate Corporation (EREC) (United States);
- Chairman of Par-Bel 2 and Matignon Diderot;
- Member of the Supervisory Board of Centrum Baltica, Centrum Development, Centrum Krakow, Centrum Poznan and Centrum Warta (Luxembourg);
- Permanent representative of Finatis, Director of Foncière Euris (listed company);
- Permanent representative of Foncière Euris as Director of Rallye (listed company);
- Co-Manager of Silberhorn (Luxembourg);
- Member and Treasurer of Fondation Euris;
- Member of the Audit Committee and of the Appointments and Compensation Committee of Foncière Euris (listed company);
- Member of the Audit Committee of Rallye (listed company) and member of the Safeguard Steering Committee of Rallye;
- Representative of Matignon Diderot, Legal Manager of SCI Penthièvre Neuilly.

Outside Casino Group/Euris

- Member of the Board of Directors of Wansquare SAS.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of the Board of Directors of Cnova NV (listed company – Netherlands);
- Chairman and Chief Executive Officer of Euris North America Corporation* (ENAC) and Parande Brooklyn Corp.* (United States);
- Vice-Chairman and Non-Executive Director of the Board of Directors of Cnova NV (listed company – Netherlands);
- Member of the Supervisory Board of Centrum Weiterstadt* (Luxembourg);
- Director of Euris Limited* (United Kingdom);
- Permanent representative of Foncière Euris on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Legal Manager of EMC Avenir 2.

* *Offices and positions expired in 2019.*

FONCIÈRE EURIS

Director

(proposed for re-election)

Société anonyme (joint stock company) with share capital of €148,699,245

Registered office

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France – 702 023 508 Trade and Companies Registry Paris

Number of Casino shares held: 365

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	29 April 2010	OGM of 17 June 2020

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris

- Chair of Marigny Foncière, Mat-Bel 2 and Matignon Abbeville;
- Director of Rallye (listed company).

Other directorships and positions held in the past five years (excluding those listed above)

None

MICHEL SAVART

Permanent representative of Foncière Euris since 9 February 2017

First elected 28 February 2011

Born

1 April 1962

Nationality: French

Business address

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Number of Casino shares held: 22,158

Profile

Michel Savart is a graduate of *École polytechnique* and *École nationale supérieure des mines de Paris*. He began his career with Havas in 1986, and joined Banque Louis Dreyfus as project manager in 1987 and Banque Arjil (Lagardère group) in 1988, where he was project manager then Advisor to the Management Board until 1994. He joined Dresdner Kleinwort Benson (DKB), where he was Managing Director in charge of Mergers and Acquisitions from 1995 until 1999. He joined the Euris-Rallye group in October 1999 as Director-Advisor to the Chairman, in charge of private equity investments. He is currently Advisor to the Chairman of the Rallye-Casino group. He has also been Chairman and Chief Executive Officer of Foncière Euris since August 2009.

Main executive positions

Advisor to the Chairman of Rallye-Casino

Chairman and Chief Executive Office of Foncière Euris (listed company)

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Chairman of the Management Board of Centrum Serenada Sp. Zoo and Centrum Krokus Sp. Zoo (Poland); ▪ Permanent representative of Rallye on the Supervisory Committee of Groupe Go Sport; ▪ Representative of Delano Holding, Co-Legal Manager of Delano Participations; ▪ Representative of Foncière Euris, Chairman of Marigny Foncière, Mat-Bel 2 and Matignon Abbeville; ▪ Representative of Immat Bel, Co-Legal Manager of Delano Holding; ▪ Representative of Marigny Foncière, Co-Legal Manager of Les Deux Lions and Ruban Bleu Saint-Nazaire, Legal Manager of Pont de Grenelle and Centre Commercial Porte de Châtillon; ▪ Representative of Mat-Bel 2, Legal Manager of Immat Bel; ▪ Co-Manager of Guttenbergstrasse BAB5 GmbH (Germany).	▪ Director, member of the Investment Committee and member of the Audit, Risks and Sustainable Development Committee of Mercialys (listed company); ▪ Chairman of Aubriot Investissements.

Other directorships and positions held in the past five years (excluding those listed above)

- Chairman of the Management Board of Centrum Riviera Sp. Zoo (Poland);
- Permanent representative of Finatis on the Board of Directors of Casino, Guichard-Perrachon (listed company);
- Representative of Matignon Abbeville, Manager of Centrum K Sarl and Centrum J Sarl and Manager A of Centrum NS Luxembourg Sarl (Luxembourg);
- Representative of Marigny Foncière, Chairman of Mat-Bel 2;
- Representative of Mat-Bel 2, Legal Manager of Marigny Fenouillet and Matbelys*;
- Representative of Fenouillet Participation, Legal Manager of Fenouillet Immobilier;
- Representative of Marigny Fenouillet as Legal Manager of Fenouillet Participation;
- Representative of Immat Bel, Legal Manager of Marigny Fenouillet;
- Permanent Representative of Rallye on the Board of Directors of Groupe Go Sport;
- Co-Manager of Einkaufszentrumam Alex GmbH and Loop 5 Shopping Centre GmbH (Germany);
- Legal Manager of Montmorency;
- Member of the Appointments and Compensation Committee of Mercialys* (listed company).

* *Offices and positions expired in 2019.*

MATIGNON DIDEROT

Director

Simplified joint stock company (*société par actions simplifiée*) with share capital of €83,038,500

Registered office

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France – 433 586 260 Trade and Companies Registry Paris

Number of Casino shares held: 350

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Director	17 October 2007	OGM to be held in 2022

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris

- Director of Finatis and Foncière Euris (listed companies);
- Legal Manager of SCI Penthièvre Neuilly.

Other directorships and positions held in the past five years (excluding those listed above)

None

ODILE MURACCIOLE

Permanent representative of Matignon Diderot since 4 March 2020

Born

20 May 1960

Nationality: French

Business address

83, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Number of Casino shares held: 0

Profile

After receiving her advanced studies diploma in employment law, Odile Muracciole began her career as head of the Legal department at the petroleum group Alty. She joined Euris in 1990 as Manager of Legal Affairs.

Main executive position

Manager of Legal Affairs at Euris SAS

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Chief Executive Officer of Matignon Abbeville, Parinvest, Pargest and Parande; ▪ Chair of Pargest Holding and Saris; ▪ Director of employment law matters at Casino Services; ▪ Permanent representative of Finatis on the Board of Directors of Carpinienne de Participations (listed company); ▪ Permanent representative of Euris on the Board of Directors of Foncière Euris (listed company); ▪ Permanent representative of Euris on the Board of Directors of Rallye (listed company) and member of the Appointments and Compensation Committee; ▪ Permanent representative of Par-Bel 2 on the Board of Directors of Finatis (listed company); ▪ Permanent representative of Saris, Legal Manager of Euriscom; ▪ Member of the Supervisory Board of Centrum Development SA (Luxembourg); ▪ Director of Fondation Euris.	▪ Member of the Board of Directors of Wansquare SAS.

Other directorships and positions held in the past five years (excluding those listed above)

- Permanent representative of Saris SAS on the Board of Directors of Rallye SA (listed company);
  Member of the Supervisory Board of Centrum Krakow SA (Luxembourg).

* *Offices and positions expired in 2019.*

GILLES PINONCÉLY

Non-Voting Director

Born

5 January 1940

Nationality: French

Business address

1, cours Antoine Guichard – 42000 Saint-Étienne, France

Number of Casino shares held: 4,000 fully-owned and 21,000 as beneficial owner

Profile

A graduate of *École supérieure d'agriculture de Purpan* in Toulouse, Gilles Pinoncély began his career with L'Épargne, which was acquired by Casino Group in 1970. He was appointed an authorised signatory in 1976, Managing Partner of Casino in 1981, then Statutory Legal Manager in 1990. He became a member of Casino's Supervisory Board in 1994 and joined the Board of Directors in 2003.

Main executive position

Director of various companies

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Non-Voting Director	13 May 2016	OGM to be held in 2021

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group

- Director of Financière Célinor (Vie & Véranda);
- Director of the Centre Long Séjour Sainte-Élisabeth, a retirement home.

Other directorships and positions held in the past five years (excluding those listed above)

Director and Member of the Audit Committee of Casino, Guichard-Perrachon (listed company).

GÉRALD DE ROQUEMAUREL

Non-Voting Director

Born

27 March 1946

Nationality: French

Business address

64, rue de Belle Vue – Brussels 1000, Belgium

Number of Casino shares held: 400

Profile

Gérald de Roquemaurel holds a Law degree, is a graduate of *Institut d'études politiques de Paris* and attended *École nationale d'administration* from 1970 to 1972. A direct descendant of Louis Hachette (founder of the Hachette publishing house), he joined Filipacchi Publications in 1972 and became Director of Paris-Match in 1976. In 1981, he was appointed Vice-Chairman and Chief Executive Officer of Groupe Presse Hachette, which became Hachette Filipacchi Presse in 1992. From 1983 to 1985, he was responsible for the Group's international expansion. In 1984, he became Director and Chief Executive Officer of Publications Filipacchi (later Filipacchi Medias) and was later a member of the Executive and Strategy Committee of Lagardère SCA, a Director of Hachette SA, and Legal Manager of NMPP. On 18 June 1997, he was appointed Chairman and Chief Executive Officer of Hachette Filipacchi Médias, then in 1998, Chief Operating Officer of the Lagardère group, in charge of the media division. In April 2001, he became Chairman of FIPP (*Fédération Internationale de la Presse Périodique*) for two years. In June 2001, he was appointed Chairman of Club de la Maison de la Chasse et de la Nature. In early 2007, he became Managing Partner of HR Banque. In January 2009, he was appointed Senior Partner of Arjil. On 15 December 2012, he was appointed Legal Manager of BGR Partners, Arjil's partnering group in Belgium. In September 2015, he resigned from his position with Arjil and became Senior Advisor at Messiers-Maris.

Main executive position

Legal Manager of BGR Partners (Belgium)

Directorships and other positions within the Company

Position/Duties	Date of appointment	Term of office ends
Non-Voting Director	15 May 2018	OGM to be held in 2021

Other directorships and positions held in 2019 and ongoing as of 25 March 2020

Outside Casino Group

- Director of Baron Philippe de Rothschild SA.

Other directorships and positions held in the past five years (excluding those listed above)

- Vice President of the Presse Liberté Association;
- Member of the Supervisory Board of Baron Philippe de Rothschild SA;
- Director, Chairman, member of the Appointments and Compensation Committee and member of the Audit Committee of Casino, Guichard-Perrachon.

Information on former members of the Board of Directors

LADY SYLVIA JAY

Independent Director until 29 July 2019 (resigned)

Born

1 November 1946

Nationality: British

Business address

38 Markham Street – London SW3 3NR, United Kingdom

Number of Casino shares held: 400

Profile

Lady Sylvia Jay, Commander of the Order of the British Empire, is a graduate of the University of Nottingham and a researcher at the London School of Economics. She held various positions as a senior civil servant in the British civil service between 1971 and 1995, being involved in particular in financial aid to developing countries. She was seconded to the French Ministry of Cooperation and the French Treasury. Later, she was Assistant Director in Jacques Attali's office at the European Bank for Reconstruction and Development. She entered the private sector in 2001, as Chief Executive Officer of the UK Food and Drink Federation until 2005. In that year, she became Vice-Chair of L'Oréal UK & Ireland and in 2011, she was appointed Chair of L'Oréal UK & Ireland, a position she held until August 2013.

Main executive position

Independent Director of various companies

Directorships and other positions within the Company until 29 July 2019

Position/Duties	Date of appointment	Term of office ended
Independent Director	11 May 2012	29 July 2019
Member of the Appointments and Compensation Committee	15 May 2018	29 July 2019

Other directorships and positions held in 2019 and as of 25 March 2020

Outside Casino Group

- Non-executive Director of Lazard Ltd (listed company – United States).

Other directorships and positions held in the past five years (excluding those listed above)

- Director of Saint-Gobain (listed company);
- Member of the Appointments and Compensation Committee of Lazard Ltd (listed company – United States);
- Chair of the Pilgrim Trust.

DIANE COLICHE

Permanent representative of Matignon Diderot until 3 March 2020

Born

23 December 1977

Nationality: French

Business address

14-16, rue Marcel Bloch, 92110 Clichy, France

Number of Casino shares held: 42,185

Profile

A graduate of ESSEC business school, with a Master's degree in Business Law from *Université Paris II – Panthéon Assas*, Diane Coliche was M&A and Investments Director at Casino from 2010 to 2016. Prior to joining Casino Group, she worked in the Mergers and Acquisitions department of investment bank Morgan Stanley in Paris and London from 2000 to 2010. She joined the Monoprix group in January 2017 in the role of Finance and Development Director and was appointed Chief Executive Officer in September 2019.

Main executive position

Chief Executive Officer of the Monoprix group

Directorships and other positions within the Company until 3 March 2020

Position/Duties	Date of appointment	Term of office ended
Permanent representative of Matignon Diderot, Director	13 May 2016	3 March 2020

Other directorships and positions held in 2019 and as of 25 March 2020

Within Casino Group/Euris	Outside Casino Group/Euris
▪ Chair of Simonop' 1 Gestion; ▪ Chief Executive Officer of LRMD; ▪ Member of the Management Committee of Epicery.	▪ Member of the Supervisory Board of Rocher Participations.

Other directorships and positions held in the past five years (excluding those listed above)

- Chair of Beauty Monop' Plus*;
- Chief Executive Officer of Monop and Monop'Station SAS*;
- Legal Manager of Dailymonop' Plus*;
- Member of the Board of Directors of Perspecteev*;
- Chair and member of the Supervisory Board of SMD*;
- Permanent representative of Messidor S.N.C., member of the Supervisory Board of Monoprix (SAS);
- Director of the Management Board and Managing Director of Géant Foncières BV (Netherlands);
- Chief Executive Officer of Latic LLC (United States);
- Non-Executive Director of the Board of Directors of Big C Supercenter Public Company Limited (listed company – Thailand).

* *Offices and positions expired in 2019.*

5.5. PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

5.5.1. Chairman of the Board of Directors

The terms and conditions of the Board of Directors' organisation and operation are defined by law, the Company's Articles of Association, the provisions of the Board of Directors' Internal Rules and the Charters of the Board's specialised Committees.

The Board of Directors meets as often as necessary to protect the interests of the Company and whenever it is deemed appropriate. A quorum of at least half the Directors is required for the Meeting to transact validly. Decisions are made by majority vote of the members present in person or represented. In the event of a tie vote, the Chairman of the meeting casts the deciding vote.

The Chairman of the Board of Directors organises and conducts Board meetings and reports to shareholders on the Board's work at the Annual General Meeting.

He calls Board meetings and is responsible for drawing up the agenda and minutes. He also ensures that the Company's corporate governance structures operate properly and, in particular, that the Directors have all that is required to perform their duties.

The functioning of the Board of Directors is regularly assessed, as described in section 5.5.4 below.

BOARD OF DIRECTORS' INTERNAL RULES

The Internal Rules set forth the various rules applicable to the Board of Directors' organisation and practices by virtue of applicable legal and regulatory provisions and the Articles of Association of the Company. They also contain the corporate governance principles and provide the framework for their implementation. The Internal Rules are reviewed periodically by the Board to identify any amendments or clarifications that may be needed to comply with applicable law and regulations or to improve the efficiency and operation of the Board and its Committees.

On 13 March 2019, the Internal Rules were revised to reflect developments in the Company's practices and changes to the Afep-Medef Code, which was itself revised in June 2018 and lastly on 25 March 2020.

The Internal Rules describe the rules of procedure, roles and responsibilities of the Board of Directors and its specialised Committees, and establish the principle of regular formal self-assessments of the Board's practices. They also set forth the process for appointing the Lead Director and define his or her role and provide for restrictions on the powers of the Chief Executive Officer.

The rules of conduct and ethics and the principles of sound governance applicable to members of the Board of Directors and embedded in the Internal Rules are described below in section 5.5.5 Rules of conduct – Conflicts of interest – Protection of minority shareholders.

The Internal Rules also describe the terms and conditions for conducting Board meetings and taking decisions and, in particular, authorise Directors to take part in meetings via videoconference or any other means of telecommunication.

The rules are made available to shareholders in Chapter 9 of the Universal Registration Document. The Board of Directors' Internal Rules, the charters of its Committees and the Insider Trading Policy may be found on the Company's website at: https://www.groupe-casino.fr/en/group/governance/

INFORMATION PROVIDED TO THE BOARD OF DIRECTORS – TRAINING

The Board of Directors' Internal Rules contain the terms and conditions under which the Directors are to receive information as provided by law and the non-disclosure obligations relating thereto.

The Chairman and Chief Executive Officer is responsible for providing Directors with all documents and information needed to perform their role and duties.

The documents and information that are required for reviewing the items to be discussed at Board of Directors' meetings are sent to Directors before the meetings take place. Thus, each Board member is provided with a briefing book containing all available information and documents relating to the items on the meeting's agenda, subject to their availability and based on the status of each respective item. Following the installation of a secure platform in 2016, the Board and its specialised Committees began using digitalised files for its meetings.

The members of the Board of Directors are informed about changes in the market, the competitive environment and the main challenges, including in the area of the Company's corporate social responsibility.

In accordance with the Board's Internal Rules, Senior Management reports very regularly (and at least once a quarter) to the Board of Directors on the Company's business and that of its main subsidiaries, including information on sales and results, reports on debt levels and available credit lines and headcounts at the Company and its main subsidiaries.

The Board of Directors also reviews the Group's off-balance sheet commitments once every six months.

Every six months, specific meetings or seminars are organised to present the Group's strategy and budget to the members of the Board.

The Chief Financial Officer attends all meetings of the Board. Other Executive Committee members, the executives of the subsidiaries and the heads of the Corporate departments are also invited to attend, depending on the items on the agenda.

Between Board meetings, the Directors receive any important information concerning the Company or any events that materially affect the Company, its operations, or information previously given to the Directors or any matters discussed by the Board during the meetings. They are invited to meetings presenting the financial results to analysts. Senior Management, the Chief Financial Officer and the Board's secretary are at the Directors' disposal to provide any relevant information or explanations.

Each Director, if he or she deems it necessary, may receive additional training on the Group's specificities, its business activities and sectors, its social responsibility and environmental challenges, as well as on accounting or financial concepts to round out their knowledge.

WELCOMING NEW MEMBERS

When new members join the Board, they are given an information package containing all the information they need to perform their roles and duties. They may also request documents they deem would be useful.

They benefit from an induction programme that can be adapted depending on their requests and needs. Meetings are organised with the heads of the main Corporate departments and with executives of the Group's main subsidiaries. Store visits are also organised so that new members can get to know the management teams and quickly deepen their understanding of the Company's businesses, markets and specific features.

The Director representing employees appointed during the second quarter of 2017 receives special training adapted to his duties, which is set at 20 hours per year in accordance with legal provisions. He also benefits from preparation time before each meeting that is determined by the Board of Directors on the recommendation of the Governance and Social Responsibility Committee, as provided by law. The content of this training programme is decided by the Board of Directors on the recommendation of the Governance and Social Responsibility Committee, after prior consultation with the Director. In the second quarter of 2017, the Director representing employees attended several training sessions with the *Institut Français des Administrateurs* (IFA – French Institute for Directors). It was also decided, with his agreement, that he would have access to the IFA's work as from 2018 as a form of ongoing training. During 2019, the Governance and Social Responsibility Committee noted that the Director representing employees viewed this ongoing training process as appropriate and adequate.

ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

In accordance with the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors sets the Company's business strategy and oversees its implementation, in line with its corporate interests, taking into consideration the social and environmental challenges of its business. Subject to powers expressly granted at general shareholders' meetings and within the limit of the Company's corporate purpose, it handles any matters relating to the Company's proper functioning and votes on the matters for which it is responsible.

The Board of Directors carries out the controls and checks it deems appropriate.

The Board of Directors also reviews and approves the annual and interim company and consolidated financial statements of the Company and the Group, as well as the management reports on the operations and results of the Company and its subsidiaries. It also approves the Company management forecasts. It reviews and approves the report on corporate governance. It also determines whether the positions of Chairman and Chief Executive Officer are to be combined or split, appoints the Chairman and Chief Executive Officer and decides on his or her compensation. It grants stock options (options to purchase or subscribe for shares) and free shares, and implements employee share ownership plans. It also reviews the Company's gender equality policies each year. It convenes and notifies shareholders of Annual General Meetings.

As mentioned earlier in this Report, management transactions that are significant in terms of their nature and/or amount must be submitted to the Board for prior approval, in line with the limits on the powers of Senior Management.

In accordance with the principles of sound governance, the Board entrusts the Audit Committee or an ad hoc committee of Independent Directors with the task of examining or monitoring significant transactions or any other matter. The report on the activity of the Board of Directors, the Audit Committee and the Governance and Social Responsibility Committee in 2019 describes the tasks of this nature entrusted to the two Committees in 2019.

The Board may also consult its own independent legal or financial advisers where appropriate.

ACTIVITY OF THE BOARD OF DIRECTORS IN 2019

13 meetings

Average attendance rate

93.5%

1 meeting

of Independent Directors chaired by the Lead Director

In 2019, the Board of Directors met thirteen times, as in 2018. The average attendance rate was 93.5%, versus 94% in 2018. The meetings lasted an average of more than two hours.

In 2019, more time was spent on reviewing and considering the Group's strategic choices for its various banners, the deleveraging and asset disposal plan in line with the Group's strategic choices and value creation objective, as well as the Group's refinancing plan in response to the initiation of safeguard proceedings at the level of Casino's parent companies. These issues were the main focuses of the Board's activity. The main work of the Board is presented below.

The Board of Directors drew on the review work done by the Audit Committee and its monitoring of progress in the asset disposal plan. Following the initiation of safeguard proceedings at parent company level, the Board also took into account the work done by the Governance and Social Responsibility Committee, which has been tasked with ensuring that Board decisions taken with respect to the ad hoc arrangements put in place protect the interests of minority shareholders and are in Casino's corporate interest.

The Board of Directors and its Committees drew on reports and analyses prepared by financial and legal experts or investment banks and validated the deleveraging choices and schedule.

■ Approval of financial statements – Financial position – Risks

The Board of Directors reviewed and approved the financial statements for the year ended 31 December 2018 (annual and consolidated) and the interim financial statements for 2019 (consolidated), together with the related reports and management forecasts of Casino, Guichard-Perrachon, and determined the 2018 final dividend and the capital allocation policy based on the escalated deleveraging plan. Accordingly, it reviewed the business performance of the Company and its subsidiaries, the business outlook and the Group's detailed financial position, and obtained the opinions of the Audit Committee and the Statutory Auditors. The Board discussed and approved the Group's draft press releases.

Each meeting also included a presentation of changes in the Group's financial position with respect to debt, financing and liquidity. Additionally, it reviewed progress in the cost savings plan and the liquidity forecasts, including under stress-test scenarios, and decided to step up the Group's deleveraging plan in France, having reviewed the underlying assumptions and sensitivity tests. It also decided to adjust the capital allocation plan accordingly.

The Board decided on the refinancing operations to be carried out by the Group in the final quarter, aimed at strengthening liquidity and the financial structure.

The Board monitored changes in the Group's financial ratings, share performance and the research reports published by analysts in an environment that continues to be shaped by repeated attacks on the Casino share and that of its parent, Rallye, by hedge funds seeking to artificially drive down their share prices and, in so doing, destabilise the two companies, their employees and shareholders.

It considered the status reports and regular reviews of the parent company safeguard proceedings, examined the potential impacts on Casino and monitored the preparation of the safeguard plans and their consistency with Casino Group's strategy, in particular its business plan and deleveraging strategy. It sought advice and opinions on these matters from external financial and legal experts, and its own Committees.

More generally, the Board reviewed all of the Group's material financial and non-financial risk exposures, changes in risk levels and the action plans deployed to address them. It received half-yearly reports from the Internal Audit department and the Group Risks, Compliance and Internal Control department and was informed of the status of action plans to detect and prevent cybercrime, prevent corruption under the Sapin II Act[1] compliance programme, and protect personal data in accordance with the European General Data Protection Regulation (GDPR) under the governance arrangements in place. It received the reports of the specialised Committees of the Board.

The Board also decided to implement a share repurchase programme and cancelled a number of acquired shares.

■ Strategy - Business model - Activities of the Group

The Board of Directors reviewed and approved the Group's strategic choices and 2019 budget and monitored its execution. As part of the strategy of refocusing on buoyant formats and geographies and growth businesses, and on improving the financial structure (deleveraging and reduction in capital expenditure, increase in cash generation), it raised the initial disposal plan target announced on 11 June 2018, set out an additional asset disposal plan and tasked the Audit Committee with monitoring said plan. During the financial year, the Board was given specific presentations by the banners' Chief Operating Officers on each banner's situation, consumer trends (particularly in organic products), operations, strategic focuses (including the mix of buoyant formats and synergies, the asset-light strategy, organic strategy, digital and omni-channel strategies, data and the development of services and energy with GreenYellow), innovations, and CSR action plans and commitments. The presentations notably concerned Distribution Casino France, Monoprix, Franprix and Cdiscount in France, and Éxito and GPA in Latin America.

It approved the reorganisation and streamlining of the Latin American operations.

It drew on the work of the Audit Committee in all its discussions and decisions.

At each meeting during the year, the Board reviewed developments in the Group's business, progress in the asset disposal plan and a report on the analysis and monitoring of work done by the Audit Committee. Various experts also reported to the Board on their analysis work, particularly in connection with building the business plan and value creation anticipated by the Group.

The Board examined various partnership and development projects, as well as the development of growth businesses and innovations.

(1) *French law No. 2016-169 of 9 December 2016 concerning transparency, anti-corruption measures and the modernisation of the economy.*

Governance and Social Responsibility

The Board of Directors reviewed the Company's position with regard to corporate governance principles. The review addressed such issues as the composition and organisation of the Board and the Committees, and the diversity policy and independence of Directors, particularly in light of the proposed re-election of the Directors whose terms expired at the Annual General Meeting of 7 May 2019. It took due note of the resignation of Sylvia Jay and adjusted the composition of the Appointments and Compensation Committee.

It reviewed the Lead Director's annual report on the application of the principles of sound governance by the Chairman of the Board and the Chief Executive Officer in each of these roles, in addition to the functioning of the Board. The Lead Director reported to the Board on the meeting of Independent Directors. The Board discussed this report and approved its conclusions. The Board of Directors decided to retain the unitary leadership structure, as it was considered well suited to a company with a sole controlling shareholder, and to re-appoint Jean-Charles Naouri as Chairman and Chief Executive Officer based on the unanimous recommendation of the Governance and Social Responsibility Committee and the Appointments and Compensation Committee and the unanimous opinion of the Independent Directors. It approved the Board's corporate governance report.

It tasked the Lead Director with holding occasional discussions with investors about the functioning of the Board and its Committees.

Having considered the report on the work and recommendations of its specialised Committees, the Board discussed the non-financial information statement, as well as the corporate social responsibility information, the ethics and compliance approach and the duty of care plan prepared by Senior Management incorporated in the management report, all of which are included in the 2018 Registration Document.

The Group CSR Director gave the Board a presentation on the results of the CSR policy for 2018 compared to objectives and performance indicators, and on actions taken, including the Group's actions and commitments to improve its environmental impact and combat climate charge.

At the proposal of the Governance and Social Responsibility Committee, the Board decided to expand the Committee's role in connection with the safeguard proceedings for the parent companies to create a specific framework for regular reporting to the Committee on progress in the proceedings, analysing the impacts on Casino and protecting the Company's corporate interest in these proceedings.

The Board also examined the related-party agreements that were authorised or remained in effect in 2018 and considered the Audit Committee's reports on its review of agreements between related parties, to ensure that minority shareholders' interests were duly protected.

It updated the Board of Directors' Internal Rules, the Audit Committee's Charter and the Appointments and Compensation Committee's Charter. On the recommendation of its Committees, the Board adopted a new procedure for identifying and reviewing arm's length agreements, under which the Audit Committee is required to review related-party agreements classified as arm's length and report thereon to the Board of Directors on a yearly basis.

It duly noted the proposed appointment of a Director representing employees at the level of its parent company Rallye, ending the employee representation at Casino level pursuant to Articles L. 225-27-1 *et seq.* of the French Commercial Code as amended by the Pacte Law No. 2019-486 of 22 May 2019 on business growth and transformation.

The Board received the opinions of its Committees on the key initiatives taken in 2019 within the Group under the gender equality policy, their outcome and additional measures to be taken in the future.

It renewed the annual authorisations granted to the Chairman and Chief Executive Officer, as presented above in section 5.3.2.

Compensation – Free allocation of shares – Human capital development

The Board of Directors decided on the components of the Chairman and Chief Executive Officer's compensation for 2019 submitted for approval to the shareholders at the Annual General Meeting of 7 May 2019 and set the amount of his variable compensation for 2018 based on criteria established during the preceding financial year. It decided on the terms and conditions for allocating directors' fees in respect of financial year 2019 to all the members of the Board of Directors and its specialised Committees as well as to the Non-Voting Directors and the Independent Lead Director.

The Board decided to introduce free performance share grants and free share grants to managers responsible for successfully implementing strategic and/or particularly complex transactions.

The Board received the Human Resources Director's presentation on the Group's succession plans and human capital development strategy. The Board's specialised Committee presented its opinion on the continuous process to update succession plans for the members of the Business Units' management committees and the Group's Senior Management, which are regularly presented to the Committee. The Committee also presented its opinion on the human resources development initiatives designed to gradually improve the gender balance at the governing bodies of the organisation and which must be pursued.

Annual General Meeting

The Board of Directors approved the agenda, reports and draft ordinary and extraordinary resolutions presented at the Annual General Meeting held on 7 May 2019, including those relating to the components of the Chairman and Chief Executive Officer's compensation. It was informed of the main voting policies of proxy firms and investors.

At each meeting the work performed and decisions taken by the Board were preceded by a presentation of all the work of its specialised Committees, as set forth below in detail.

5.5.2. Specialised Committees of the Board of Directors

BOARD OF DIRECTORS

Audit Committee	Appointments and Compensation Committee	Governance and Social Responsibility Committee
Independence rate: 2/3	Independence rate: 2/3	Independence rate: 3/4

The Board of Directors is assisted by three specialised Committees that report to the Board: the Audit Committee, the Appointments and Compensation Committee and, since 7 July 2015, the Governance Committee, renamed the Governance and Social Responsibility Committee as of 15 December 2017 after the scope of its responsibilities in the area of social responsibility was broadened.

The members of these Committees are appointed by the Board, which is also responsible for appointing their respective Chairs. The Committees' composition and organisation are reviewed each year by the Appointments and Compensation Committee, the Governance and Social Responsibility Committee and the Board of Directors. When selecting Committee members, the Board takes into account their professional background and expertise.

The specific roles, duties and functioning of each Committee are defined and are regularly reviewed by the Board of Directors. They are included in the Board of Directors' Internal Rules and in the Charter prepared for each Committee describing their respective organisation and rules of procedure.

Board meetings generally take place after a meeting of one or more Committees depending on the items on the agenda of the Board meeting in question. The Committees report to the Board on their work and observations and, where appropriate, inform the Board of their opinions, proposals or recommendations in each of their respective fields of expertise.

The Board may also decide at any time to set up an ad hoc committee of independent Directors to examine a specific issue. Pursuant to the Internal Rules of the Audit Committee and of the Governance and Social Responsibility Committee, they must consist of at least three members, at least two of whom must be Independent Directors within the meaning of the criteria in the Afep-Medef Code. With respect to the Appointments and Compensation Committee, the Internal Rules impose a minimum of three members, the majority of whom must be independent.

As part of its work, each Committee may organise meetings with the Senior Management of the Company and its subsidiaries should it deem necessary and, on its own initiative, may use the services of external experts and request any information it needs to carry out its functions.

During Board meetings, the Committees present oral reports on their work and a written report is made available to the Directors.

ACTIVITY OF THE BOARD COMMITTEES IN 2019

Attendance rate

100%

Audit Committee	Appointments and Compensation Committee	Governance and Social Responsibility Committee
13 meetings	4 meetings	7 meetings

AUDIT COMMITTEE

Composition as at 25 March 2020

	Role	Independence	1st appointment/ last renewal	Number of meetings	Rate of attendance
Frédéric Saint-Geours	Chairman Member		15/05/2018 05/05/2017	13	100%
Laure Hauseux	Member	●	15/05/2018		100%
Catherine Lucet	Member	●	15/05/2018		100%
Independence rate		**2/3**			

The proportion of Independent Directors on the Committee complies with the two-thirds threshold recommended by the Afep-Medef Code. 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.

Role and responsibilities

The Audit Committee is responsible for assisting the Board of Directors in reviewing 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 or risks.

It examines the Company's exposure to financial and non-financial risks. With respect to non-financial risks, it may draw on the work of the Governance and Social Responsibility Committee.

The Company ensures that, as far as possible, the Audit Committee meets to review the annual and interim financial statements at least two days before the Board meeting held to approve them.

Pursuant to Article L. 823-19 of the French Commercial Code, the Committee deals with matters relating to the preparation and control of accounting and financial information. It reviews the terms and conditions applicable to approving the financial statements, as well as the type, scope and outcome of the work undertaken by the Statutory Auditors for the Company and its subsidiaries.

Accordingly, it is tasked with tracking the effectiveness of internal control and risk management systems, the audit of the financial statements of the Company and the Group by the Statutory Auditors and the Statutory Auditors' independence.

To this end, the Statutory Auditors organise a presentation on their audit work and audit findings for the Committee. At least twice a year, the Audit Committee meets alone with the Statutory Auditors where necessary, without any Company representatives in attendance. Additional meetings with the Statutory Auditors and with the internal audit manager may be arranged at the Committee's request.

The Committee organises the Statutory Auditor selection process.

Since 15 February 2015, the Audit Committee has also reviewed, prior to their signature, all material agreements between the Company or its wholly-owned subsidiaries and related parties (defined as the other Casino Group companies, the Group's parent companies and their subsidiaries and the associated companies). The purpose of this review is to help prevent the risk of conflicts of interest and to protect minority shareholders. It informs Senior Management and the Board of Directors of its opinion on these agreements, for information purposes or prior to their approval, where applicable. The Audit Committee's role in this case is to establish that the transaction falls within the scope of the related-party procedure and express an opinion on whether the agreement fairly balances the interests of the Company and the related party (see also section 5.5.5 below on the procedure for reviewing related-party agreements and its scope).

Since 12 December 2019, the Audit Committee has also been responsible for reviewing agreements classified as arm's length on a yearly basis and reporting its opinion to the Board (see also section 5.5.5 below).

The Audit Committee's powers and duties are set out in a charter, including those concerning risk analysis and the detection and prevention of management errors. The charter is reviewed regularly and was updated on 13 March 2019 and 25 March 2020. The Board of Directors' Internal Rules also set out the Committee's responsibilities.

Activity of the Audit Committee in 2019

The Appointments and Compensation Committee met thirteen times in 2019 after meeting seven times in 2018. In addition to meetings on the financial statements and the half-yearly reports on the work of the internal auditors and the Risks, Compliance and Internal Control department, nine special meetings were held to review the proposed reorganisation of operations in Latin America, strategic choices and the proposed business plan and asset disposal and deleveraging plan (seven meetings) as well as the procedure for reviewing related-party agreements prior to their approval. The attendance rate was 100%, as it was in 2018. The meetings lasted an average of three hours.

The Chief Financial Officer, the deputy Chief Financial Officer, the Director of Group Accounting Standards, the Group Chief Accountant, the Group General Counsel, the deputy Director of Risks, Compliance and Internal Control, the Chief Financial Officer for Latin America, the Director of Group Internal Audit and the Board Secretary who is also the Committee's Secretary, all generally attended and participated in these meetings. Representatives of the Statutory Auditors attend the meetings when the annual and interim financial statements, the payment of dividends, changes in accounting standards, and the work of the Internal Audit department and the Risks, Compliance and Internal Control department are reviewed or discussed.

On the basis of the items on the agenda, other executives, including the Chief Operating Officer, the Strategic Planning and Investment Director, the General Secretary, the deputy Chief Financial Officer, the Chairman of the Risk Prevention Committee and Chairman of the Group's Ethics Committee, the Risks and Compliance Director and Group Ethics Officer, the Director of Group Information Systems Security, the Director of Operations in charge of digital transformation, the Executive Director, Merchandise, and Chairman of Achats Marchandises Casino, the Executive Director, Corporate Development and Holdings, and the Chairman of Immobilière Groupe Casino also participated in Audit Committee meetings. During its review of the annual and interim financial statements, the Committee also met the Statutory Auditors without any representatives of the Company in attendance.

Strategic choices and deleveraging plan

In 2019, the Audit Committee was involved in an in-depth review of the Group's strategic choices, escalation of the deleveraging plan in France and the asset disposal plan, and their impacts. For the purposes of its review, the Committee referred to reports and presentations prepared by external financial and legal advisers. It commissioned additional analysis work, which was also presented to the Board, and regularly monitored progress in the asset disposal plan. It also monitored the budget and progress in plans to improve working capital. In addition, the Committee was asked to review the proposed reorganisation of the Latin American operations based on streamlining the holding structures by combining operations within GPA, and expressed a favourable opinion on the terms of the acquisition of Exito's 50% interest in Ségisor and the transfer of the interest in Exito to GPA.

It reported to the Board on all its analyses, work and opinions, and where applicable to the Governance and Social Responsibility Committee, which was tasked specifically by the Board to protect the corporate interest in connection with the initiation of safeguard proceedings at the level of Casino's parent companies.

The Committee's work also addressed the following areas:

In connection with its review of the 2018 annual financial statements and the 2019 interim financial statements, the Audit Committee reviewed the accounts closing process and the consolidation of the accounts of the Group's various listed subsidiaries. It reviewed and discussed the note prepared by the Financial and Accounting department on off-balance sheet risks and commitments, the management reports and the Statutory Auditors' report on their audit procedures, their review of the system of internal controls over the preparation and processing of accounting and financial information and their review of all the consolidation entries and the financial statements of the Company. In this regard, the Committee reviewed the main risks to which the Group is exposed and the accounting options retained with respect to provisions. It obtained assurance concerning the appropriateness of the accounting methods and treatments used in the financial statements and the effective completion of the Statutory Auditors' engagement. The work done on the application of IFRS 16 was presented to the Committee.

It reviewed the draft financial press releases and also examined the proposed final dividend for 2018.

The Committee was regularly informed about trends in the Group's financial ratings, debt position and cash flow, as well as reports on liquidity forecasts prepared by external experts. The Group refinancing plan initiated in the second half of the year and its final terms were presented to the Committee.

Lastly, the Committee was informed of developments in partnerships with master franchisees, and the activities, objectives and organisation of relevanC.

Monitoring risk management

The Committee was regularly informed of and discussed developments in ongoing legal proceedings and investigations.

The Director of Internal Audit presented to the Committee its six-month interim activity reports on completed audits, the results of follow-up audits to check that action plans have been launched to implement the internal auditors' recommendations, and the assignments performed in coordination with the internal auditing teams of the various Group entities. The Committee also approved the internal audit programme for 2020.

The six-month interim reports of the Risks and Compliance department and its Group Internal Control unit were also presented to the Committee by the Internal Control Director and the Risks and Compliance Director and Group Ethics Officer, including the work and priorities for 2020 in terms of anti-corruption, detailed presentations of which were given to the Governance and Social Responsibility Committee. The Committee was also informed about the status of work on deploying the Group internal control standards and the introduction of self-assessments. The Director of Internal Control presented the annual update to the risk map covering the Group's major risk exposures, along with a description of the mapping methodology and the action plans drawn up to address the risks.

The Director of Group Information Systems Security gave presentations on the monitoring of action plans to prevent cybercrime. The Committee ensured that efforts continued to raise the Business Units' awareness of growing cyber risks and the need to upgrade data security in order to fully comply with the General Data Protection Regulation (GDPR).

As part of its compliance and risk management assessment, the Committee referred to the reports of the Governance and Social Responsibility Committee concerning the compliance of the arrangements for preventing and detecting bribery and corruption with the Sapin II Law and compliance with the GDPR, as well as the non-financial information statement and Senior Management's duty of care plan. The Committee reviewed the reports on internal audits conducted during the year on compliance issues.

The Committee approved "non-audit" services provided by the Statutory Auditors pursuant to the relevant approval procedure introduced in July 2016 and took due note of the confirmation by the Statutory Auditors that there were no situations or risks that might have jeopardised their independence during 2019.

Prior review of related-party agreements

In connection with its review of related-party agreements, the Committee expressed an opinion on the agreements related to the reorganisation of the Group's Latin American operations, the renewal of the current account agreement between Casino Finance and Mercialys and related-party agreements entered into or continued in 2018. In addition, it reviewed the annual report on all of the agreements between related parties, the purpose of which is to group all of the agreements and transactions that took place between or among these parties in 2018, including transactions outside the scope of the Committee's prior systematic review procedure.

In association with the Governance and Social Responsibility Committee, the Committee reviewed and recommended that the Board approve the new procedure on identifying and reviewing arm's length agreements following the introduction of France's Pacte Law tightening up requirements in that respect.

As part of its role, in 2019 the Audit Committee was informed of the proposed renewal of the strategic advisory services agreement with Euris from 1 January 2020 (based on the same financial terms and for a further period of three years) and its classification as an arm's length agreement based on financial and legal appraisals similar to those conducted in 2017. The Committee reviewed this proposal in the first quarter of 2020 and shared its findings and opinion with the Governance and Social Responsibility Committee (see also section 5.5.5 below).

The Chairman of the Committee reported to the Board of Directors on the work of each Audit Committee meeting.

APPOINTMENTS AND COMPENSATION COMMITTEE

Composition as at 25 March 2020

	Role	Independence	First appointment/ last renewal	Number of meetings	Rate of attendance
Nathalie Andrieux	Chair Member	●	15/05/2018 07/07/2015		100% 100%
Gilbert Delahaye	Member	N/A	15/12/2017	4	100%
Laure Hauseux[(1)]	Member	●	11/10/2019		100%
David de Rothschild	Member		15/05/2018		100%
Independence rate		**2/3**			

(1) Laure Hauseux succeeded Sylvia Jay, who resigned on 29 July 2019.

The composition of the Committee was reviewed on 11 October 2019 (see also section 5.2.3 above) based on the rules concerning the proportion of Independent Directors on the Committee and the skills required for the Committee's work.

The proportion of Independent Directors on the Committee complies with the Afep-Medef Code's recommendation calling for a majority of Independent Directors (the Director representing employees not being counted in the calculation).

The Chairman and Chief Executive Officer participates in the Appointments and Compensation Committee's work on the Committee's selection and appointment process for Directors and the Lead Director, and on information about the compensation policy for key executives who are not corporate officers.

Role and responsibilities

The role and responsibilities of the Appointments and Compensation Committee is set out in its Charter, which was revised on 13 March 2019 to incorporate the Company's practices and reflect changes to the Afep-Medef Code, which was itself revised in June 2018 and again on 25 March 2020 to take into account changes in the law in 2019. The Board of Directors' Internal Rules, also amended, describe these responsibilities.

The Appointments and Remuneration Committee is specifically in charge of helping the Board of Directors to review applications for Senior Management positions and to select new Directors based on the criteria and requirements set by the Governance and Social Responsibility Committee to achieve the right mix of expertise and diversity. It reviews Directors' independence and the composition of the Committees on an annual basis. It also assists the Board of Directors in setting and implementing the compensation policy for corporate officers, reviewing stock option and free share policies, employee share ownership plans and the human development and succession plan.

Activity of the Appointments and Compensation Committee in 2019

The Appointments and Compensation Committee met four times in 2019 (versus three times in 2018). The attendance rate was 100% in 2019, as it was in 2018. Meetings lasted an average of one and a half hours. The Committee made recommendations to the Board on the proposed re-election of Directors and the composition of the Board to be submitted to the Annual General Meeting of 7 May 2019. It unanimously recommended the continuation of a unitary leadership structure and the Board's re-appointment of Jean-Charles Naouri as Chairman and Chief Executive Officer after the Annual General Meeting.

The Committee performed its annual review of the independence of Directors, taking into account all of the criteria in the Afep-Medef Code, and presented the results of the review to the Board. As part of its review, it examined whether any Directors had any relationships with Group companies that might affect their judgement or lead to conflicts of interest.

It reviewed the composition of the Board and its Committees and recommended appointing Laure Hauseux as a member of the Appointments and Compensation Committee. It was informed that Casino was no longer required to have a Director representing employees as provided for in Articles L. 225-27-1 *et seq.* of the French Commercial Code as amended by the Pacte Law, as employee representation was now organised at Casino's parent company level.

It was consulted about the method of determining the Chairman and Chief Executive Officer's fixed and variable compensation for 2019, the financial and non-financial criteria and the variable component for 2018 based on achievements. It was also informed of the compensation of other Executive Committee members and reviewed the overall compensation of each member of the Executive Committee. It reviewed the proposed resolutions and the Board's reports to shareholders on the components of the Chairman and Chief Executive Officer's 2018 compensation and on the 2019 compensation policy for the Chairman and Chief Executive Officer submitted at the Annual General Meeting held on 7 May 2019. It also reviewed the sections of the Chairman's Corporate Governance Report, which can be found in the 2018 Registration Document, relating to matters for which he is responsible.

The Committee was also consulted about proposals to allocate free shares to managers of the Group and recommended that the Board approve the proposals. The Committee also made recommendations on the directors' attendance fees to be allocated to Board members and members of the Board's Committees, as well as to the Lead Director, the Chairs of the Committees and the Non-Voting Directors.

The Human Resources department reported to the Committee on its annual review of the succession plan for the business units' Management Committees and for Casino's key executives, its annual review of the talent pools available for succession planning, the development plans and action plans for the Group's key resources implemented in 2019 and the new initiatives for 2020.

On this matter, the Committee received the annual report on the composition of the Management Committees, particularly in France, given the objective of increasing the proportion of women on the governing bodies, which is a major pillar of the Group's human resources policy on gender diversity and equal opportunity.

The Committee considered that the actions taken in the last few years should, in time, lead to an improved gender balance on the Business Units' Management Committees and the Group Executive Committee (which currently includes only one woman, whose responsibilities are very broad). It recommended a review of new initiatives to accelerate the number of women in senior positions.

The Committee also ensured that measures existed to deal with a situation where the Casino senior executive position unexpectedly falls vacant. These measures are regularly presented to the Committee.

The Chairman of the Committee reported on the work performed at each Committee meeting to the Board of Directors.

The Appointments and Compensation Committee used independent research and benchmarking surveys, mainly carried out by specialist firms, to assist it in some of its duties.

GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE

■ Composition as at 25 March 2020

	Role	Independence	First appointment/ last renewal	Number of meetings	Rate of attendance
Catherine Lucet	Chair Member	●	15/05/2018 15/05/2018	7	100%
Nathalie Andrieux	Member	●	15/05/2018		100%
Christiane Féral-Schuhl	Member	●	15/05/2018		100%
Frédéric Saint-Geours	Member		05/05/2017		100%
Independence rate		**3/4**			

The composition of the Committee was last modified on 15 May 2018 (see also section 5.2.3 above) to take account of its expanded responsibilities in the area of Corporate and Social Responsibility (CSR), the appointment of a new Lead Director and the rules concerning the proportion of Independent Directors.

■ Role and responsibilities

The purposes, organisational rules and operation of the Committee are described in a specific Charter that was amended and approved most recently by the Board of Directors on 15 December 2017. The Board of Directors' Internal Rules also set out the Committee's responsibilities.

The Committee was created in 2015 to monitor the development of governance rules, oversee their proper application and propose any appropriate adaptation and ensure they are adequate to the Group's needs. In the area of governance, it regularly reviews the structure, size and composition of the Board of Directors. In particular, it is responsible for monitoring matters relating to rules of conduct and ethics applicable to Directors, for determining the method of evaluating the Board's organisation and functioning and performing the evaluations, and for managing and handling conflicts of interest. The Committee may address any exceptional issue that could give rise to a conflict of interest.

Protection of the corporate interest in connection with the safeguard proceedings for the parent companies

Following the initiation of safeguard proceedings for the parent companies, the Committee recommended temporarily extending its role in this connection to ensure that the Board of Directors is in a position to continue to provide its members with full and accurate information, and to make impartial and objective decisions in order to protect Casino's corporate interest, and that it is always able to identify and contain potential conflicts of interest within the Board. At its meeting on 13 June 2019, the Board of Directors decided to set up a specific governance framework on a temporary basis to be defined by the Governance and Social Responsibility Committee with the assistance of an independent law firm with no connection to the parent companies (see section 5.5.5 Specific governance framework for the Governance and Social Responsibility Committee in connection with parent company safeguard proceedings).

The scope of the Committee's duties in the area of social responsibility was broadened from 15 December 2017, reflecting the involvement of individuals at the highest level of the organisation in the Group's social responsibility process and the alignment of said duties with those of the other two Committees. It is thus responsible for reviewing the Group's commitments and policies in the area of ethics and rules of conduct and corporate social, environmental and societal responsibility, implementing these policies and tracking their results, in line with the Group's strategy. In this respect, together with the Audit Committee, it also ensures the existence of systems for the identification and management of the principal risks relating to these areas and compliance with applicable law and regulations. It reviews the Group's participation in ESG indices and examines the non-financial information disclosed in the annual management report, in accordance with the legal requirements. It reviews the gender parity policy annually ahead of the Board's annual discussion of this matter, and monitors the gender diversity objectives proposed by Senior Management (see also Article 12.2.5 of the Board of Directors' Internal Rules in section 9.4 of Chapter 9 of this Universal Registration Document).

■ Activity of the Governance and Social Responsibility Committee in 2019

During 2019, the Governance Committee met seven times (versus three times in 2018). The attendance rate was 100%, as it was in 2018. The meetings lasted an average of more than two hours.

The Committee's work mainly focused on the following matters:

- **As regards its specific temporary assignment regarding the safeguard proceedings:**

  The Committee held three special meetings in the second half of 2019, which were also attended by all the Independent Directors. It was assisted in its work and recommendations by legal and financial advisers with no connection to the parent companies and also drew on the work and opinions of the Audit Committee on financial or strategic matters within the Audit Committee's remit. All reports presented to the Committee and minutes of its meetings were made available to the Directors after the meetings.

- **As regards its governance responsibilities:**

  The Committee recommended on two occasions that the Board of Directors authorise a dialogue between the Lead Director and an investor as part of a discussion restricted to issues of governance and the Board's functioning based on publicly available information.

  The Committee reviewed the Lead Director's annual report on the functioning of the Board, the meeting of the Independent Directors and the conditions under which the duties of Chairman and Chief Executive Officer were respectively performed in 2018. It unanimously recommended the continuation of a unitary leadership structure and the Board's re-appointment of Jean-Charles Naouri as Chairman and Chief Executive Officer after the Annual General Meeting on 7 May 2019.

  The Committee reviewed the size and composition of the Board and its Committees in light of the diversity policy and the recommendations of the Afep-Medef Code revised in June 2018. It examined the revisions to be made to the Board's Internal Rules and, accordingly, to the Charters of the Audit Committee and the Appointments and Compensation Committee to reflect the Company's practices and incorporate the changes made to the Afep-Medef Code. It also reviewed the Board of Directors' Corporate Governance Report included in the 2018 Registration Document and recommended that the Board approve the terms of the report.

  As part of its work, the Committee was informed of and reviewed the Company's position vis-à-vis the various reports issued by the AMF and the High Commission on Corporate Governance, recommendations made by shareholders, proxy advisers and non-financial rating agencies, and the ensuing discussions.

  It selected the consultant engaged to perform the new evaluation of the Board's functioning at the end of 2019 and determined the evaluation method.

  It recommended that the Board expand the Committee's role in connection with the parent company safeguard proceedings within a specifically defined sound governance framework. It also ensured that a strict non-disclosure agreement was put in place governing the discussions between Casino and its parent companies in preparation for the safeguard proceedings (see section 5.5.5 Specific governance framework for the Governance Committee in connection with parent company safeguard proceedings).

  The Committee discussed the training programme for the Director representing employees. It reviewed the developments in employee representation pursuant to the Pacte Law.

  It recommended that the Board renew the specific annual authorisations granted to the Chairman and Chief Executive Officer, as described in the Board of Directors' Internal Rules.

  It also recommended that the Board task the Audit Committee with an annual review of agreements classified as arm's length pursuant to the provisions of the Pacte Law of 22 May 2019 and a review of the procedure to be implemented, a draft of which had been submitted to the Committee (see section 5.5.5).

- **As regards its Corporate Social Responsibility (CSR) responsibilities:**

  In 2019, the Committee reviewed and discussed the corporate social responsibility (CSR) policy implemented by the Company, as presented by the Group CSR Director. The review focused primarily on the defined strategies and priorities and how they were managed in France and Latin America, and the results achieved in 2018. The Committee was informed of the CSR criteria set in connection with the variable compensation of the executive corporate officer and other key managers. It also reviewed the non-financial information statement and the report on Senior Management's implementation of the duty of care plan for 2018.

  A status report was presented to the Committee by the Risks and Compliance Director and Group Ethics Officer and by the Internal Control Director on the implementation of measures and procedures to prevent and detect bribery and corruption as required by the Sapin II Law (measures previously overseen by the Audit Committee) and the risk mapping process, as well as the internal audit programme and action plans. The approach to complying with the General Data Protection Regulation was also presented to the Committee, along with a status report on each of the priority actions and the governance structure. The Committee reported to the Audit Committee on its monitoring of compliance with these CSR issues.

  It recommended that the Board approve the non-financial information statement, the CSR information, the ethics and compliance approach and the Senior Management duty of care plan included in the management report presented in the 2018 Registration Document.

  During a meeting postponed to January 2020, the Committee reviewed trends in the Group's non-financial ratings, the Group's dialogue with stakeholders and the issues addressed, the identified challenges for 2019 and 2020 – in particular the Group's commitments as regards climate impact and healthier food – as well as action plans and indicators. It approved the continued implementation of the CSR strategy and again encouraged the development of a communication plan to raise awareness of the strategy at corporate level and at the level of the banners. It also presented the main actions taken by the Group in 2019 in connection with the gender equality policy and the action plans to be implemented in 2020, to enable the Committee to prepare the Board's annual discussion of these issues.

The Committee's Chair reported to the Board of Directors on the work carried out at each Committee meeting.

5.5.3. Lead Director – 2019 report

The Board of Directors' Internal Rules provide for the mandatory appointment of an Independent Lead Director whenever the offices of Chairman of the Board of Directors and Chief Executive Officer are held by the same person (see also section 5.3.3 above).

The position of Lead Director was created on 11 May 2012 at the suggestion of the Chairman and Chief Executive Officer. The Board of Directors appointed Catherine Lucet, iIndependent Director, to succeed Frédéric Saint-Geours as Lead Director effective 15 May 2018.

The Lead Director's powers and duties are described in Article 13 of the Board's Internal Rules. The Lead Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on the proper functioning of the Board, on such matters as the information given to Directors, the inclusion of items on the agenda of Board meetings and the organisation of Board discussions and votes.

To this end, she may consult the Governance and Social Responsibility Committee at any time about any issues that could create a problem.

Catherine Lucet attended all meetings of the Board of Directors (13 meetings) and all meetings of the Audit Committee (13 meetings). She chaired all meetings of the Governance and Social Responsibility Committee (seven meetings)

In respect of 2019:

- The Lead Director chaired a meeting of the Independent Directors in January 2020 devoted to evaluating the functioning of the Board and its Committees in 2019. The Chairman of the Audit Committee also attended. She reported on the meeting to the Chairman and Chief Executive Officer.
- The Lead Director reported to the Governance and Social Responsibility Committee then to the Board that the positions of Chairman of the Board of Directors and Chief Executive Officer and the duties of the Board and the Board Committees were performed satisfactorily and that no problems had come to light or been reported to the Appointments and Compensation Committee or the Governance and Social Responsibility Committee or to the Lead Director during the financial year concerning any actual or potential conflicts of interest. The Lead Director confirmed the proper functioning of the Board with regard, in particular, to the organisation of its discussions, the information given to Directors and the functioning of the Board Committees. The Chairman and Chief Executive Officer was informed by the Lead Director of the observations and recommendations.
- As Chair of the Governance and Social Responsibility Committee, the Lead Director continued her review of governance practices under the Afep-Medef Code, its implementation guide and the reports of the AMF and the High Commission on Corporate Governance. She ensured that the Directors were fully informed about changes in regulations and best practices, that governance issues were properly reviewed, that independent advice was obtained where required by issues or decisions, that conflicts of interest were effectively prevented – in particular in connection with the parent company safeguard proceedings – and that the Committee duly fulfilled its temporary assignment with the support of legal experts and the Audit Committee's work during meetings attended by all Independent Directors and expert advisers. She reported to the Board all her work and discussions, in particular her recommendations on retaining a unitary leadership structure following the re-election of Jean-Charles Naouri as Director at the Annual General Meeting on 7 May 2019, on the specific governance framework regarding the safeguard proceedings and its implementation, and on the proposal to task the Lead Director with shareholder dialogue assignments from time to time. She reported to the Audit Committee and the Board on her monitoring of compliance with legal and regulatory requirements in terms of the ongoing reinforcement of the corruption and bribery prevention and detection programme and personal data protection measures, and her work on reviewing the non-financial information statement and the Senior Management duty of care plan.

- In her role as Chair of the Governance and Social Responsibility Committee, she also reviewed the composition of the Board of Directors and its Committees in light of governance rules and the change in the law on employee representation on the Board. She oversaw the process of selecting the consultant engaged to conduct the formal three-year evaluation of the Board's functioning at the end of 2019 and presented a summary of the findings to the Board of Directors on 28 January 2020.
- She reported to the Board of Directors on a her first shareholder dialogue meeting held in March 2019. A second meeting was organised in 2020 and a report presented.
- As a member of the Audit Committee, the Lead Director participated in all the Committee's work, including monitoring progress in the non-core asset disposal plan and its extension, reviewing strategic choices, stepping up the deleveraging plan and the capital allocation policy also submitted to the Audit Committee for review. In an environment still shaped by violent attacks against the Company, along with attempts to discredit and destabilise it, and by the safeguard proceedings initiated at the level of Casino's parent companies on 23 May 2019, she ensured that the work related to the strategic choices, asset disposal and deleveraging plan and capital allocation policy enabled the Directors and, with regard to their temporary assignment, the members of the Governance and Social Responsibility Committee to fully and freely exercise their judgement and fulfil their responsibilities.
- The Lead Director held regular discussions with the Board Secretary to prepare meetings of the Board Committees and the agenda of the Board meetings.
- The Lead Director reported on her activities to the Governance and Social Responsibility Committee and the Board of Directors.

The Board Secretary was at the disposal of the Lead Director to assist her in the performance of her responsibilities.

5.5.4. Evaluation of the Board's functioning

Pursuant to the Afep-Medef Code, the Board's Internal Rules provide for an annual review and regular performance evaluations of the Board of Directors by the Governance and Social Responsibility Committee, assisted by an independent consultant if it so wishes. Since the external evaluation performed in 2016, implementation of the suggestions for improving the organisation of the Board's work was monitored during the annual meeting of Independent Directors and clarifications were made at meetings organised by the Lead Director.

For 2019, the Governance and Social Responsibility Committee engaged an external firm (Emeric Lepoutre & Partners) to perform a new evaluation at the end of 2019, the report on which was sent to all of the Directors. The Chairman of the Committee and Lead Director presented a summary of the findings to the Board of Directors, which reviewed and discussed them and approved the implementation of all the recommendations.

Based on the opinion expressed by the Independent Directors, the Governance and Social Responsibility Committee had recommended that the individual contribution of Directors should not be assessed during the next formal evaluation of the Board's functioning and that instead, preference should continue to be given to evaluating the Directors collectively, as this approach was considered to be better aligned with the Board's structure and has proved satisfactory. However, during the interviews, each Director was able to talk freely about the composition and the dynamic of the Board and Committee meetings, the work carried out by the Committee Chairs and the Lead Director. The process carried out and the positive findings on the Board's functioning are indicative of the level of professionalism and personal dedication of the Board's members, especially as regards its Independent Directors and Committee Chairs.

The external evaluation and review meeting of the Independent Directors on 23 January 2020 revealed a highly positive assessment of the Board and its performance. It was considered to be effective and conscientious, to have addressed all issues within its authority and to have had access to all the information required to fulfil its responsibilities. The transparency and clarity of the responses to the questions, the professionalism of Senior Management, the quality of the preparation work sent to the Board and its Committees (and, generally, the quality of the services delivered by the Board Secretary), the freedom of speech and the effective communication between the Board and its Committees all contributed positively to this overall assessment. The performance of the three Committees and the Lead Director's leadership were considered to be excellent.

The implementation of a framework for monitoring the safeguard proceedings put in place by the Governance and Social Responsibility Committee and all Independent Directors, and the analysis of the potential implications for Casino, the regular presence of representatives of the parent companies, their specialist lawyers, independent financial and legal advisers, and their availability and transparency, enabled the Directors to grasp the situation and issues clearly and to exercise their freedom of judgement impartially in strict compliance with Casino's corporate interest.

The Directors considered that the major, ambitious operations that shaped 2019 (reorganisation of the Latin American operations, refinancing of the Group and gradual asset disposals according to plan), and the work on the Group's strategy, were the subject of fully informed and sustained, high-quality discussions between Senior Management and the Directors within the Audit Committee and the Board of Directors and with the independent consultants and advisers engaged.

The Directors unanimously recommended that the chairmanship of the Audit Committee remain unchanged as it was fully satisfactory and was necessary in the current environment facing the Group, which required in-depth knowledge of the Group and substantial availability. The freedom of speech and independent judgement of the Audit Committee Chairman were unarguably demonstrated notwithstanding the decision to apply the 12-year term rule recommended in the Afep-Medef Code. The quality of the Committee's work was unanimously confirmed by the Board evaluation performed at the end of 2019, which reflected its effectiveness under the current Chairman. Likewise, the current composition of the Board was fully satisfactory.

Among the suggestions, it was proposed to continue developing regular information for the Board on trends in the environment, business, market share and competition, to hold a further Board meeting in the field in 2020, to prepare an Executive Summary for lengthy reports and presentations, and to improve the technical methods for remote attendance at Board and Committee meetings.

5.5.5. Rules of Conduct – Conflicts of Interest – Protection of Minority Shareholders

RULES OF CONDUCT – INTERNAL RULES

The Board of Directors' Internal Rules and, in particular, Section VI, set out the rules of conduct applicable to Board members. This section was supplemented and updated in 2016 and again in March 2017. The rules state that each Director must perform his or her duties in compliance with the rules of independence, business ethics, loyalty, and integrity. It notably includes the duty of the Directors to request information, their obligation to protect the Company's interests, avoid and manage conflicts of interest, attend meetings and keep information confidential, and contains rules relating to equity interests held by Directors elected by the Annual General Meeting. The measures associated with the prevention of insider trading have also been compiled in the Insider Trading Policy that was adopted in March 2017 and to which the Board of Directors' Internal Rules expressly refer (see below). The Ethics Charter and the Code of Ethics and Business Conduct for the Group's affairs that define and illustrate the values of ethics and integrity of the Group are the reference documents intended for all employees as well as the executives and Directors of the Group. These documents may be viewed on the Company's website (https://www.groupe-casino.fr/en/insider-trading-policy/ and https://www.groupe-casino.fr/en/ethics-compliance/).

Section VI of the Internal Rules states that before agreeing to undertake the position, each Director must read the legal and regulatory provisions associated with his or her position, the applicable codes and sound governance practices, as well as any provisions specific to the Company contained in the Articles of Association and the Internal Rules.

Directors must request the information they deem necessary for the successful performance of their responsibilities. To this end, they must ask the Chairman, where appropriate and in a timely manner, for the information they need to make useful contributions to the discussions of items on Board meeting agendas.

With respect to the rules applicable to the prevention and management of conflicts of interest, Directors who represent the interests of all shareholders have a duty to disclose any conflicts of interest they may have to the other Board members. The Internal Rules state that each Director is required to alert the Board of Directors regarding any actual or potential conflict of interest in which they might be directly or indirectly involved and, in such a case, to abstain from taking part in discussions and votes on the matters in question. Each Director must consult with the Chairman prior to undertaking any assignment or accepting any function or duties that could, even potentially, result in a conflict of interests for the Director in question. The Chairman can consult with the Governance and Social Responsibility Committee or the Board of Directors regarding such matters.

During the 2015 financial year, with a view to better reflecting the Group's strong international footprint and the presence in the Group of several listed companies (subsidiaries or parent companies) both in France and abroad, the Board of Directors decided to strengthen and supplement existing procedures and/or governance bodies, thereby enhancing its good governance process. The Board accordingly implemented a procedure to review all agreements between related parties (see below), and to create the Governance Committee, renamed Governance and Social Responsibility Committee in December 2017, whose specific task is to examine governance, ethical and social responsibility issues.

As part of its duties, the Governance and Social Responsibility Committee may therefore examine any exceptional issue that may give rise to a conflict of interest within the Board of Directors and give an opinion or make a recommendation on the matter.

CONFLICTS OF INTEREST – PROTECTION OF MINORITY SHAREHOLDERS

■ Conflicts of interest involving corporate officers and Senior Management

The Company maintains normal relations with all its subsidiaries in its day-to-day management of the Group. It also receives strategic advice from Euris, its overall controlling company, of which Jean-Charles Naouri is Chairman and majority shareholder. Euris provides permanent advisory services on strategy and development (by a team of 15 people), on terms that are contained in an agreement dated 5 September 2003, approved by the Annual General Meeting under the procedure applicable to related-party agreements and commitments, as were the subsequent amendments to that agreement. Pursuant to an amendment dated 14 March 2017, authorised by the Board of Directors which met on 6 March 2017 and following a review and an unanimous favourable opinion by the Audit Committee and approval at the Annual General Meeting of 5 May 2017, the term of the agreement, renewed from 2017 under the same invoicing terms and conditions, was extended by three years. A clause was added to provide for an annual review of the amount invoiced to the Company based on the changes in Euris' costs for providing strategic support and on the portion of costs allocated on the basis of the cost-sharing formula. As part of the review procedure described below, the Audit Committee expressed a unanimously favourable opinion on entering into this amendment after reviewing the reports from financial experts and after obtaining independent expert advice confirming the pertinence of the cost-sharing method used and its suitability for the engagement as well as legal opinions to the effect that renewing the agreement was in the Company's interest, as was the decision to extend its length by three years. The findings of the independent expert were brought to the attention of the shareholders at the Annual General Meeting of 5 May 2017. Under the terms of the agreement, the amount paid by the Company to Euris in 2019 for that year was €870,000 excluding VAT, versus €760,000 excluding VAT paid in 2018 (see Statutory Auditors' report on related-party agreements).

The Audit Committee was called upon to consider the renewal of the strategic advisory services agreement as from 2020 on unchanged terms and conditions. In January 2020, the Committee reviewed the benefits of renewing the agreement for Casino and assessed whether it qualified as an arm's length agreement under the new procedure adopted by the Board of Directors on 12 December 2019. As a result of its review and based on expert advice, the Committee concluded that the agreement qualified as arm's length (see below, Regular review by the Audit Committee of arm's length agreements entered into by the Company pursuant to Article L. 225-39, second paragraph, of the French Commercial Code).

Euris also provides permanent strategic advisory and assistance and development services to the Company's subsidiaries. The total amount billed by Euris for these services in 2019 was €2.63 million, excluding VAT (€2.38 million excluding VAT in 2018). In addition, Euris and Foncière Euris provide staff and fitted-out premises to the Company and its subsidiaries (see note 14 to the consolidated financial statements).

To the Company's knowledge, with the exception of the abovementioned contracts, there are no other service contracts between the members of the Board of Directors of the Company and the Company or any of its subsidiaries the terms of which would qualify as a grant of special benefits.

Jean-Charles Naouri, Jacques Dumas, Didier Lévêque, Michel Savart, Josseline de Clausade and Odile Muracciole, executives, Directors or permanent representatives of companies in the Euris and Rallye groups, are members of the administrative, management and/or supervisory bodies of companies belonging to these two groups and/or to Casino Group (see list of the positions in section 5.5) and accordingly receive compensation and/or directors' fees.

To the Company's knowledge, there are no other potential conflicts of interest between the duties performed by the members of the Board of Directors for the Company and their private interests or other obligations. There are no arrangements or agreements with shareholders, customers, suppliers or other parties by virtue of which a member of the Board of Directors has been appointed as a Director.

The responsibilities of the Audit Committee, particularly in connection with the prior review procedure for agreements between related parties, and of the Governance and Social Responsibility Committee, on both of which sit a majority of Independent Directors, as well as the Lead Director, help to prevent conflicts of interest and ensure that the power of the majority shareholders is not exercised unfairly.

In addition, to the best of the Company's knowledge, no family ties exist between members of the Company's Board of Directors.

No loans or guarantees have been made or granted by the Company to members of the Company's Board of Directors who are natural persons.

Prior review of agreements between related parties by the Audit Committee

Casino considered that close attention should be paid to agreements between the Company or its wholly-owned subsidiaries and other companies in Casino Group, the Group's parent companies and their subsidiaries, as well as companies accounted for by the equity method, referred to as "related parties".

In this regard, in order to prevent conflicts of interest and protect the various minority shareholders within the Group, the Board of Directors in 2015 instituted a procedure for the systematic review of related-party agreements by the Audit Committee. The only procedure for the prior authorisation of related-party agreements, as provided for in the French Commercial Code, which consists in prior authorisation from the Board of Directors, the preparation of a Statutory Auditors' special report, and approval at the Annual General Meeting, is intended to apply mainly to agreements to which Casino is a direct party. It does not cover routine agreements entered into under arm's length conditions, which represent the vast majority of intra-group agreements.

The Board therefore introduced a prior review procedure for the Audit Committee to examine all agreements before they are submitted for information or approval to the Board of Directors, between (i) the Company or its wholly-owned subsidiaries and (ii) other Group companies as well as controlling companies and companies accounted for by the equity method in the Group's consolidated financial statements where the transaction amount with the same related party during the same financial year, either individually or in total, is greater than €10 million per transaction and, above the €10 million aggregate threshold, transactions for which the total amount is €1 million. The Audit Committee is required to express an opinion as to whether the terms of such contracts fairly balance the interests of both parties. The procedure does not apply to agreements between the Company and its wholly-owned subsidiaries or among wholly-owned subsidiaries themselves that concern (i) routine transactions carried out in the normal course of business, (ii) tax consolidation agreements, provided they do not place one of the parties in a less favourable position than if it had elected to be taxed on a stand-alone basis, or (iii) the issue of a guarantee or a payment for a guarantee, unless it is not consistent with the Group's normal practices in this regard.

Moreover, related-party agreements (as per French law) entered into by the Company are subject to this procedure regardless of their amount. At the request of Senior Management, any agreement not falling within the scope of the procedure may also nevertheless be submitted for review to the Audit Committee owing to its characteristics. At the request of the Chairman and Chief Executive Officer or the Chairman of the Audit Committee, the Board of Directors may also decide to entrust the prior review of an agreement with a specific related party to an ad hoc Committee due to the nature or significance of the planned transaction.

To perform its work in line with this procedure, the Audit Committee may use studies or reports generally produced by external specialist consultants to make an informed decision about the related-party agreements subject to its review.

A specific charter describing the procedure's organisation and functioning was drawn up and approved by the Board of Directors based on the recommendation of the Audit Committee. The Board of Directors' Internal Rules also include provisions relating to the principle of a prior review of agreements between related parties by the Audit Committee, of which at least two-thirds of members are Independent Directors.

The Audit Committee issued a favourable opinion on all of the transactions it reviewed in 2019 based on the reports of external experts, having concluded that their terms fairly balanced the interests of both parties. Each year, Senior Management presents a report to the Audit Committee on all related-party agreements entered into during the year and on all transactions qualifying for the above-mentioned exceptions to the related-parties procedure. The report presented to the Audit Committee during the 2019 financial year once again concluded that there was no need to widen the scope of application of the systematic review procedure introduced in 2015.

Regular review by the Audit Committee of arm's length agreements entered into by the Company pursuant to Article L. 225-39, second paragraph, of the French Commercial Code

Arm's length agreement identification and review procedure

Further to changes in the legal provisions governing related-party agreements pursuant to the Pacte Law of 22 May 2019 (Article L. 225-39, paragraph 2 of the French Commercial Code), at its meeting of 12 December 2019 the Board of Directors, on the unanimous recommendation of the Governance and Social Responsibility Committee, tasked the Audit Committee with regularly reviewing the "arm's length" agreements entered into by the Company, and also approved, on the Audit Committee's recommendation, the terms of the dedicated charter on identifying and reviewing arm's length agreements. This charter sets out the methodology to be used to classify agreements into arm's length and related-party agreements referred to in Article L. 225.38 of the French Commercial Code.

Each year, the Audit Committee reviews the report on arm's length agreements entered into during the year or which continued to apply during the year, and the analysis of those agreements. The list of arm's length agreements is accompanied by any supporting documentation, including reports prepared by a third-party expert in financial, legal, real estate or other fields, enabling the Audit Committee to review those agreements classified as at arm's length and to report thereon to the Board of Directors. The Audit Committee may ask for additional information from the Company's Senior Management. The Audit Committee may, if it deems necessary, propose that an agreement initially considered to be an arm's length agreement be reclassified as a related-party agreement. Should the Board agree on the need for such a change, the rectification procedure referred to in Article L. 225-42, paragraph 3 of the French Commercial Code is implemented.

The Audit Committee may also propose that an agreement initially considered as a related-party agreement be reclassified as an arm's length agreement, if it deems appropriate. In that case, the Board of Directors discloses the change in its management report in order to inform the Company's shareholders.

Any member of the Audit Committee or the Board of Directors who is directly or indirectly involved in an arm's length agreement may not take part in its review.

Furthermore, each year, based on the arm's length agreement report, the Audit Committee also determines whether the procedure for identifying and reviewing arm's length agreements as defined in the procedure remains appropriate for the Company's needs and proposes any necessary changes to the Board of Directors.

Implementation of the procedure

In 2019, the Governance and Social Responsibility Committee recommended that the Audit Committee be tasked with reviewing the proposed renewal of the strategic advisory services agreement with Euris from 1 January 2020 (on the same financial terms and for a further period of three years) and its classification as an arm's length agreement based on financial and legal assessments similar to those performed in 2017. Under the agreement, the amount paid in 2019 to Euris by the Company for services provided in 2019 was €870,000 excluding VAT (see above).

Euris invoices the expenses it has incurred in providing strategic advisory services to the Group based on allocation keys applied at two successive levels: a primary key applied to the holding companies based on capital employed (equity+debt) and a secondary key within Casino Group to allocate Casino Group's portion between the subsidiaries of Casino, Guichard-Perrachon based on sales (Casino, Guichard-Perrachon assumes 20% of the expenses). The expenses allocated are marked up by 10%.

In 2020, the Audit Committee assessed the benefit of the agreement's renewal based on the services provided and the Company's corporate interest. It also assessed the classification of the agreement under the new procedure adopted by the Board of Directors on 12 December 2019.

Having reviewed the proposed agreement, the services provided by Euris to Casino from 2017 to 2019, the financial opinions consistent with those expressed in 2017 confirming the relevance and fairness of the strategic cost allocation method and its appropriateness for the services provided, and the legal opinions, and having discussed the matter with various experts, the Audit Committee unanimously decided to recommend that the Board approve the renewal of the strategic advisory agreement with Euris and its classification as an arm's length agreement. The Audit Committee shared its findings and opinion with the Governance and Social Responsibility Committee before reporting to the Board on 28 January 2020.

This agreement was initially classified as a related-party agreement in 2003 (mainly because, at the time, the services were invoiced on a flat-rate basis) and this classification had never been changed. However, both the nature of the agreement (routine services provided since 2003 to companies owned by managing holding companies) and its financial terms and conditions, supported by the findings of financial advisers, reflect its arm's length nature. The Committee also noted that similar agreements entered into between Euris and subsidiaries DCF and Monoprix were considered to be arm's length.

The opinions of the financial advisers confirmed the relevance and fairness of the strategic cost allocation method and its appropriateness for the services provided, which were verified. The financial opinions all also concluded that the agreement qualified as arm's length in view of the nature of the costs invoiced and the allocation method selected – cost plus a 10% mark-up, which was considered to be relevant and therefore fair for both the service provider and the beneficiary.

The conclusions of the independent appraisal conducted by Didier Kling & Associés to review and re-evaluate the allocation method used to bill Casino for the strategic advisory services provided by Euris, and the types of services invoiced to Casino under the agreement, show that:

- the method used to allocate the costs incurred by Euris to subsidiaries for the strategic advisory services provided is relevant and well-adapted to the type of business activities carried out by Casino Group companies;
- the costs invoiced are justified as a whole from an accounting viewpoint and properly allocated according to the methods defined;
- the mark-up applied to those costs, barring any potential local tax restriction, falls within a commonly used range and therefore does not appear to be excessive;
- the services provided on a regular or occasional basis have been verified and fall within the scope of the strategic advisory agreement or meet specific needs expressed by Casino's management. In addition, those services contribute to the consistency of the management and strategic policy of both the Euris and Casino groups.

The legal opinions sought concluded that the agreement was in line with the corporate interest of the relevant companies and qualified as an arm's length agreement entered into with Euris in the ordinary course of business.

Casino's Statutory Auditors, who attended the Audit Committee meeting, confirmed that they had read the expert reports and opinions and had no particular matters to report as regards the agreement's change of classification.

At its meeting on 28 January 2020, therefore, the Board of Directors unanimously authorised the renewal of the agreement for a further three years and unanimously approved its reclassification as an arm's length agreement based on the unanimous favourable opinion of the Audit Committee and the findings of the expert reports and legal opinions (the Directors concerned did not vote on either matter).

The Audit Committee will review the arm's length classification of the strategic advisory agreement with Euris on an annual basis in accordance with the review procedure drawn up on 12 December 2019.

Furthermore, in March 2020, Senior Management presented the first report on all arm's length agreements entered into or continuing in 2019 to the Audit Committee. Based on this report, the Audit Committee was able to confirm that they did indeed qualify as arm's length agreements.

■ Specific governance framework for the Governance and Social Responsibility Committee in connection with parent company safeguard proceedings

At its meeting on 13 June 2019, the Board of Directors decided to follow the recommendation of the Governance and Social Responsibility Committee by setting up a specific governance framework in response to the initiation of safeguard proceedings at the level of the Group's parent companies.

Based on the Governance and Social Responsibility Committee's recommendation, the Board of Directors decided to give the Governance and Social Responsibility Committee, chaired by the Independent Lead Director, responsibility for dealing with issues arising from the safeguard proceedings, including:

- exchanging information with Rallye and the Group's other parent companies concerning the preparation, negotiation and implementation of the parent companies' safeguard plans;
- an assessment for consistency between the direction of Casino's business, such as determined by the Board of Directors, and the safeguard plans drafted by the holdings;
- reviewing any Board decisions related to the implementation of the safeguard plans or that could potentially be affected by the safeguard proceedings applicable to the parent companies (for example, implementation of the current disposal plan and possible adjustments thereto, any decision to pay a dividend, or the assessment of any related-party agreements with companies concerned by the safeguard proceedings).

This framework aims to ensure that the governance mechanisms in place at Casino are appropriate and notably that the Board of Directors is in (i) a position to continue to provide its members with full and accurate information, (ii) make impartial and objective decisions, with a view to protecting Casino's corporate interest, and (iii) identify and contain potential conflicts of interest within the Board.

The Committee is supported by the independent legal advisers to the parent companies. It obtains opinions from independent financial and legal experts and may call on any independent consultants at its discretion. It also draws on the work and opinions of the Audit Committee on financial and strategic matters within its remit and the Audit Committee itself also calls on expert opinions and reports thereon to the Governance and Social Responsibility Committee.

Three regular monitoring meetings were organised in the second half of 2019, which also were attended by those Independent Directors who are not members of the Governance and Social Responsibility Committee. All minutes of meetings and expert reports and studies presented to the Committee were circulated to the Directors (see also section 5.5.2 Activity of the Governance and Social Responsibility Committee in 2019).

CONVICTIONS

To the best of the Company's knowledge, no member of the Board of Directors has during the last five years:

- been convicted of fraud or of a crime and/or incurred an official public sanction or sentence imposed by a legal or regulatory authority;
- been involved in an insolvency, a receivership or a liquidation in his or her capacity as a member of a management body;
- been disqualified by a court from acting as a member of an administrative, management, or supervisory body of an issuer or from acting in a managerial capacity or being involved in the conduct of the business or affairs of any issuer.

RESTRICTIONS ACCEPTED BY MEMBERS OF THE BOARD OF DIRECTORS RELATING TO THE SALE OF THEIR SHARES

Pursuant to the terms of the Company's Articles of Association, each Director must own at least 100 Company shares. The Internal Rules also state that each Director elected at an Annual General Meeting, whether a natural person, legal entity or permanent representative, also undertakes to hold a number of Company shares the amount of which corresponds to at least one year of Directors' compensation (formerly directors' fees), with the possibility of using that compensation to acquire the shares. The Articles of Association exempt Directors representing employees from complying with this requirement, as provided by law.

Subject to the foregoing, to the Company's knowledge, there are no restrictions on members of the Board of Directors relating to the sale of their equity interests in the Company other than the obligations adopted by the Group pursuant to the Insider Trading Policy or, generally, to any applicable law or regulations regarding requirements to abstain from carrying out transactions involving Company securities in connection with the prevention of insider trading.

PREVENTION OF INSIDER TRADING

During 2017, the Company updated its internal rules and recommendations on insider trading following changes in the legal and regulatory framework applicable to the prevention of market abuse following the introduction of Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse, which entered into effect on 3 July 2016.

On the recommendation of the Governance and Social Responsibility Committee, the Board of Directors' Internal Rules were modified and an Insider Trading Policy was adopted. This Insider Trading Policy includes, in particular, a description of (i) the applicable legal and regulatory provisions, (ii) the definition of inside information, (iii) the measures taken by the Company to prevent insider trading, (iv) the obligations of persons with access to this inside information, and (v) the applicable penalties. The Policy also states that Casino's listed subsidiaries or parent companies each have their own insider trading rules with which the persons subject to said rules must also comply.

The Policy applies to members of the Board of Directors (including Non-Voting Directors), executives and other persons in similar roles, as well as, more generally, to employees who may have access to sensitive or inside information. It is sent to all such persons, who attest that they have read it and agree to comply with it.

The Policy provides for the creation of an Insider Trading Committee responsible, among other things, for answering any questions relating to the application of the Insider Trading Policy and management of lists of insiders and delayed disclosure of inside information.

The Insider Trading Policy, like the Board of Directors' Internal Rules, prohibits the abovementioned persons from trading in the Company's securities or financial instruments:

- during the 30 calendar days preceding the publication by the Company of a press release announcing its annual and interim financial results, including the date of said publication;
- during the 15 calendar days preceding the publication by the Company of a press release announcing its quarterly financial results, including the date of said publication;
- from and after the date of exposure to inside information to the date on which said information is no longer considered inside information, in particular after it is made public.

The start of each blackout period coincides with the sending of an email informing the persons affected by the prohibition, to which is attached a calendar of the blackout periods and a reminder of the obligations stipulated in the Insider Trading Policy.

The Policy contains rules relating to the compilation of lists of insiders and includes information about the declarations that must be made by the persons defined as persons having managerial and executive responsibilities and persons having close personal ties to such persons when they engage in transactions involving the Company's securities.

The Policy is regularly reviewed and was last updated on 25 March 2020. It is available on the Company's website.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS AND HOLDING MULTIPLE DIRECTORSHIPS

The Board of Directors' Internal Rules states that Directors must devote the necessary time and attention to their responsibilities. They must make every effort to attend Board of Directors' meetings and Annual General Meetings, as well as meetings of the Committees on which they serve. The Company's methods for determining and allocating directors' fees comply with the Afep-Medef Code recommendations, which notably stipulate that Directors' attendance should account for a significant weight of the variable fee and its distribution.

Checks are performed to ensure that no Director eligible for re-election at an Annual General Meeting holds multiple directorships. The Board of Directors' Internal Rules state that, in addition to these legal rules, Directors are required to comply with the following recommendations of the Afep-Medef Code:

- a Director also holding an executive office should not hold more than two other directorships in listed corporations, including foreign companies, not affiliated with his or her group. He or she must also seek the Board's opinion before accepting a new directorship in a listed company not affiliated with the Group;
- a Director should not hold more than four other directorships in listed companies not affiliated with the Group, including foreign companies; this recommendation applies at the time of election as Director or subsequent re-election. Each Director must disclose to the Company any and all offices he/she holds in other French or foreign companies. He/she informs the Company as soon as possible regarding any new office or professional function he/she accepts.

The table below illustrates the active involvement of the Directors in the work of the Board of Directors and its Committees during 2019. Due to their professional commitments, some members were unable to participate in all of the special meetings organised at short notice on the chosen dates when the greatest number of independent Directors were available.

	Board of Directors (13 meetings)	Audit Committee (13 meetings)	Appointments and Compensation Committee (4 meetings)	Governance and Social Responsibility Committee (7 meetings)
Jean-Charles Naouri	100%	-		
Nathalie Andrieux	92%		100%	100%
Diane Coliche	100%			
Gilbert Delahaye	100%		100%	
Jacques Dumas	100%		100%	
Christiane Féral-Schuhl	92%			100%
Laure Hauseux(1)	100%	100%	100%(1)	(1)
Didier Lévêque	100%			
Catherine Lucet	100%	100%		100%
David de Rothschild	54%		100%	
Frédéric Saint-Geours	100%	100%		100%
Michel Savart	100%			
Gilles Pinoncély (Non-Voting Director)	93%			
Gérald de Roquemaurel (Non-Voting Director)	85%			

(1) Appointed member of the Appointments and Compensation Committee on 11 October 2019. Laure Hauseux attended the Appointments and Compensation Committee meeting in December 2019 and the three Governance and Social Responsibility Committee meetings devoted to the parent company safeguard proceedings (see section 5.5.2 Governance and Social Responsibility Committee).

5.5.6. Implementation of the Afep-Medef Code recommendations

The Company aims to implement each of the recommendations of the Afep-Medef Code. In accordance with the "comply or explain" rule provided for in Article 27.1 of the Afep-Medef Code revised in January 2020, the recommendation that has not been fully implemented is presented below:

Recommendation	Explanation
Evaluation of individual Director contribution (paragraph 9.2 of the Afep-Medef Code relating to evaluation and appraisal of the Board of Directors) *"The evaluation has three objectives:* *[...]* *to measure the actual contribution of each Director to the Board's work"*	In connection with the overall and formal evaluation of the functioning of the Board performed by an independent consultant at the end of 2016 and 2019, no formal appraisal was made by each Director of the contribution of each of the other Directors to the Board of Directors' work. However, the process and the results of the evaluation have highlighted the professionalism and personal involvement of the Board members, especially the Independent Directors. For further details on the process and its results, please refer to the section entitled "Evaluation of the Board's functioning". Concerning the implementation of this recommendation, the Independent Directors considered that, as things currently stand, it was better to continue to focus on evaluating the quality of the collective functioning of the Board and its Committees.

5.6 INFORMATION ON THE AGREEMENTS MENTIONED IN ARTICLE L. 225-37-4 OF THE FRENCH COMMERCIAL CODE

To the knowledge of the Board of Directors, no agreements were made in 2019, directly or through an intermediary, between, on the one hand, any corporate officers or any shareholders owning or holding a number of votes greater than 10% of a company and, on the other hand, any other company of which the first company owns or holds, either directly or indirectly, more than half the share capital, except for agreements relating to routine operations or transactions and made on arm's length terms and conditions.

5.7. STATUTORY AUDITORS

5.7.1. Permanent Statutory Auditors

ERNST & YOUNG ET AUTRES

Signing partners: Yvon Salaün (since 2015) and Alexis Hurtrel (since 2019).

Date first appointed: 20 May 1978

Date current appointment ends: at the conclusion of the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ended 31 December 2021.

In accordance with the French Financial Security Law (*Loi de sécurité financière*) of 1 August 2003, one of the signing partners from Ernst & Young was rotated for the second time in 2015.

DELOITTE & ASSOCIÉS

Signing partners: Patrice Choquet (since 2017) and Frédéric Moulin (since 2016).

Date first appointed: 29 April 2010

Date current appointment ends: at the conclusion of the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ended 31 December 2021.

In accordance with the French Financial Security Law of 1 August 2003, one of the signing partners from Deloitte & Associés was rotated for the first time in 2016.

5.7.2. Alternate Statutory Auditors

AUDITEX

Alternate for Ernst & Young et Autres.

Date first appointed: 29 April 2010

Date current appointment ends: at the conclusion of the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ended 31 December 2021.

BEAS

Alternate to Deloitte & Associés.

Date first appointed: 29 April 2010

Date current appointment ends: at the conclusion of the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ended 31 December 2021.

Chapter 6

Compensation of corporate officers and Non-Voting Directors

Chapter 6 contains the section of the Board of Directors' corporate governance report on (i) compensation paid or granted to the executive corporate officer and the other corporate officers during or in respect of 2019 in consideration of their position and the disclosures required by Article L. 225-37-3 I of the French Commercial Code, as well as (ii) a description of the 2020 compensation policy for the corporate officers as required by Article L. 225-37-2 of the French Commercial Code, which are respectively subject to an *ex ante* vote at the 2020 Annual General Meeting.

6.1. CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S COMPENSATION

GENERAL PRINCIPLES

The Board of Directors uses the Afep-Medef Code as a guide to determine the principles for setting the compensation of executive corporate officers. It decides the principles for determining and structuring the Chairman and Chief Executive Officer's compensation based on the recommendations of the Appointments and Compensation Committee. The Board of Directors ensures that the compensation policy is consistent with the Company's corporate interests and the interests of shareholders and stakeholders. It is also consistent with the compensation policies applied to the members of the Executive Committee and to the Group's employees.

The performance indicators selected for setting the variable compensation must be in line with the Group's strategy. They reflect the Group's financial and operational priorities, and include both financial and CSR criteria, with performance assessed annually and/or over several years.

The Board of Directors bases its consideration of this issue on the analyses and findings of a consulting firm specialising in compensation, which advise the Appointments and Compensation Committee on market practices in this area. These routine compensation analyses make it possible to draw a comparison between, on the one hand, the structure of the executive corporate officer's compensation, its level and how it has evolved, the weighting assigned to each of the components and the performance criteria, and, on the other, the practices of other comparable companies, particularly those of which the executive corporate officer is the controlling shareholder or a member of the controlling shareholder's family.

6.1.1. Components of the compensation paid to the Chairman and Chief Executive Officer in 2019 or granted to him in respect of that year – disclosures required by Article L. 225-37-3 I of the French Commercial Code

The principles and criteria for determining, allocating and granting the fixed, variable and exceptional components of the compensation and benefits of any kind to be granted to the Chairman and Chief Executive Officer in respect of 2019 were set by the Board of Directors on 13 March 2019 and approved at the Annual General Meeting of 7 May 2019 with a majority of 97.51%.

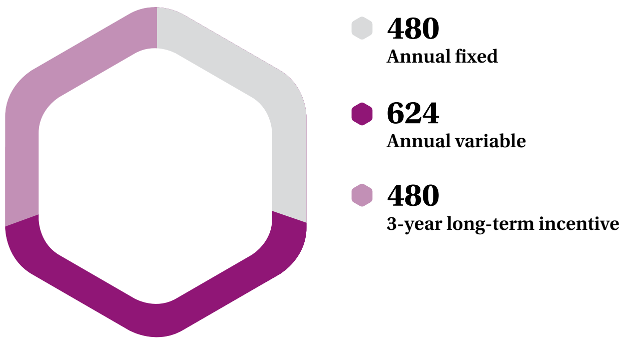
6.1.1.1. COMPONENTS OF THE COMPENSATION PAID TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN 2019 OR GRANTED TO HIM IN RESPECT OF THAT YEAR

For 2019, based on the recommendation of the Appointments and Compensation Committee and in application of the general principles set out in section 6.1 above, the Board of Directors decided, at its meeting of 13 March 2019, to apply the same compensation structure as in 2018 (fixed, annual variable and long-term variable) but to adjust two of the three financial criteria for 2019 variable compensation to better reflect the objectives set for France Retail performance, free cash flow generation and working capital improvement, without adjusting their respective weightings.

To determine the method of setting his overall compensation for 2019, the two consulting firms appointed in previous years were asked to conduct a new review of the Chairman and Chief Executive Officer's total compensation, and particularly the variable component, to identify any potential new recommendations.

Based on benchmarking studies and recommendations made by the Group's specialised consultants, the structure of the Chairman and Chief Executive Officer's annual variable compensation is in line with market practice as regards the number and type of criteria used, the heavy weighting of the quantifiable financial objectives and the addition of a non-financial quantifiable CSR objective. The award of conditional long-term variable cash-based compensation is also in line with market practice and recommendations.

Target structure (€ thousands)



In accordance with the principles and criteria for determining the components of the Chairman and Chief Executive Officer's compensation set by the Board of Directors on 13 March 2019, his compensation for 2019 approved by the shareholders at the Annual General Meeting of 7 May 2019 comprised a fixed component, a conditional annual variable component and a conditional long-term incentive component, determined as follows:

■ Fixed compensation for 2019

His gross fixed compensation was €480,000, unchanged since 2013.

■ 2019 conditional annual variable compensation

In line with market practice, his 2019 target variable compensation was 130% of fixed compensation if all the objectives were met (i.e., a gross amount of €624,000).

The annual variable compensation remained entirely subject to the achievement of challenging objectives reflecting the Group's strategic priorities, with no guaranteed minimum.

It was determined based on objectives which were consistent with those used to determine the 2019 bonuses of members of the Executive Committee, as follows:

- Exclusively quantitative objectives:
  - three quantitative financial objectives aligned with the Group's key operating and financial objectives for 2019, based on indicators that are central to the Group's profitable growth model, reflecting the more challenging performance standards set for France:
    - comparable (same-store) growth in consolidated net sales,
    - organic growth in France Retail trading profit,
    - free cash flow France.

    For each criterion, a minimum achievement rate, a target rate (performance in line with Group objectives), and a maximum rate (outperformance compared to Group objectives) were also set, with the corresponding component of annual variable compensation calculated on a straight-line basis between the minimum and maximum points;
  - one quantitative CSR objective unchanged from 2018 based on the average of the scores awarded to Casino by three rating agencies, FTSE Group, Vigeo Eiris and DJSI, with a target corresponding to Casino's average score for 2017, i.e., 72.67/100 (because Casino's average score was lower in 2018) and a minimum corresponding to Casino's average score for the last four years, i.e., 68.06/100, with the corresponding component of annual variable compensation calculated on a straight-line basis between the minimum and maximum levels.

    This quantitative CSR criterion underscores the strategic value the Group places on the development of its CSR policy as the driver of sustainable growth.
- Heavy weighting to the financial objectives, with the following weightings assigned to the four criteria:
  - the three financial objectives account for 90% of the target amount and up to 118.8% in the event of outperformance, each of which counts for one-third or 30%, and up to 39.6% in the event of outperformance;
  - the CSR objective accounted for 10% of the target amount, which is in line with currently observed compensation practices.
- Outperformance applied only to the financial criteria and was capped at 132% of their target amount.

On the above basis, in the case of outperformance, the gross annual variable compensation would amount to a maximum of €804,000, or 167.50% of the fixed component.

On that basis, in strict application of the terms and conditions set by the Board of Directors on 13 March 2019 and approved by the Annual General Meeting of 7 May 2019, the Board of Directors reviewed the results achieved at its 25 March 2020 meeting and determined the amount of variable compensation due for 2019, as follows:

	Target *(as a % of €624,000)*	Maximum *(as a % of €624,000)*	% achievement *(as a % of the target)*
Quantitative financial objectives	**90**	**118.8**	
1. Comparable (same-store) growth in consolidated net sales(1)	30	39.6	18%
2. Organic growth in France Retail trading profit	30	39.6	Not met
3. Free cash flow France(2)	30	39.6	Not met
Quantitative CSR objective(3)	**10**	**10**	**10%**
			28% (€174.72k)

(1) Excluding fuel and calendar effects.
(2) Before dividends and interest, including property development and excluding Cdiscount.
(3) The objective was set at the average of the scores obtained in 2017, or 72.67/100 (as the average for 2018 was lower). The score obtained was 74/100.

The total annual variable compensation due for 2019 therefore came to a gross amount of €174,720, representing 28% of the target amount (€624,000) and 36.4% of fixed compensation.

In 2018, the total gross variable compensation was €357,740, representing 58.45% of the target amount (€612,000, adjusted downwards as agreed by the Chairman and Chief Executive Officer and in the same way as for the Group's other key senior executives) and 74.53% of fixed compensation. This variable compensation was paid following shareholder approval at the Annual General Meeting of 7 May 2019 (5th resolution).

Pursuant to Article L. 225-100 of the French Commercial Code, payment of the variable portion of the compensation for the 2019 financial year thus determined is contingent on approval of the Company's 2020 Ordinary General Meeting.

Long-term incentive (LTI) awarded in 2019

In order to maintain a significant variable component in the Chairman and Chief Executive Officer's compensation (70% of total compensation) and to continue to take into account the Group's longer-term performance, the Board of Directors decided once again to award him a conditional long-term incentive (LTI) bonus, assessed over a three-year period in 2019.

If the performance conditions are satisfied, the target (and maximum) level will be equal to 100% of the fixed compensation component, representing a maximum gross LTI bonus of €480,000.

The LTI will be paid only if the Chairman and Chief Executive Officer is still in office at the end of the three-year period and is subject to two performance conditions to be met over three financial years (2019-2021), with each counting for 50% of the total target maximum:

- Growth in relative total shareholder return (TSR) (comparison between the average of the last 120 closing prices in 2018 and that of 2021, taking into account the amount of dividends per share paid during the period) compared with that of European food retailers, i.e., Ahold-Delhaize, Carrefour, Colruyt Group, Dia, Jeronimo Martins, Metro, Morrisons, Sainsbury's and Tesco. The corresponding portion of the LTI is calculated on a straight-line basis, according to the position of the Company's TSR between a minimum corresponding to the median TSR for the sample and a maximum corresponding to the highest TSR.
- Growth in the Group's average EBITDAR/net sales ratio. A demanding minimum threshold and maximum amount equal to the target have been set, with the corresponding portion of the LTI calculated on a straight-line basis between the two. EBITDAR replaces EBITDA in the ratio following the application of IFRS 16.

The target objectives are challenging and consistent with those set in the LTI plans for the Group's key managers granted in 2019. There is no guaranteed minimum LTI bonus.

Additional compensation

At its meeting of 25 March 2020, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to supplement the 2019 compensation policy for the Chairman and Chief Executive Officer by granting him additional compensation that reflects his critical contribution to the successful completion of strategic operations for the Group's transformation and debt reduction in connection with the asset disposal plan.

The method used (type of quantitative objectives and the associated financial and non-financial criteria) to determine the Chairman and Chief Executive Officer's variable compensation, as set for the annual variable component and LTI over three years, does not assess the Chairman and Chief Executive Officer's performance in devising and completing such operations.

Additionally, this compensation would be in line with the additional compensation policy established for members of the Executive Committee to reward a critical contribution to the success of strategic and/or complex operations.

A specialised consulting firm was appointed to analyse market practice with regard to exceptional compensation awarded to managers of companies similar to Casino and provide advice in this area. It concluded that compensation of this kind is a common practice in other companies and is formally documented in a number of management compensation policies.

The proposal is therefore being made, in line with the specialised analysis and recommendations of the consulting firm with regard to both the type of compensation and its amount, as well as performance conditions, to pay the Chairman and Chief Executive Officer additional gross compensation of €655,000, subject to the vote of the 2020 Annual General Meeting, for his critical contribution to operations carried out in 2019 (asset disposals, reorganisation of operations in Latin America and strengthening of the financial structure).

Other components of compensation and benefits of any kind granted to the Chairman and Chief Executive Officer in 2019 in consideration of his position

There were no changes in these components in 2019 compared with 2018, which were as follows:

- The Chairman and Chief Executive Officer received gross compensation for service as Director (formerly known as "directors' fees") of €12,500 in 2019, representing half of the compensation paid to external Directors (see below, section 6.2.1 Compensation of non-executive corporate officers).
- He does not and has never received any bonus shares or stock options. He is expressly excluded from the list of beneficiaries of these types of compensation under the terms of the resolutions voted at the Extraordinary General Meeting of 5 May 2017, 15 May 2018 and the resolution submitted to the 2020 Extraordinary General Meeting.
- In addition, the Chairman and Chief Executive Officer does not benefit from any supplementary pension plan set up by the Company and would not be entitled to any compensation for loss of office or to any compensation in connection with a non-compete clause.
- He participates in the government-sponsored compulsory supplementary pension scheme and the employee benefits scheme (*régime de prévoyance*) open to all executive employees.
- He did not receive any benefits of any kind in respect of 2019.

6.1.1.2. COMPENSATION GRANTED OR PAID TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER BY CASINO, GUICHARD-PERRACHON IN RESPECT OF AND DURING 2019

Total compensation, including Directors' compensation and benefits of any kind due or paid by the Company to Jean-Charles Naouri in his capacity as Chairman and Chief Executive Officer in respect of and during 2017, 2018 and 2019 was as follows:

	2017 (for information)		2018 (for information)		2019	
(Gross amounts in €)	Amounts due(1)	Amounts paid(2)	Amounts due(1)	Amounts paid(2)	Amounts due(1)	Amounts paid(2)
Fixed compensation	480,000	480,000	480,000	480,000	480,000	480,000
Variable compensation*	454,020	625,120	357,740	454,020	174,720	357,740
Long-term incentive	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Multi-annual variable compensation	480,000(3)	Not applicable	480,000(4)	Not applicable	480,000(5)	Not applicable
Exceptional compensation	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Directors' compensation	12,500	12,500	12,500	12,500	12,500	12,500
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**1,426,520**	**1,117,620**	**1,330,240**	**946,520**	**1,147,220**	**850,240**

(1) Compensation granted in respect of the relevant year regardless of the payment date.
(2) Total compensation paid by the Company during the year, it being specified that variable compensation and Directors' compensation were paid in the year after they were earned. No payments were made in respect of the three-year cash-based LTI plans granted as of 2017.
(3) Target amount (LTI assessed over three years, 2017-2019).
(4) Target amount (LTI assessed over three years, 2018-2020).
(5) Target amount (LTI assessed over three years, 2019-2021).
** Excluding additional gross compensation of €655,000 awarded by the Board of Directors at its meeting of 25 March 2020 to be approved by the 2020 Annual General Meeting.*

6.1.1.3. STOCK OPTIONS AND SHARE GRANTS AWARDED BY THE COMPANY DURING 2019

(€)	2018	2019
VALUE OF STOCK OPTIONS GRANTED DURING THE YEAR(1)	**NOT APPLICABLE**	**NOT APPLICABLE**
Value of share grants made during the year	Not applicable	Not applicable

(1) The Company did not grant any stock options.

6.1.1.4. COMPENSATION GRANTED OR PAID TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER IN RESPECT OF OR DURING 2019 BY A COMPANY INCLUDED IN THE SCOPE OF CONSOLIDATION AS DEFINED IN ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE

No compensation or benefits of any kind were due or paid to the Chairman and Chief Executive Officer in respect of or during 2018 and 2019 by companies within the scope of consolidation of Casino, Guichard-Perrachon as defined in Article L. 233-16 of the French Commercial Code.

6.1.1.5. EMPLOYMENT CONTRACT, PENSION AND EMPLOYEE BENEFITS PLANS, TERMINATION BENEFITS AND NON-COMPETE BENEFITS

Employment contract	Supplementary pension plan	Benefits due or potentially due on termination or change of position	Non-compete benefits
None	None(1)	None	None

(1) Jean-Charles Naouri participates in the government-sponsored compulsory supplementary pension plan and the employee benefits scheme (régime de prévoyance) *open to all executive employees.*

6.1.1.6. INFORMATION ON PAY RATIOS AND COMPARATIVE TRENDS IN COMPENSATION AND PERFORMANCE

In accordance with the new provisions of Article L. 225-37-3 I of the French Commercial Code, at its 25 March 2020 meeting, based on the recommendation of the Appointments and Compensation Committee, the Board of Directors:

- set the method of determining the pay ratios presenting the difference between the compensation of the Chairman and Chief Executive Officer and the average and median compensation of other employees of the Company on a full-time equivalent basis;
- reviewed the annual change in the compensation of the Chairman and Chief Executive Officer, the average compensation of other employees, the Company's performance and the pay ratios over the last five financial years presented on aggregate basis and in a manner that permits meaningful comparisons.

The Board of Directors based its work on the guidance issued by the Afep and defined the method of determining the pay ratios to be disclosed, which takes into account:

- As regards the Chairman and Chief Executive Officer:
  - Components of gross compensation paid or granted by the Company in the reference year Y (fixed compensation, annual variable compensation and Directors' compensation), paid in year Y, and cash-based LTI bonus granted in year Y valued in accordance with IFRS 2 (the Chairman and Chief Executive Officer does not receive any exceptional compensation, free shares or stock options, and is not entitled to any benefits in kind, termination or non-compete benefits, or defined contribution or defined benefit supplementary pension plans).
  - In 2017, the Chairman and Chief Executive Officer was granted a cash-based LTI plan contingent on performance conditions, included at its value on the grant date, which does not necessarily reflect the value that will ultimately be paid based on the level of achievement of the performance conditions.
- As regards scope and employees:
  - The scope used to calculate the ratios includes fully consolidated companies based in mainland France, excluding those classified as long-term assets held for sale. The employees therefore represent more than 80% of employees in mainland France.
  - Employees on permanent or fixed-term contracts for an uninterrupted period of 24 months are included on a full-time equivalent (FTE) basis, excluding employees of franchised stores. Expatriates are not included in the calculations.
  - The ratio includes gross compensation paid or granted (on an FTE basis) in year Y (fixed compensation, annual variable compensation, exceptional compensation and, where applicable, Directors' compensation, incentive and profit-sharing plans, the employer's matching contribution to the employee savings plan and benefits in kind, paid in year Y, and other long-term cash and share-based bonuses granted in year Y valued in accordance with IFRS 2). The ratio does not include termination or non-compete benefits, or defined contribution or defined benefit supplementary pension plans where payment is contingent on the employees finishing their career with the Company.
- As regards the comparative trends in annual compensation and performance:

  The criteria used are Group trading profit and Group net sales, which are consistent with the internal key performance indicators used for variable compensation and LTI plans and with the market guidance.

The change in the annual compensation of the Chairman and Chief Executive Officer and the employees in year Y is compared with the Group's performance in year Y-1 as the bonus for year Y-1 is paid in year Y.

Casino Group pay ratio, with LTI on the grant date

	2015	2016	2017[1]	2018[1]	2019[1]
Compensation of the Chairman and Chief Executive Officer in year Y	€492,500	€492,500	€1,597,620	€1,426,500	€1,330,240
Average compensation of employees	€28,854	€29,891	€30,351	€30,635	€31,475
Average pay ratio	17.1	16.5	52.6	46.6	42.3
Median pay ratio	21.5	21.1	67.7	60.2	54.5
Change in Group organic net sales Y-1	4.7%	0.3%	5.7%	3.2%	4.7%
Change in Group trading profit Y-1	5.6%	-30.6%	3.8%	13.4%	9.8%

(1) Including LTI of €480,000 granted to the Chairman and Chief Executive Officer, which does not necessarily reflect the value that will be paid based on achievement of the performance conditions.

6.1.2. LTI granted in 2017 and paid in 2020

LTI granted in 2017 and paid in 2020

Pursuant to the resolution proposed at the Shareholders' Meeting of 5 May 2017, payment of the LTI granted to the Chairman and Chief Executive Officer in 2017 and assessed over a three-year period (2017-2019) is also contingent on shareholder approval at the 2020 Ordinary General Meeting.

The principles and criteria for determining and granting the LTI, set by the Board of Directors on 6 March 2017 and approved by the Annual General Meeting of 5 May 2017 with a majority of 93.8%, are summarised below.

Payment of the long-term incentive was contingent on a service requirement and the achievement of two performance conditions assessed at the end of a period of three financial years (2017-2019). The performance conditions, each of which accounts for 50% of the incentive, are based on:

- Growth in total shareholder return (TSR) (comparison between the average of the last 120 closing prices in 2016 and that of 2019, taking into account the amount of the dividends per share paid during the period) compared with that of nine European food retailers, i.e., Ahold-Delhaize, Carrefour, Colruyt Group, Dia, Jeronimo Martins, Metro, Morrisons, Sainsbury's and Tesco. The corresponding portion of the LTI is calculated on a straight-line basis, according to the position of the Company's TSR in the sample, with penultimate place being the minimum required level.

  As Metro was split into two listed entities in July 2017 and there was no continued homogeneous share price over the three-year reference period, the company was withdrawn from the sample.
- Growth in the Group's average EBITDA/net sales ratio over the three-year period.

A minimum achievement rate was set (4.8% excluding IFRS 16), with the portion of the LTI for this criterion calculated on a straight-line basis between the minimum and maximum points.

The criteria used were consistent with those set in the LTI plans for the Group's key managers in 2017.

If the performance conditions were satisfied, the maximum target level would be equal to 100% of the fixed compensation component, representing a gross amount of €480,000.

On that basis, at its 25 March 2020 meeting, the Board of Directors reviewed the results achieved and determined the ultimate amount of LTI granted in 2017.

OBJECTIVES Target amount: €480k (100% of fixed compensation)	Target and maximum *(as a % of the target level)*	Achieved *(as a % of the total target)*
1/ Growth in relative total shareholder return (TSR)	**50.00%**	**25.00%**
Corresponding variable component *(€ thousands)*		The median of the sample
	€240k	€120k
2/ Average EBITDA/net sales ratio	**50.00%**	**50.00%**
Corresponding variable component *(€ thousands)*	€240k	€240k
TOTAL		**75.00%**
		€360.00k

The LTI granted in 2017 therefore came to a gross amount of €360,000, representing 75% of the target amount (€480,000 gross) of fixed compensation.

6.1.3. Compensation policy for the Chairman and Chief Executive Officer in respect of 2020

Pursuant to the new provisions of Article L. 225-37-2 of the French Commercial Code enacted in the government order of 27 November 2019 on executive compensation, at its 25 March 2020 meeting and in line with the principles set out in section 6.1 above, the Board of Directors set the 2020 compensation policy for the Chairman and Chief Executive Officer ensuring that it continues to be in line with the Company's corporate interests and strategy and with the interests of the shareholders and other stakeholders. This policy will be submitted for shareholder approval at the 2020 Annual General Meeting.

The Board of Directors also used the principles set out in the Afep-Medef Code (2020 version) as a guide.

Based on the Appointments and Compensation Committee's recommendations, the Board of Directors therefore defined the 2020 compensation policy according to the following main principles:

- compensation consistent with that of the members of the Executive Committee and the employees, and with market practice;
- a balanced, sustainable compensation structure;
- challenging performance indicators, reflecting the Group's financial and operating priorities and including both financial criteria and CSR criteria consistent with the Group's commitment to developing its CSR policy, with performance assessed annually and/or over several years;
- assessment of the Group's performance over the long-term, aiming to create shareholder value and develop sustainable growth;
- a significant weighting to variable compensation assessed annually or over several years;
- exclusively quantitative objectives.

The Board of Directors also based its consideration of this issue on the analyses and findings of a consulting firm specialising in compensation, which advise the Appointments and Compensation Committee on market practices in this area. These routine compensation analyses make it possible to draw a comparison, in particular, between, on the one hand, the structure of the executive corporate officer's compensation, its level and how it has evolved, the weight assigned to each of the components and the performance criteria, and, on the other, the practices of other comparable companies, particularly those of which the executive corporate officer is the controlling shareholder or a member of the controlling shareholder's family. They are therefore used to assess how the executive corporate officers' compensation is positioned with regard to market practice and the recommendations of the specialised consulting firms appointed.

A specialist consulting firm was appointed to conduct a new study after the ones performed in 2019, analysing the structure, level and positioning of the Chairman and Chief Executive Officer's compensation at Casino relative to market practices in SBF80 and CAC40 companies, based on data published in 2019 by the companies in the two samples in their 2018 annual reports. The consulting firm's recommendations included strengthening the assessment of CSR performance in line with market practice and with Group's strategic commitment to developing its CSR policy.

On that basis, at its meeting on 25 March 2020, based on the Appointments and Compensation Committee's recommendation, the Board of Directors set the principles and structure of the Chairman and Chief Executive Officer's compensation for 2020, as follows:

Fixed compensation

Gross fixed compensation has been set at €480,000, unchanged since 2013.

Conditional annual variable compensation

In line with market practices, the target level of the annual variable compensation will continue to be set at 130% of fixed compensation (corresponding to a gross amount of €624,000) for a 100% achievement rate; if the achievement rate exceeds 100% of the objective, the variable compensation will represent up to 167.50% of fixed compensation (corresponding to €804,000).

The annual variable compensation is entirely subject to the achievement of challenging objectives reflecting the Group's strategic priorities:

Exclusively quantifiable objectives:

- three quantitative financial objectives aligned with Casino's priority operating and financial objectives for 2020, as in 2019, reflecting a more demanding performance requirement in France;
- the proposed objectives, which are consistent with the Group-level quantitative criteria and objectives used to determine the 2020 bonuses of members of the Executive Committee, concern:
  - comparable (same-store) growth in consolidated net sales,
  - EBITDA France,
  - free cash flow France.

  To assess achievement, each criterion also has a pre-defined minimum threshold, a target level for a performance in line with objectives and an outperformance level. The variable compensation is calculated on a straight-line basis between the minimum and maximum levels;

- one quantitative non-financial CSR objective, which is unchanged from 2019 but with more demanding conditions. The target is based on the average of the scores awarded to Casino by three rating agencies – FTSE Group, Vigeo Eiris and DJSI – with a target based on Casino's average scores for 2019 (higher than the 2017 and 2018 averages) that have been raised by one point to 75/100 and a minimum corresponding to Casino's average score over the last two years, i.e., 73/100, rather than over the last four years, which was lower.

The continuation of this external criterion underscores the strategic value the Group places on the development of its overall CSR policy as the driver of sustainable long-term growth.

- There is no guaranteed minimum.
- The 2020 annual variable compensation is based for the most part on financial objectives.

  The weighting of the four criteria is as follows:
  - the three financial objectives still account for 90% of the target amount and up to 118.8% if the target is exceeded, with each objective accounting for one-third (or 30%) and up to 39.6% if the target is exceeded.
  - the CSR objective accounts for 10% of the target variable compensation.
- Performance in excess of the target would still be rewarded only for the three financial criteria, thus continuing to represent 132% of their target level.

The breakdown of these quantitative criteria and their relative weight in determining the Chairman and Chief Executive Officer's 2020 variable compensation are as follows:

Target amount: €624k (130% of fixed compensation)	Variable component target	Variable component maximum
Quantitative financial objectives (90%): *Each representing 30% if performance targets are achieved, i.e., a minimum target amount of €187.2k, and up to €247.2k if performance targets are exceeded*		
1/ Comparable (same-store) growth in consolidated net sales (excluding fuel and calendar effects)	**30.00%**	**39.60%**
Corresponding variable component	€187.2k	€247.2k
2/ EBITDA(1) France	**30.00%**	**39.60%**
Corresponding variable component	€187.2k	€247.2k
3/ Free cash flow France(3) *(€m)*	**30.00%**	**39.60%**
Corresponding variable component	€187.2k	€247.2k
Quantitative non-financial objective (10%):		
1/ Average of the scores obtained by Casino from the following three rating agencies: FTSE Group, Vigeo Eiris and DJSI	**10.00%(3)**	**10.00%(3)**
Corresponding variable component	€62.4k	€62.4k
TOTAL	**€624K**	**€804K**

(1) EBITDA as defined in bank covenants, i.e., EBITDA France Retail + Cdiscount.
(2) Including property development and Cdiscount.
(3) Average of the scores obtained in 2019 raised by one point, i.e., 75/100, and a minimum threshold set at the average score over the last two years, i.e., 73/100.

In accordance with Article L. 225-37-2 of the French Commercial Code, payment of the annual variable component of the compensation due for 2020, after determining its level based on the achievement of the above-defined objectives, is subject to approval at the Ordinary General Meeting of the Company to be held in 2021.

Long-Term Incentive (LTI)

In accordance with market practice and with the recommendations made by the external firm consulted about the preponderance of variable compensation in the make-up of aggregate compensation, but also to take into account the Group's longer-term performance, the Board of Directors decided to once again grant the Chairman and Chief Executive Officer a cash-based LTI bonus in 2020 as with the LTI granted for the first time in 2017, and to introduce a non-financial quantitative CSR criterion.

The inclusion of a CSR criterion ties the Chairman and Chief Executive Officer's compensation more closely to the Group's strategic commitment to developing its CSR policy, not only by increasing its weighting but also by assessing performance over a longer period (three years) in an area where change takes time but also where all stakeholders (shareholders/investors, regulator, customers, etc.) have extremely high expectations.

Consequently, the LTI bonus is determined as follows:

- The target level, assuming the performance conditions are met, remains at a maximum of 100% of fixed compensation, representing a maximum LTI bonus of €480,000.
- The performance conditions will continue to be assessed at the end of a period of three financial years (2020-2022).
- There is no guaranteed minimum.

Payment of the long-term incentive bonus is contingent on a service requirement and the achievement of three performance conditions assessed at the end of the period of three financial years (2020-2022).

- There will now be three performance conditions:
  - An unchanged external financial criterion: growth in relative total shareholder return (TSR) (comparison between the average of the last 120 closing prices in 2019 and that of 2022, taking into account the amount of dividends per share paid during the period) compared with that of European food retailers, i.e., Ahold-Delhaize, Carrefour, Colruyt Group, Dia, Jeronimo Martins, Metro, Morrisons, Sainsbury's and Tesco. The corresponding portion of the LTI is calculated on a straight-line basis, according to the position of the Company's TSR between a minimum corresponding to the median TSR for the sample and a maximum corresponding to the highest TSR.
  - One unchanged internal financial criterion: growth in the Group's average EBITDA/net sales ratio. A demanding minimum threshold and maximum amount equal to the target have been set, with the corresponding portion of the LTI calculated on a straight-line basis between the two.
  - One CSR objective assessed on the basis of two criteria each accounting for 50%, i.e., a gender diversity criterion based on the percentage of women in top management positions in France and an environmental criterion based on the reduction in CO_2 emissions in France. A maximum target (34% objective for gender diversity and 380,000 tonnes objective for CO_2 emissions) and a demanding minimum threshold (respectively 32% and 405,000 tonnes) have been set, with the corresponding portion of the LTI calculated on a straight-line basis between the two. These criteria reflect the Group's social and environmental priorities and are considered to be the most appropriate in view of stakeholder expectations as well as the Group's organisation and business activity.

  The weighting of the three criteria will be as follows:
  - 30% of the target amount for the relative TSR criterion (versus 50% before);
  - 50% of the target amount for the Group's EBITDA/net sales ratio (as before);
  - 20% of the target amount for the CSR objective. i.e., 10% for each of the two related criteria.
- For each of the three performance criteria, a minimum threshold has thus been set, as well as a maximum amount corresponding to the achievement of the objectives. The performance conditions are demanding and consistent with those set for the LTI plans covering the Group's key managers that will be decided in 2020.

The elements for determining the Chairman's annual and long-term variable compensation were the subject of another review in 2020 following those performed in 2019. The review confirmed that the structure of the annual variable compensation of Casino's Chairman and Chief Executive Officer was consistent with market practices as regards the number and type of criteria used, the greater weight given to quantifiable financial criteria and the inclusion of a non-financial quantifiable CSR criterion, which is also in line the Group's commitment to developing its CSR policy. The renewal of the cash-based LTI plan, which also includes a non-financial quantitative CSR criterion, is also consistent with practices observed and recommendations made as regards the weighting of the variable component in the compensation structure, and with the consideration of long-term shareholder value creation and the Group's strategic focus on developing its CSR policy as the driver of sustainable growth.

Other components of compensation and benefits of any kind granted for service in consideration of his position

In addition, in his capacity as a Director of the Company in 2020, the Chairman and Chief Executive Officer will receive compensation determined in accordance with the compensation policy for corporate officers (presented below for non-executive corporate officers) and subject to approval at the 2020 Annual General Meeting, i.e., a maximum gross amount of €12,500 (unchanged).

The Chairman and Chief Executive Officer has not and will not be awarded any stock option or performance share plans. He is expressly excluded from the list of beneficiaries under the terms of the resolutions voted at the Extraordinary General Meetings of 5 May 2017 and 15 May 2018 and the resolution submitted to the 2020 Extraordinary General Meeting.

In addition, the Chairman and Chief Executive Officer does not benefit from any supplementary pension plan set up by the Company and would not be entitled to any compensation for loss of office or to any compensation in connection with a non-compete clause.

He participates in the government-sponsored compulsory supplementary pension scheme and the employee benefits scheme (*régime de prévoyance*) open to all executive employees.

He will not receive benefits of any kind in 2020.

The compensation policy, such as the one presented above, will apply to all newly appointed executive corporate officers pending approval by the Annual General Meeting and, where appropriate, substantial changes may be made.

Management of conflicts of interest

The Board of Directors' Internal Rules set out the rules related to the prevention and management of conflicts of interest. Directors who represent the interests of all shareholders have a duty to disclose any conflicts of interest they may have to the other Board members. The Internal Rules state that each Director is required to alert the Board of Directors regarding any actual or potential conflict of interest in which they might be directly or indirectly involved and, in such a case, to abstain from taking part in discussions and votes on the matters in question. Each Director must consult the Chairman prior to committing to any business undertaking or to accepting any duties or obligations that could create an actual or even a potential conflict of interest for him or her. The Chairman may refer such matters to the Governance and Social Responsibility Committee and the Board of Directors.

As part of its duties, the Governance and Social Responsibility Committee may examine any exceptional issue that may give rise to a conflict of interest within the Board of Directors and give an opinion or make a recommendation on the matter. The Chair of the Appointments and Compensation Committee, may thereby submit to the Chair, who is also Lead Director, regarding any potential or actual conflict of interest.

6.2. COMPENSATION OF NON-EXECUTIVE CORPORATE OFFICERS

At the Annual General Meeting of 19 May 2009, the shareholders set the maximum total amount of compensation to be allocated annually to the Directors at €650,000 until such time as a further resolution is passed.

6.2.1. Components of compensation (formerly "directors' fees") paid or granted to the non-executive corporate officers in respect of or during 2019 – Disclosures required by Article L. 225-37-3 I of the French Commercial Code

The Board of Directors set the principles for allocating the total amount of compensation granted by the Annual General Meeting, based on the recommendations of the Appointments and Compensation Committee. Its decisions were guided by benchmarking studies of practices in a sample of some 66 SBF80 companies (figures taken from the Afep-Medef's annual review and from registration documents), some very similar to Casino (comparable market capitalisation, controlled capital, or predominantly food retailing) and others of different sizes or from other business sectors (insurance, property, services, etc.). The allocation criteria are mainly attendance-related, with a significant weighting based on actual attendance at Board and specialised Committee meetings, and on the increase in the number of special tasks entrusted to the specialised Committees or the Lead Director.

Compensation paid in 2019 in respect of 2018 and compensation granted in respect of 2019 (paid in January 2020) is as follows:

- In respect of 2018:
  - Basic compensation paid to Directors
    The total gross compensation per Director was set €25,000, unchanged from 2007, comprising a fixed portion of €8,500 and a maximum variable portion of €16,500 based on their attendance rate at Board meetings. Variable compensation not paid to absent members was not reallocated.
    The gross amount compensation allocated to the Chairman and Chief Executive Officer and Directors representing the majority shareholder was also unchanged and capped at €12,500 per Director (a gross fixed portion of €4,250 and a gross variable portion of €8,250).
  - Additional compensation for members of the specialised Committees
    Basic compensation: Members of the Board's specialised Committees received gross fixed compensation unchanged at €6,500 per member and gross variable compensation unchanged at €13,500 per member of the Audit Committee and €9,500 per member of the Appointments and Compensation Committee and the Governance and Social Responsibility Committee. Variable fees not paid to absent members are not reallocated.
    An additional exceptional amount of €5,000 was paid to members of the Audit Committee in respect of the three extraordinary meetings held in 2018.
  - Additional compensation for the Lead Independent Director
    An additional gross amount of €10,000 was paid on a pro rata basis to each of the two Lead Directors who succeeded one another on the Board in 2018, unchanged since 2015.
  - Additional compensation for Board Committee Chairs
    In line with the market practices revealed by the benchmarking study referred to above, the Board of Directors decided to grant additional gross compensation of €10,000 to each of the specialised Committee Chairs in respect of 2018.
- In respect of 2019:
  - Basic compensation paid to Directors
    The allocation principles remained unchanged (see above).
  - Additional compensation for members of the specialised Committees
    The basic compensation for members of the specialised Committees and the additional compensation paid to specialised Committees Chairs remained unchanged (see above).
    An additional gross amount of €10,000 per member was paid to members of the Audit Committee in respect of the nine extraordinary meetings held in 2019.
    An additional amount of €3,000 (without reallocation of variable compensation forfeited due to non-attendance) was allocated to each of the Governance and Social Responsibility Committee members in respect of the three specific meetings held in the second half of 2019 as part of its temporary assignment in connection with the safeguard proceedings at Casino's parent companies. The same amount was also allocated on a pro rata basis to other Independent Directors who took part in the meetings but who are members of a specialised Committee other than the Governance and Social Responsibility Committee.
  - Additional compensation for the Lead Independent Director
    The additional gross compensation of €10,000 (unchanged since 2015) was increased to €15,000 in 2019 to reflect the new responsibilities conferred on the Lead Director (shareholder dialogue).

Summary of compensation paid or granted in 2019 to non-executive corporate officers by the Company for service as Directors or by companies within the its scope of consolidation as defined in Article L. 233-16 of the French Commercial Code

Total compensation paid in 2018 and 2019 by the Company and the companies referred to in Article L. 233-16 of the French Commercial Code to corporate officers other than the Chairman and Chief Executive Officer was as follows:

(Gross amounts in €)	Compensation paid in 2018 (for information)		Compensation paid in 2019						
			Compensation for service as a Director (for 2018)					
			Director		Committees			
Director	Compensation for service as a Director (for 2017)	Other compensation[1]	Fixed	Variable	Fixed	Variable	Total	Other compensation[1]
Nathalie Andrieux	39,350	-	8,500	16,500	16,812	15,833	57,645	-
Diane Coliche[2]	12,500	563,644	4,250	8,250	-	-	12,500	556,309
Gilbert Delahaye[3]	15,567	97,500	8,500	16,500	6,500	9,500	41,000	98,241
Jacques Dumas[4]	28,500	708,502	4,250	8,250	2,437	6,333	21,270	799,686
Christiane Féral-Schuhl[5]	17,217	-	8,500	12,692	4,063	6,333	31,588	-
Laure Hauseux	-	-	5,312	11,423	4,063	12,976	33,774	-
Sylvia Jay[6]	37,700	-	8,500	10,154	6,500	6,333	31,487	-
Didier Lévêque	12,500	-	4,250	8,250	-	-	12,500	-
Catherine Lucet[7]	50,000	-		16,500	26,813	24,833	76,646[7]	-
David de Rothschild	37,700	-	8,500	11,423	6,500	6,333	32,756	-
Michel Savart[8]	12,500	676,468	4,250	8,250	-	-	12,500	703,302
Frédéric Saint-Geours[7]	76,000	-	8,500	16,500	26,750	28,000	79,750	-

(1) Compensation for Directors and/or other compensation and benefits of any kind paid by Casino's controlled subsidiaries.

(2) Other compensation paid in 2019: €556,309, including gross variable compensation of €140,300 in respect of 2018, gross fixed compensation of €412,384 and €3,600 in benefits in kind, excluding exceptional and/or conditional compensation of €240,000. In 2018, excluding exceptional bonus and deferred conditional variable compensation of €55,000.

(3) Other compensation paid in 2019: €98,241, including gross variable compensation of €13,600 in respect of 2018 and gross fixed compensation of €84,641.

(4) Other compensation paid in 2019: €799,686, including gross variable compensation of €318,500 in respect of 2018, gross fixed compensation of €478,077, €3,100 in benefits in kind, excluding gross exceptional or deferred conditional variable compensation of €1,366,731. In 2018, excluding gross exceptional bonus and deferred conditional variable compensation of €1,800,000.

(5) Elected as Director on 5 May 2017.

(6) Term as Director ended on 29 July 2019.

(7) Including the additional annual Directors' compensation of €10,000 paid to the Lead Director, prorated to the period served. Frédéric Saint-Geours, who stepped down as Lead Director in May 2019, was replaced immediately by Catherine Lucet.

(8) Other compensation paid in 2019: €703,302, including gross variable compensation of €272,300 in respect of 2018 and gross fixed compensation of €431,002.

Total compensation paid in 2019 to the corporate officers (including the Chairman and Chief Executive Officer, for service as a Director) for service as Directors in 2018 amounted to €507,426 versus €419,096, including compensation paid to Gérald de Roquemaurel for service as a Director until May 2018, in respect of 2017.

The variable component represents a significant proportion of the total compensation allocated to the Directors.

Compensation awarded in respect of 2019 by the Company to each of the corporate officers, other than the Chairman and Chief Executive, for service as Directors was as follows:

	Compensation in respect of 2019 (paid in January 2020)				
	Director		Committees		
(Gross amounts in €)	Fixed	Variable	Fixed	Variable	Total
Nathalie Andrieux	8,500	15,231	23,000	22,000	68,731
Diane Coliche	4,250	8,250	-	-	12,500
Gilbert Delahaye	8,500	16,500	6,500	9,500	41,000
Jacques Dumas	4,250	8,250	-	-	12,500
Christiane Féral-Schuhl	8,500	15,231	6,500	12,500	42,731
Laure Hauseux	8,500	16,500	8,125	28,875	62,000
Sylvia Jay(1)	4,958	8,885	3,792	5,750	23,385
Didier Lévêque	4,250	8,250	-	-	12,500
Catherine Lucet	8,500	16,500	38,000(2)	36,000	99,000
David de Rothschild	8,500	10,154	6,500	9,500	34,654
Frédéric Saint-Geours	8,500	16,500	23,000	36,000	84,000
Michel Savart	4,250	8,250	-	-	12,500

(1) Term as Director ended on 29 July 2019.
(2) Including the additional annual Directors' compensation of €15,000 paid to the Lead Director in respect of 2019.

Total gross compensation paid in January 2020 in respect of 2019 to corporate officers (including the Chairman and Chief Executive Officer for service as a Director) amounted to €518,000.

OTHER INFORMATION

In accordance with Article 16 of the Company's Articles of Association, the duration of Directors' appointments is set at three years expiring at the end of the Ordinary General Meeting set to approve the financial statements of the past financial year and held in the year in which the office expires, with exceptions when the age limit for performing the duties of a Director is reached or in the case of temporary appointments. In addition, in order to enable the system of rotation to operate, Directors may be appointed for a period of one or two years. Once they have reached the end of their term, Directors are eligible for renewal.

Directors may be removed from office at any time by the shareholders in General Meeting.

No non-executive corporate officers have employment contracts with the Company.

Euris, the Group's parent company, provides its subsidiaries, including the Company, with permanent advisory services on strategy, which were renewed on 1 January 2020 for a period of three years and may be renewed again with the express agreement of the parties.

6.2.2. Compensation policy for non-executive corporate officers in respect of 2020

In accordance with the new provisions of Article L. 225-37-2 of the French Commercial Code enacted in the government order of 27 November 2019, the compensation policy for non-executive corporate officers is now subject to shareholder approval at the Annual General Meeting.

Based on the Appointments and Compensation Committee's recommendations, the Board of Directors therefore determined the 2020 compensation policy to be submitted to the 2020 Annual General Meeting.

As previously, the Board of Directors used the Afep-Medef Code recommendations as a guide for determining the compensation of non-executive corporate officers, which is based on the following key factors:

- Directors' attendance at Board and specialised Committee meetings, with a significant variable component based on actual attendance.
- The role and work of the specialised Committees under the direction and management of their Chairs in preparing and assisting the Board in its decisions, taking into consideration the exceptional meetings held by the Committees due to the number and importance of the matters they were asked to address.
- The role of the Lead Independent Director in governance due to the combined offices of Chairman of the Board of Directors and Chief Executive Officer, and in the prevention and management of conflicts of interest, as well as shareholder dialogue.

The Board of Directors also ensured that the compensation policy for non-executive corporate officers was in line with market practice.

A specialised consulting firm was appointed to review market practices in SBF80 companies and to advise the Board of Directors and the Appointments and Compensation Committee in this area.

At its 25 March 2020 meeting, the Board of Directors set the 2020 compensation policy for the non-executive corporate officers for service as Directors of the Company, in line with the allocation principles applied in previous years:

- Compensation paid to each of the Directors unchanged from the previous year

  Gross amount of €25,000 per Director, comprising a fixed component of €8,500 (prorated for Directors who are appointed or who step down during the year) and a variable component of €16,500, which will not be reallocated in the event of non-attendance.

  Compensation paid to Directors representing the controlling shareholder (and the Chief Executive Officer, see section 6.1) capped at €12,500 per Director.
- Additional compensation for the Lead Independent Director

  Additional compensation of €15,000 for the Lead Independent Director, unchanged from the previous year.
- Additional compensation for members of the specialised Committees
  - Audit Committee
    Gross basic amount unchanged at €20,000 per Director (a fixed component of €6,500, prorated for Directors who are appointed or who step down during the year, and a variable component of €13,500, which will not be reallocated in the event of non-attendance).
  - Appointments and Compensation Committee and Governance and Social Responsibility Committee
    Gross basic amount unchanged at €16,000 per Director (a fixed component of €6,500, prorated for Directors who are appointed or who step down during the year, and a variable component of €9,500, which will not be reallocated in the event of non-attendance).
- Additional compensation for specialised Committee Chairs

  Gross compensation unchanged at €10,000 per Chair.
- Additional compensation:

  An additional amount will be paid as follows to each Committee member to take account of the additional meetings held by the Committees due to the number and importance of the matters submitted to their review during the year:
  - Additional gross compensation per Audit Committee member set at €2,000 per meeting over and above six meetings a year, capped at €10,000 per year.
  - Additional gross compensation per Appointments and Compensation Committee or Governance and Social Responsibility Committee member set at €2,000 per meeting over and above four meetings a year, capped at €6,000 per year.
  - Additional gross compensation per independent member of a Committee other than the Governance and Social Responsibility Committee asked to attend meetings of the latter held as part of the temporary assignment with which it is entrusted in connection with the safeguard proceedings at the parent companies, set at €2,000 per meeting, capped at €6,000 per year.

  This additional compensation is in line with that paid for the past several years to members of the Audit Committee in respect of its exceptional meetings and with that paid in 2019 to members of the Governance and Social Responsibility Committee for its assignment in connection with the safeguard proceedings at the parent companies, and to independent members of another Committee asked to attend those meetings.

  The studies and recommendations of the external consulting firm showed that the structure and allocation of the 2020 compensation granted to the Company's non-executive corporate officers, including the additional compensation for exceptional meetings, is in line with market practice and reasonable in terms of amounts, but noted that the basic compensation of the Directors was below the first quartile of the market.
- Members of the Board of Directors can be reimbursed for any reasonable expenses incurred while performing their duties, insofar as they provide the supporting documents.

  The compensation policy as described above will be published on the Company's website one business day after the 2020 Annual General Meeting if the policy is approved, and will remain available to the public for at least the period during which the policy applies.

  The compensation policy, such as the one presented above, will apply to all newly appointed non-executive corporate officers pending approval by the Annual General Meeting and, where appropriate, substantial changes may be made.

6.3. COMPENSATION OF NON-VOTING DIRECTORS

As previously, under the authorisation granted by shareholders at the Annual General Meeting of 16 May 2016, the Board of Directors decided on 13 December 2018 to pay compensation to the Non-Voting Directors on exactly the same basis as to other Directors, i.e., €25,000, comprising a gross fixed portion of €8,500 and a gross variable portion of up to €16,500, calculated on a pro rata basis. This sum was included in the total amount of directors' fees approved by the shareholders at the Annual General Meeting held in 2009.

On that basis, the Non-Voting Directors received a total amount of €52,871 in 2019 in respect of 2018 (versus €40,100 paid in 2018) and a total amount of €49,734 in 2020 in respect of 2019.

Chapter

7

Casino and its shareholders

7.1. THE MARKET FOR CASINO SECURITIES

7.1.1. Casino, Guichard-Perrachon – parent company

The Company's shares (ISIN code FR0000125585) are admitted for trading on Euronext Paris and are eligible for the Deferred Settlement Service.

In addition, the Company has carried out several debt issues:

- secured bonds which are listed in Luxembourg. These bonds (other than deeply-subordinated perpetual bonds) have been rated B+ with a negative outlook by Standard & Poor's since 22 October 2019 and B1 with a negative outlook by Moody's Investors Service since 19 November 2019;
- a term loan ("Term Loan B") rated B+ with a negative outlook by Standard & Poor's since 22 October 2019 and B1 with a negative outlook by Moody's Investors Service since 19 November 2019;
- unsecured bonds which are listed in Luxembourg. These bonds (other than deeply-subordinated perpetual bonds) have been rated B with a negative outlook by Standard & Poor's since 22 November 2019 (BB+ with a negative outlook previously) and B3 with a negative outlook by Moody's Investors Service since 19 November 2019 (B1 with a negative outlook previously).

Lastly, on 12 January 2012, Casino set up a sponsored level 1 American Depositary Receipt (ADR) programme in the United States. Deutsche Bank is the depositary bank for these ADRs, which may be traded over the counter in the United States. Each Casino share is represented by five ADRs under this programme.

Share prices and trading volumes over the past 18 months (source: Euronext Paris)

		High and low prices		Number of shares traded	**Amount traded**
		High *(€)*	Low *(€)*	*(thousands)*	*(€ millions)*
2018	September	39.08	26.10	28,408	929
	October	42.65	35.62	14,942	579
	November	40.85	37.49	10,885	421
	December	38.93	34.35	10,114	371
2019	January	43.01	34.01	11,313	431
	February	46.49	42.03	9,725	426
	March	47.58	37.13	15,051	626
	April	40.50	35.36	11,486	433
	May	36.89	27.29	18,859	602
	June	34.33	28.72	14,777	478
	July	33.94	29.52	9,279	300
	August	40.20	32.55	11,149	401
	September	48.20	38.18	12,696	547
	October	50.08	41.18	9,994	445
	November	49.90	39.70	8,181	368
	December	46.60	38.91	8,622	369
2020	January	42.85	33.85	9,266	347
	February	37.76	33.61	6,949	249
	March	36.38	27.92	14,038	467

Five-year stock market performance

	2015	2016	2017	2018	**2019**
Share price *(€)*[(1)]					
high	87.89	55.34	57.19	53.48	50.08
low	38.75	34.38	45.59	25.37	27.29
31 December (closing price on 30 December)	42.42	45.59	50.56	36.34	41.70
Market capitalisation at 31 December *(€ millions)*	4,801	5,060	5,612	3,988	4,521

(1) Source: Euronext Paris.

7.1.2. Other listed companies

The market capitalisations of the companies listed below are based on Nasdaq data.

CNOVA N.V. (NETHERLANDS)

The company's shares have been traded on Euronext Paris since 23 January 2015.

Euronext Paris	2015	2016	2017	2018	2019
Closing price *(€)*[1]					
high	6.54	5.27	5.26	4.46	3.70
low	2.14	2.00	4.28	3.56	2.32
31 December (closing price)	2.28	5.18	4.40	3.60	2.48
Market capitalisation at 31 December *(€ millions)*	1,006	2,285	1,516	1,243	856

Source: Nasdaq.

The company's shares were traded on Nasdaq (New York) from 20 November 2014 to 3 March 2017, when they were delisted.

COMPANHIA BRASILEIRA DE DISTRIBUIÇAO (BRAZIL)

The company's shares are traded on the São Paulo Stock Exchange and on the NYSE (United States) through a level 3 American Depositary Receipt ("ADR") programme. As part of the completion of the project to simplify the Group's structure in Latin America, Companhia Brasileira de Distribuição has been listed on the Novo Mercado since 2 March, 2020, giving it access to a broad base of international investors.

	2015	2016	2017	2018	2019
Closing price *(BRL)*[1]					
high	102.69	61.86	80.85	87.51	98.43
low	41.19	32.90	54.30	63.92	78.00
30 December (closing price)	41.86	54.75	78.93	80.98	87.65
Market capitalisation at 31 December *(BRL millions)*	11,122	14,567	21,041	21,609	23,613
Market capitalisation at 31 December *(€ millions)*	2,577	4,280	5,324	4,863	5,240

(1) Source: Nasdaq.

ALMACENES ÉXITO (COLOMBIA)

The company's shares are traded on the Colombia Stock Exchange (Bolsa de Valores).

	2015	2016	2017	2018	2019
Share price *(COP)*[1]					
high	28,800	16,860	16,640	18,500	17,980
low	10,100	12,300	14,620	11,920	12,360
31 December (closing price)	13,500	14,900	16,560	12,400	13,380
Market capitalisation at 31 December *(COP millions)*	6,042,658	6,669,304	7,412,327	5,550,294	6,212,748
Market capitalisation at 31 December *(€ millions)*	1,744	2,121	2,076	1,490	1,683

(1) Source: Nasdaq.

VIA VAREJO (BRAZIL)

The sale of Via Varejo was completed on 14 June 2019. The business is no longer presented in the Group's 2019 financial statements.

7.2. DIVIDEND

The financial statements for the year ended 31 December 2019 show a net loss of €321 million.

No interim dividend was paid in 2019 in respect of that year.

In a press release dated 28 May 2019, the Group confirmed the priority given to pursuing its debt reduction strategy and, in that regard, the Board of Directors decided not to pay a 2019 interim dividend for the 2019 financial year.

Additionally, during the presentation of the first-half 2019 results and second-quarter 2019 net sales, the Group specified that the Board of Directors would propose to the 2020 Annual General Meeting the non-payment in 2020 of the 2019 dividend and decided not to pay a 2020 interim dividend for the 2020 financial year.

Dividends paid over the last three years are as follows:

Year	Dividend per share	Dividend eligible for 40% deduction	Dividend not eligible for 40% tax deduction
2016			
Interim dividend (paid on 30 November 2016)	€1.56	€1.56	-
Remaining dividend (paid on 11 May 2017)	€1.56	€1.56	-
TOTAL	**€3.12**	**€3.12**	**-**
2017			
Interim dividend (paid on 11 December 2017)	€1.56	€1.56	-
Remaining dividend (paid on 22 May 2018)	€1.56	€1.56	-
TOTAL	**€3.12**	**€3.12**	**-**
2018			
Interim dividend (paid on 5 December 2018)	€1.56	€1.56	-
Remaining dividend (paid on 13 May 2019)	€1.56	€1.56	-
TOTAL	**€3.12**	**€3.12**	**-**

The following table shows the total dividend payout (€ millions) and the payout rate (as a percentage of underlying net profit, Group share – see Chapter 2, page 27) over the past five years:

Year	2014	2015	2016	2017	2018
Total payout	351.9	350.1	343.6	341.4	339.1
% of underlying net profit, Group share	63.3	85.0	100.8	91.8	106.6

By law, any dividends which have not been claimed within five years of their payment date will lapse and become the property of the French State, in accordance with Articles L. 1126-1 and L. 1126-2 of the French Public Property Code (*Code général de la propriété des personnes publiques*).

7.3. SHARE BUYBACK PROGRAMME

7.3.1. Current share buyback programme

The Ordinary General Meeting of 7 May 2019 authorised the Board of Directors to buy back, or to order the buyback of, Company shares as provided in Articles L. 225-209 *et seq.* of the French Commercial Code (*Code de commerce*), Articles 241-1 to 241-7 of the General Regulations of France's securities regulator (*Autorité des marchés financiers* – AMF) and European Union regulations on market abuse (particularly Regulation (EU) No. 596/2014 of 16 April 2014), notably in order:

- to ensure the liquidity of and make a market for the Company's shares through an independent investment services provider acting independently in the name and on behalf of the Company, under the terms of a liquidity agreement that complies with a Code of Conduct recognised by the AMF;
- to implement any Company stock option plan under Articles L. 225-177 *et seq.* of the French Commercial Code, any savings plan in accordance with Articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), or any grant of free shares made under Articles L. 225-197-1 *et seq.* of the French Commercial Code, or any other share-based compensation mechanism;
- to deliver shares in connection with the exercise of rights attached to securities redeemable, convertible or exchangeable for shares or exercisable for shares upon presentation of a warrant or debt security convertible or exchangeable for shares, or otherwise;
- to hold shares for later use as payment or consideration in the context of or following any external growth transactions;
- to cancel all or some of these shares in order to optimise earnings per share through a share capital reduction under the conditions provided for by law;
- to implement any future market practice authorised by the AMF and, generally, carry out any transaction that complies with the applicable regulations.

These shares may be acquired, sold, transferred, or exchanged by any method and, in particular, on regulated markets or over the counter markets, including via block trades. These methods include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of option-based strategies under the conditions authorised by the relevant markets' regulator, provided said methods do not cause a significant increase in the price volatility of the shares. The shares may also be loaned, pursuant to Articles L. 211-22 *et seq.* of the French Monetary and Financial Code (*Code monétaire et financier*).

The share buyback price may not exceed €100 (excluding transaction costs) for each share with a par value of €1.53.

This authorisation may only be used in respect of a number of shares no greater than 10% of the Company's share capital as of the date of the Annual General Meeting of 7 May 2019, it being specified that, whenever the Company shares are purchased in connection with a liquidity agreement, the number of shares used to calculate the aforementioned 10% limit will correspond to the number of shares purchased less the number of shares sold during the authorisation period under the terms of the liquidity agreement. However, the number of shares purchased by the Company and intended to be held and subsequently used as payment or consideration in the context of an external growth transaction, may not exceed 5% of the share capital. The acquisitions made by the Company shall not at any time or under any circumstance result in the Company holding more than 10% of the shares constituting its share capital.

In the event of a public tender offer for the shares or other securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, notably in the context of free share plans, or strategic transactions, initiated and announced prior to the launch of said public tender offer.

TRANSACTIONS COMPLETED IN 2019 AND UNTIL 31 MARCH 2020

■ Liquidity agreement

In February 2005, Casino mandated Rothschild & Cie Banque to implement a liquidity agreement to ensure a wide market and regular quotations for its shares. The agreement complies with the Code of Conduct of the French financial markets association (*Association Française des Marchés Financiers* – AMAFI) approved by the AMF on 1 October 2008.

Casino allocated 700,000 ordinary shares and the sum of €40 million to the liquidity account.

Additional allocations were made on 25 September 2015 (€30 million) and 28 December 2015 (€50 million), bringing the total allocated to the liquidity account to €120 million.

The Company withdrew 580,000 shares from the liquidity account on 16 May 2016 and 120,000 shares on 23 May 2016. The 700,000 shares were subsequently cancelled by decision of the Board of Directors on 14 June 2016.

In January 2019, the Company signed a new liquidity agreement with Rothschild Martin Maurel to take account of the changes in regulations governing these agreements (AMF decision No. 2018-01 dated 2 July 2018). The new contract, which came into effect on 1 January 2019, replaces the previous one dated 11 February 2005. As of the January 2019 contract signature date, the liquidity account held zero shares and €30 million.

In 2019, a total of 1,766,080 shares were purchased at an average price of €41.10 per share and 1,766,080 shares were sold at an average price of €41.07 per share. At 31 December 2019, the liquidity account held zero shares and €29.8 million.

From 1 January 2020 to 31 March 2020, a total of 217,212 shares were purchased at an average price of €37.15 per share and 215,662 shares were sold at an average price of €37.30 per share. At 31 March 2020, the liquidity account held 1,550 shares and €29.8 million.

Other stock transactions

In 2019, the Company purchased 1,303,186 shares at an average price of €30.55 per share through an investment service provider acting in the name and on behalf of the Company on an arm's length basis.

No shares were bought back between 1 January 2020 and 31 March 2020.

The Annual General Meeting of 7 May 2019 authorised the Board of Directors to reduce the share capital by cancelling shares bought back by the Company, by 24-month periods. On 13 June 2019, the Board of Directors used the authorisation to cancel 1,303,186 shares.

Over the 24-month period beginning 30 March 2018 and ending 31 March 2020, the Board of Directors cancelled 2,570,794 shares: (i) 413,622 shares on 7 March 2018, (ii) 335,909 shares on 15 May 2018, (iii) 518,077 shares on 25 July 2018 and (iv) 1,303,186 shares on 13 June 2019, representing 2.37% of the Company's capital.

SUMMARY OF STOCK TRANSACTIONS

The table below shows details of treasury shares bought and sold between 1 January 2019 and 31 December 2019 and between 1 January 2020 and 31 March 2020, together with the number of treasury shares held by the Company:

	Number of shares	% of share capital represented by the total number of shares
Number of shares held at 31 December 2018	**961,791**	**0.88**
Shares purchased under the liquidity agreement	1,766,080	
Shares sold under the liquidity agreement	(1,766,080)	
Shares purchased	1,303,186	
Shares sold	0	
Shares cancelled	(1,303,186)	
Shares granted	(132,462)	
Number of shares held at 31 December 2019	**829,329**	**0.76**
Shares purchased under the liquidity agreement	217,212	
Shares sold under the liquidity agreement	(215,662)	
Shares purchased	0	
Shares sold	0	
Shares cancelled	0	
Shares granted	(6,619)	
Number of shares held at 31 March 2020	**824,260**	**0.76**

At 31 December 2019, the Company owned 829,329 shares (purchase cost: €28 million) with a par value of €1.53. Based on the closing price at 31 December 2019 (€41.70), their market value totalled €34.6 million.

At 31 March 2020, the Company owned 824,260 shares (purchase cost: €27.9 million) with a par value of €1.53. Based on the closing price at 31 March 2020 (€35.11), their market value totalled €28.9 million.

Treasury shares are allocated for the following purposes:

- 1,550 shares to the liquidity agreement;
- 822,710 shares to cover stock option plans, employee share ownership plans or share grant plans for Group employees.

On 31 December 2019, Germinal SNC, an indirectly controlled wholly-owned company, held 928 ordinary shares.

7.3.2. Share buyback programme submitted to the Annual General Meeting for approval

The 2020 Annual General Meeting will be asked to renew the authorisation granted to the Board of Directors to buy back, or order the buyback of, Company shares as provided in Articles L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-7 of the AMF General Regulations and European Union regulations on market abuse (particularly Regulation (EU) No. 596/2014 of 16 April 2014), notably in order:

- to ensure the liquidity of and make a market for the Company's shares through an independent investment services provider acting independently in the name and on behalf of the Company, under the terms of a liquidity agreement that complies with a Code of Conduct recognised by the AMF;
- to implement any Company stock option plan under Articles L. 225-177 *et seq.* of the French Commercial Code, any savings plan in accordance with Articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), or any grant of free shares made under Articles L. 225-197-1 *et seq.* of the French Commercial Code, or any other share-based compensation mechanism;
- to deliver shares in connection with the exercise of rights attached to securities redeemable, convertible or exchangeable for shares or exercisable for shares on presentation of a warrant or a debt security convertible or exchangeable for shares, or otherwise;
- to hold shares for later use as payment or consideration in the context of or following any external growth transactions;
- to cancel all or some of these shares in order to optimise earnings per share through a share capital reduction under the conditions provided for by law;
- to implement any future market practice authorised by the AMF and, generally, carry out any transaction that complies with the applicable regulations.

These shares may be acquired, sold, transferred, or exchanged by any method and, in particular, on regulated markets or over the counter, including via block trades. These methods include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of option-based strategies under the conditions authorised by the relevant markets' regulator, provided said methods do not cause a significant increase in the price volatility of the shares. The shares may also be loaned, pursuant to Articles L. 211-22 *et seq.* of the French Monetary and Financial Code.

The share buyback price may not exceed €100 (excluding transaction costs) for each share with a par value of €1.53.

This authorisation may only be used in respect of a number of shares no greater than 10% of the Company's share capital as of the date of this Annual General Meeting. Based on the share capital as of 31 March 2020, after deducting the 824,260 own shares held by the Company, this would correspond to 10,018,363 shares and a maximum amount of €1,002 million, it being specified that, whenever the Company shares are purchased in connection with a liquidity agreement, the number of shares used to calculate the aforementioned 10% limit will correspond to the number of shares purchased less the number of shares sold during the authorisation period under the terms of the liquidity agreement. However, the number of shares purchased by the Company and intended to be held and subsequently used as payment or consideration in the context of an external growth transaction, may not exceed 5% of the share capital. The acquisitions made by the Company shall not at any time or under any circumstance result in the Company holding more than 10% of the shares constituting its share capital.

The authorisation is granted to the Board of Directors for 18 months. It supersedes the unused portion of the authorisation previously granted by the 11th resolution of the Ordinary General Meeting of 7 May 2019.

In the event of a public tender offer for the shares or other securities issued by the Company, the Company may only use this authorisation for the purpose of meeting securities delivery commitments, notably in the context of free share plans, or strategic transactions, initiated and announced prior to the launch of said public tender offer.

7.4. SHARE CAPITAL AND SHARE OWNERSHIP

7.4.1. Changes in share capital

At 31 December 2019, the share capital amounted to €165,892,131.90 divided into 108,426,230 shares with a par value of €1.53 each.

This was unchanged at 31 March 2020.

CHANGES IN SHARE CAPITAL OVER THE PAST FIVE YEARS

From 1 January 2015 to 31 December 2019		Number of shares issued/ cancelled	Increase/(decrease in share capital) *(€)*		**Successive amounts of the share capital** *(€)*	Total number of shares in issue
			Par value	Premium		
	Absorption of subsidiaries	99	151	2,842	173,157,997.86	113,175,162
2015	Stock options	22,485	34,402	1,251,290	173,192,399.91	113,197,647
	Absorption of subsidiaries	39	59.67	1,345	173,192,459.58	113,197,686
2016	Cancellation of shares	(2,200,690)	(3,367,056)	(100,555,713)	169,825,403.88	110,996,996
2017	-	-	-	-	169,825,403.88	110,996,996
2018	Cancellation of shares	(1,267,608)	(1,939,440)	(52,748,629)	167,885,963.64	109,729,388
	Absorption of subsidiaries	28	42.84	1,272	167,886,006.48	109,729,416
2019	Cancellation of shares	(1,303,186)	(1,993,875)	(37,824,310)	165,892,131.90	108,426,230

No capital transaction occurred from 1 January 2020 to 31 March 2020.

POTENTIAL NUMBER OF SHARES

There are no securities or stock options (see section 7.5) that may confer entitlement to share capital, as the share grant plans underway (see section 7.5) concern existing shares.

UNISSUED AUTHORISED CAPITAL

To allow the Company to raise funds on the financial markets to finance the Group's continued development and improve its financial position, the Annual General Meeting of 7 May 2019 granted to the Board of Directors a number of delegations of competence and authorisations.

At the Annual General Meeting of 15 May 2018, the Board of Directors was also authorised to make free share grants to employees of the Company and related companies.

The authorisations and delegations granted to the Board of Directors that can lead to the issuance of securities carrying rights to shares of the Company are listed below:

Transactions	Maximum amount	Terms and conditions	Authorisation date	Term	Expiry
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities, with pre-emptive rights in the case of new share issues	€59 million(1)(2)	With PE*	7 May 2019	26 months	6 July 2021
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities by means of a public offer, without pre-emptive rights in the case of new share issues	€16.7 million(1)(2)	Without PE*	7 May 2019	26 months	6 July 2021
Capital increase by issuing shares or securities carrying rights to new or existing shares of the Company or existing shares of any company in which it directly or indirectly owns an interest or to debt securities by means of an offer as referred to in Article L. 411-2 II of the French Monetary and Financial Code, without pre-emptive rights in the case of new share issues	€16.7 million(1)(2)	Without PE*	7 May 2019	26 months	6 July 2021
Capital increase by capitalising reserves, earnings, share premiums or other capitalisable sums	€59 million(1)	-	7 May 2019	26 months	6 July 2021
Capital increase by issuing shares or share equivalents to pay for contributions in kind made to the Company comprising shares or share equivalents	10% of the share capital on the date the issue is decided(1)	Without PE*	7 May 2019	26 months	6 July 2021
Capital increase by issuing shares or share equivalents in the event of a public offer initiated by Casino, Guichard-Perrachon for the shares of another listed company	€16.7 million(1)(2)	Without PE*	7 May 2019	26 months	6 July 2021
Rights issue to employees of the Company and related entities who are members of a company savings plan	2% of the total number of shares outstanding on 7 May 2019 (i.e., 2,194,588 shares)	Without PE*	7 May 2019	26 months	6 July 2021
Stock options granted to employees of the Company, and employees and corporate officers of related companies	2% of the total number of shares outstanding on 5 May 2017 (i.e., 2,219,939 shares)	Without PE*	5 May 2017	38 months	4 July 2020
Share grants of existing or new shares to employees of the Company and related companies		Without PE*	15 May 2018	26 months	14 July 2020

* *PE = pre-emptive subscription rights.*

(1) *The aggregate par value of the shares which may be issued, immediately and/or in the future, pursuant to various authorisations, may not exceed €59 million, it being specified that the par value of capital increases that may be carried out, immediately and/or in the future, without pre-emptive rights for existing shareholders may not exceed €16.7 million, without taking account of the par value of the additional shares to be issued to safeguard the rights of securities holders, as required by law.*

(2) *The aggregate nominal amount of debt securities that may be issued pursuant to this authorisation, may not exceed €2 billion or its equivalent value in other currencies or monetary units based on a basket of currencies, it being specified that the overall amount of debt securities that may be issued pursuant to this authorisation may not exceed €2 billion or its equivalent value in any other currency or monetary unit based on a basket of several currencies.*

None of these authorisations were used in 2019, other than those related to free share grants.

Pursuant to the authorisation granted by the Annual General Meeting of 15 May 2018, the Board of Directors granted rights to 238,023 existing shares in 2018, and 400,755 existing shares in 2019. The rights will vest if the performance conditions are met and/or the grantee is still employed by the Company at the end of the vesting period.

Only the authorisation relating to share grants, which is due to expire, will be proposed for renewal at the 2020 Annual General Meeting.

The Annual General Meeting of 7 May 2019 also authorised the Board of Directors to reduce the capital by up to 10% per 24-month period by cancelling shares held in treasury stock. This authorisation was given for a period of 26 months expiring on 6 July 2021.

In 2019, the Board of Directors used the authorisation to cancel 1,303,186 shares acquired under the buyback programme.

7.4.2. Changes in share ownership

DOUBLE VOTING RIGHTS

Statutory provisions relating to double voting rights were introduced by the Extraordinary General Meeting of 30 November 1934 and amended by the Extraordinary General Meeting of 21 May 1987 (Article 28-III of the Articles of Association).

With respect to voting rights, Article 28-III of the Company's Articles of Association stipulates as follows:

"Shareholders hold as many votes as the shares he or she holds or represents, without limitation, with the only exception of the cases provided for by law or in the Articles of Association.

However, a double voting right is assigned to all fully paid-up shares effectively held in registered form in the name of the same shareholder for at least four years, as well as, in the event of a share capital increase via capitalisation of reserves, profits, or issue premiums, to those registered shares granted free of charge to a shareholder in connection with old shares for which he or she is entitled to this right.

The double voting right is forfeited ipso jure for any share that was converted to bearer-form or that was subject to a transfer of ownership except in the event of a transfer in which the shares remain in registered form, pursuant to the terms of Article L. 225-124 of the French Commercial Code.

The vote or proxy issued by an intermediary that has either not declared itself as an intermediary registered as a holder of securities on behalf of third parties not domiciled in France, or has not disclosed the identity of the owners of the shares for which it is a registered intermediary, in accordance with regulations in force, will not be counted."

Double voting rights may be withdrawn by decision of the Extraordinary General Meeting, after approval by a special meeting of holders of double voting rights.

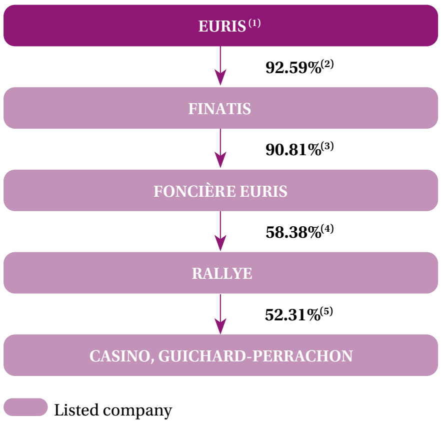
At 31 December 2019, a total of 143,591,404 voting rights were attached to 107,595,973 shares with voting rights in issue. The number of voting rights is different from the number of shares comprising the share capital due to the double voting right attached to registered shares, as well as the direct or indirect holding by the Company of a certain number of its own shares.

Taking into account the gain or loss of double voting rights by certain shareholders since 1 January 2020 and the number of treasury shares held directly or indirectly, a total of 151,102,255 voting rights were attached to 107,601,042 shares carrying voting rights as of 31 March 2020.

CONTROLLING SHAREHOLDER

Casino, Guichard-Perrachon is controlled, directly and indirectly, by Euris.

The diagram below shows the Company's position within the Group as of 31 March 2020:



(1) Euris is controlled by Jean-Charles Naouri.

(2) 92.59% of theoretical voting rights.

(3) 90.81% of theoretical voting rights.

(4) 71.38% of theoretical voting rights.

(5) The shares are held directly or indirectly, excluding treasury shares, by Rallye, its subsidiaries and parent companies and represent 63.40% of theoretical voting rights.

CHANGES IN SHARE CAPITAL AND VOTING RIGHTS

The ownership of share capital and voting rights as of 31 December 2017, 2018 and 2019 and as of 31 March 2020 is as follows:

	Shares		Voting rights exercisable at Annual General Meeting[1]		Theoretical voting rights[1]	
31 December 2017	Number	%	Number	%	Number	%
Public	53,886,157	48.5	57,930,445	35.5	57,930,445	35.4
of which shares in registered form	4,568,997	4.1	8,613,285	5.3	8,613,285	5.3
of which shares in bearer form	49,317,160	44.4	49,317,160	30.2	49,317,160	30.1
Rallye group	55,934,790	50.4	103,165,475	63.2	103,165,475	63.2
Casino Group Employee Mutual Funds	1,068,314	1.0	2,112,026	1.3	2,112,026	1.3
Treasury shares[2]	107,735	0.1	0	0.0	107,735	(0.1)[3]
TOTAL	**110,996,996**	**100.0**	**163,207,946**	**100.0**	**163,315,681**	**100.0**

	Shares		Voting rights exercisable at Annual General Meeting[1]		Theoretical voting rights[1]	
31 December 2018	Number	%	Number	%	Number	%
Public	50,871,867	46.4	53,902,958	35.1	53,902,958	34.9
of which shares in registered form	3,720,063	3.4	6,751,154	4.4	6,751,154	4.4
of which shares in bearer form	47,151,804	43.0	47,151,804	30.7	47,151,804	30.5
Rallye group[4]	56,783,700	51.7	97,355,785	63.5	97,355,785	63.1
Casino Group Employee Mutual Funds	1,111,130	1.0	2,154,810	1.4	2,154,810	1.4
Treasury shares[2]	962,719	0.9	0	0	962,719	(0.6)[3]
TOTAL	**109,729,416**	**100.0**	**153,413,553**	**100.0**	**154,376,272**	**100.0**

	Shares		Voting rights exercisable at Annual General Meeting[1]		Theoretical voting rights[1]	
31 December 2019	Number	%	Number	%	Number	%
Public	49,633,209	45.8	52,478,720	36.5	52,478,720	36.3
of which shares in registered form	3,677,658	3.4	6,523,169	4.5	6,523,169	4.5
of which shares in bearer form	45,955,551	42.4	45,955,551	32.00	45,955,551	31.8
Rallye group[4]	56,777,914	52.4	88,884,334	61.9	88,884,334	61.5
Casino Group Employee Mutual Funds	1,184,850	1.1	2,228,350	1.6	2,228,350	1.5
Treasury shares[2]	830,257	0.8	0	0	830,257	(0.6)[3]
TOTAL	**108,426,230**	**100.0**	**143,591,404**	**100.0**	**144,421,661**	**100.0**

	Shares		Voting rights exercisable at Annual General Meeting[1]		Theoretical voting rights[1]	
31 March 2020	Number	%	Number	%	Number	%
Public	49,693,881	45.8	52,548,413	34.8	52,548,413	34.6
of which shares in registered form	3,687,961	3.4	6,542,493	4.3	6,542,493	4.3
of which shares in bearer form	46,005,920	42.4	46,005,920	30.4	46,005,920	30.3
Rallye group[4]	56,716,271	52.3	96,319,512	63.7	96,319,512	63.4
Casino Group Employee Mutual Funds	1,190,890	1.1	2,234,330	1.5	2,234,330	1.5
Treasury shares[2]	825,188	0.8	0	0.0	825,188	0.5[3]
TOTAL	**108,426,230**	**100.0**	**151,102,255**	**100.0**	**151,927,443**	**100.0**

(1) *The number of rights to vote at the Annual General Meeting is not the same as the number of voting rights published under France's disclosure threshold rules (theoretical voting rights). For the monthly publication of the total number of voting rights and the number of shares comprising the share capital, the total number of voting rights is calculated based on all the shares that potentially carry voting rights, including shares stripped of voting rights (treasury shares), in accordance with Article 223-11 of the AMF General Regulations.*

(2) *Casino holds 928 shares through Germinal, an indirectly wholly-owned company.*

(3) *Voting rights that will become exercisable again if the underlying shares cease to be held in treasury stock.*

(4) *At 31 December 2019, Rallye held 48.43% of the share capital (55.96% of the voting rights) directly and 52.37% of the share capital (61.90% of the voting rights) indirectly through three subsidiaries which held less than 5% of the share capital and/or voting rights.*

On 31 July 2015, Rallye signed an equity swap agreement on 840,495 notional shares expiring on 31 July 2018. The swap could be settled through physical delivery of underlying shares. The agreement was settled on 9 March 2018 when the title transfer option was exercised on 840,495 shares (AMF 2018DD541587).

On 3 October 2018, Alpétrol (the lender), a wholly-owned subsidiary of Rallye, and Rallye (the borrower) entered into a securities lending agreement on 6,681,492 Casino, Guichard-Perrachon shares (AMF 2018DD578901 – AMF 2018DD578908), expiring on 31 December 2019. The lent shares were stripped of double voting rights (AMF 218C1648). The agreement was amended on 19 December 2019 to extend its term to 31 December 2021.

On 28 February 2019, Cobivia (the lender) and L'Habitation Moderne de Boulogne (the lender), subsidiaries of Rallye, and Rallye (the borrower) entered into securities lending agreements on 6,866,554 Casino, Guichard-Perrachon shares and 2,721,459 Casino, Guichard-Perrachon shares respectively (AMF 2019DD597522 – AMF 2019DD597523 – AMF 2019DD597521). The lent shares were stripped of double voting rights (AMF 219C0420). The agreement was amended on 19 December 2019 to extend its maturity to 31 December 2021. The agreement was amended on 27 January 2020 to reduce the number of securities loaned by Cobivia (lender) to Rallye (borrower) to 6,866,454 shares.

At 31 March 2020, Rallye held 48.43% of the share capital (58.17% of the voting rights) directly and 52.31% of the share capital (63.74% of the voting rights) indirectly through three subsidiaries which held less than 5% of the share capital and/or voting rights. These include shares pledged by the Rallye group (see Pledged shares below).

To the best of the Company's knowledge, no shareholder other than (i) Rallye, (ii) VesaEquity Investment (controlled by Daniel Křetínský) and (iii) Morgan Stanley Plc, which all disclosed notifiable interests to the AMF (see below), held more than 5% of the share capital or voting rights of the Company at 31 March 2020.

On 31 December 2019, the Company conducted a survey of holders of bearer shares. The survey identified 39,966 direct holders or nominees (versus 45,907 in 2018), together holding 46,081,654 shares (versus 46,812,802 in 2018) representing 42.50% of the share capital (versus 42.66% in 2018).

The number of the Company's bearer and registered shareholders is estimated at more than 45,000 (51,000 in 2018) and the percentage of share capital held by private shareholders is estimated at 17% (15% in 2018) (sources: survey of identifiable bearer shareholders carried out on 31 December 2019 and shareholders' register).

STATUTORY DISCLOSURE THRESHOLDS

Since 1 January 2019, the following notifiable interests have been disclosed to the AMF:

Shareholder	Date of threshold crossing	Type of threshold crossing	Number of shares and voting rights disclosed		% of the share capital	% of voting rights[1]	AMF notice reference no.
Morgan Stanley Plc	24 December 2018	Decrease	7,566,455	7,566,455	6.90	4.90	219C0003
Morgan Stanley Plc	28 December 2018	Increase	7,830,483	7,830,483	7.14	5.07	219C0023
Goldman Sachs Group Inc.	31 December 2018	Increase	8,170,634	8,170,634	7.45	5.29	219C0044
Goldman Sachs Group Inc.	2 January 2019	Decrease	2,989,769	2,989,769	2.72	1.94	219C0054
Goldman Sachs Group Inc.	4 January 2019	Increase	8,085,431	8,085,431	7.37	5.24	219C0076
Morgan Stanley Plc	10 January 2019	Decrease	7,703,819	7,703,819	7.02	4.99	219C0119
Morgan Stanley Plc	11 January 2019	Increase	7,992,166	7,992,166	7.28	5.18	219C0125
Goldman Sachs Group Inc.	14 January 2019	Decrease	2,412,685	2,412,685	2.20	1.56	219C0130
Goldman Sachs Group Inc.	23 January 2019	Increase	8,237,342	8,237,342	7.51	5.34	219C0187
Morgan Stanley Plc	28 January 2019	Decrease	7,339,728	7,339,728	6.69	4.75	219C0204
Goldman Sachs Group Inc.	14 February 2019	Decrease	2,787,160	2,787,160	2.54	1.81	219C0311
Goldman Sachs Group Inc.	26 February 2019	Increase	8,155,712	8,155,712	7.43	5.28	219C0387
Morgan Stanley&Co International Plc[2]	27 February 2019	Decrease	5,462,566	5,462,566	4.98	3.54	219C0390
Morgan Stanley&Co International Plc[2]	28 February 2019	Increase	5,641,601	5,641,601	5.96	3.90	219C0407
Goldman Sachs Group Inc.	28 February 2019	Decrease	2,780,445	2,780,445	2.53	1.92	219C0413
Rallye[3]	28 February 2019	Increase	52,505,709	79,229,279	47.85	54.73	219C0420
Cobivia[4]	28 February 2019	Decrease	9,100,999	11,335,444	8.29	7.83	219C0420
Habitation Moderne de Boulogne[4]	28 February 2019	Decrease	4,695,468	6,669,477	4.28	4.61	219C0420
Goldman Sachs Group Inc.	4 March 2019	Increase	8,009,907	8,009,907	7.30	5.53	219C0425
Morgan Stanley&Co International Plc[2]	4 March 2019	Decrease	5,392,897	5,392,897	4.91	3.73	219C0439
Morgan Stanley Plc	5 March 2019	Decrease	838,344	838,344	0.76	0.58	219C0444
Société Générale	6 March 2019	Increase	5,511,246	5,511,246	5.02	3.81	219C0445
Société Générale	7 March 2019	Decrease	0	0	0	0	219C0445
Société Générale	12 March 2019	Increase	5,619,863	5,619,863	5.12	3.88	219C0481
Société Générale	14 March 2019	Decrease	0	0	0	0	219C0481
Morgan Stanley Plc	8 April 2019	Increase	7,378,658	7,378,658	6.72	5.10	219C0640
Morgan Stanley Corp.	12 April 2019	Decrease	7,162,919	7,162,919	6.53	4.95	219C0678
Morgan Stanley Corp.	7 May 2019	Increase	7,544,520	7,544,520	6.88	5.21	219C0777
Morgan Stanley Corp.	9 May 2019	Decrease	7,091,612	7,091,612	6.46	4.90	219C0800
Goldman Sachs Group Inc.	20 May 2019	Increase	6,948,567	6,948,567	6.33	4.80	219C0852
Goldman Sachs Group Inc.	21 May 2019	Decrease	1,922,053	1,922,053	1.75	1.33	219C0852
Morgan Stanley Corp.	20 May 2019	Increase	7,499,318	7,499,318	6.83	5.18	219C0858
Goldman Sachs Group Inc.	23 May 2019	Increase	7,890,004	7,890,004	7.19	5.45	219C0871
Morgan Stanley Corp.	23 May 2019	Decrease	7,159,562	7,159,562	6.52	4.95	219C0908
Goldman Sachs Group Inc.	30 May 2019	Decrease	1,947,369	1,947,369	1.77	1.35	219C0913
Goldman Sachs Group Inc.	3 June 2019	Increase	7,520,186	7,520,186	6.85	5.20	219C0935
Goldman Sachs Group Inc.	10 June 2019	Decrease	2,018,556	2,018,556	1.84	1.39	219C0958
Goldman Sachs Group Inc.	11 June 2019	Increase	7,586,828	7,586,828	6.91	5.24	219C0961
Goldman Sachs Group Inc.	21 June 2019	Decrease	767,374	767,374	0.70	0.53	219C1035
Morgan Stanley Corp.	23 July 2019	Increase	9,454,170	9,454,170	8.72	6.59	219C1296
Morgan Stanley&Co International Plc[5]	25 July 2019	Decrease	5,391,394	5,391,394	4.97	3.76	219C1308
Morgan Stanley Corp.	25 July 2019	Decrease	512,435	512,435	0.47	0.36	219C1313
Morgan Stanley Corp.	30 July 2019	Increase	5,935,597	5,935,597	5.47	4.14	219C1351
Morgan Stanley Corp.	5 August 2019	Decrease	512,435	512,435	0.47	0.36	219C1395
Morgan Stanley Corp.	7 August 2019	Increase	5,941,790	5,941,790	5.48	4.14	219C1412

Shareholder	Date of threshold crossing	Type of threshold crossing	Number of shares and voting rights disclosed		% of the share capital	% of voting rights[1]	AMF notice reference no.
Morgan Stanley Corp.	8 August 2019	Decrease	512,435	512,435	0.47	0.36	219C1421
Morgan Stanley Corp.	12 August 2019	Increase	6,343,365	6,343,365	5.85	4.42	219C1422
Morgan Stanley Corp.	6 September 2019	Decrease	512,435	512,435	0.47	0.35	219C1595
Morgan Stanley Corp.	9 September 2019	Increase	6,005,527	6,005,527	5.54	4.16	219C1605
Morgan Stanley Corp.	10 September 2019	Decrease	514,450	514,450	0.47	0.36	219C1620
Morgan Stanley Corp.	12 September 2019	Increase	5,999,629	5,999,629	5.53	4.15	219C1648
Morgan Stanley Corp.	16 September 2019	Decrease	514,450	514,450	0.47	0.36	219C1669
Vesa Equity Investment[6]	17 January 2020	Increase	6,120,139	6,120,139	5.64	4.24	220C0251
Vesa Equity Investment[6]	27 February 2020	Increase	7,460,000	7,460,000	6.88	5.17	220C0846
Vesa Equity Investment[6]	21 April 2020	Decrease	7,589,061	7,589,061	6.99	4.99	220C1374

(1) The disclosures were made on the basis of information communicated by the Company, in accordance with the requirements of Article L. 233-8 of the French Commercial Code and Article 223-16 of the AMF General Regulations, on the date the threshold was crossed. The disclosure of the total number of voting rights, which is published monthly, is calculated based on all the shares that potentially carry voting rights, including shares stripped of voting rights (treasury shares), in accordance with Article 223-11 of the AMF General Regulations.

(2) Controlled by Morgan Stanley Plc.

(3) Controlled by Foncière Euris, which in turn is controlled by Jean-Charles Naouri.

(4) Controlled by Rallye.

(5) Controlled by Morgan Stanley Corp.

(6) Controlled by Daniel Křetínský.

Furthermore, Article 11-II of the Company's Articles of Association stipulates the following with respect to the crossing of shareholding thresholds:

"In addition to compliance with the legal obligation to disclose holding certain fractions of the share capital and any attached voting rights, any natural person or legal entity – including any intermediary registered as the holder of securities for persons not domiciled on the French territory – who, either alone or jointly with other natural persons or legal entities, come to hold to stop holding, in any way whatsoever, a fraction equal to 1% of the voting rights or share capital or a multiple of this fraction, must notify the Company, by registered letter with acknowledgement of receipt sent within 5 trading days of effectively crossing one of these thresholds. It must declare the number of shares and number of voting rights it directly holds.

For the determination of these thresholds, account is taken of shares that are assimilated with the shares already owned and the associated voting rights, in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code.

In each disclosure made as provided for above, the disclosing shareholder must certify that the disclosure includes all the securities held or owned within the meaning of the above paragraph. The disclosing shareholder must also indicate his or her identity and that of the persons or legal entities acting in concert with the disclosing shareholder, the total number of shares or voting rights held directly or indirectly, alone or in concert, the date and reason for the disclosure threshold being crossed and, if applicable, the information referred to in the third paragraph of Article L. 233-7 I of the French Commercial Code.

These disclosure requirements will no longer apply in the event that a single or several shareholder(s) acting jointly hold more than 50% of the voting rights.

In the event of any failure to disclose information under these conditions, the portion of shares in excess of what should have been declared are deprived of the right to vote in shareholders' meetings provided, during a given shareholders' meeting, the failure to disclose is officially acknowledged and one or several shareholders jointly holding at least 5% of the share capital or voting rights make the request at said meeting. Under the same conditions, voting rights that have not been properly declared cannot be exercised. If deprived, a voting right cannot be exercised at any shareholders' meeting for two years as from the date on which the disclosure issues are remedied."

EMPLOYEE SHARE OWNERSHIP

On 31 December 2019, Group employees held 1,678,167 shares representing 1.55% of the share capital and 1.90% of the voting rights, of which:

- 1,184,850 shares through employee savings plans and different mutual funds;
- 493,317 registered shares resulting from free share grants authorised by shareholders at an Extraordinary General Meeting held after 6 August 2015 (information disclosed in application of the Macron Act).

SHARES HELD BY DIRECTORS AND OFFICERS

On 31 December 2019, shares held directly by members of the Board of Directors represented 0.12% of the share capital and 0.15% of the voting rights exercisable in General Meetings. On the same date, 52.43% of the share capital and 61.97% of the voting rights were controlled directly or indirectly by these members.

On 31 March 2020, Casino shares held directly by members of the Board of Directors represented 0.08% of the share capital and 0.11% of the voting rights. On the same date, 52.39% of the share capital and 63.85% of the voting rights were controlled directly or indirectly by these members.

To the best of the Company's knowledge, transactions carried out in the Company's securities in 2019 and up until 31 March 2020 by officers and persons who were related parties on the transaction date, were as follows:

Date	Shareholder	Financial instrument	Purchase/sale	Number	Amount *(€)*
28 February 2019	Cobivia, legal entity related to Foncière Euris, Director	Shares	Loan	6,866,554	-
28 February 2019	L'Habitation Moderne de Boulogne, legal entity related to Foncière Euris, Director	Shares	Loan	2,721,459	-
28 February 2019	Rallye SA, legal entity related to Foncière Euris, Director	Shares	Loan	9,588,013	-
19 March 2019	Rallye SA, legal entity related to Foncière Euris, Director	Shares	Pledge	3,619,406	40.9460
30 March 2020	Par Bel 2 SAS, legal entity related to Euris, Director	Shares	Stock options	10,412,700	-

PLEDGED SHARES

As of 31 December 2019, 53,538,794 registered shares had been pledged by their holders.

These included shares pledged by the Rallye group to secure credit facilities. As of 31 December 2019, Rallye had pledged 53,456,679 Casino shares representing 49.30% of Casino's share capital.

At the date of the initiation of safeguard proceedings at the Group's parent companies (Rallye, Foncière Euris, Finatis and Euris), only 3.3 million shares directly and indirectly held by Rallye, representing 3.1% of the Company's share capital, had not been pledged to financial institutions.

SHAREHOLDER AGREEMENT

To the best of the Company's knowledge, there are no shareholder agreements involving the Company's shares.

7.5. EMPLOYEE STOCK OPTIONS AND FREE SHARE GRANTS

For many years, the Group has offered employees opportunities to own a stake in their Company as part of a policy to retain and motivate its teams. This strategy, which was long implemented through share purchase and subscription options, is now carried out through the allotment of free shares ("share grants") and, since 2014, has essentially aimed to:

- on the one hand, motivate, strengthen the commitment of and/or loyalty of key managers both in France and abroad. The share grants are contingent on beneficiaries remaining with the Company until the vesting date (three years) and, barring exceptions, on the achievement of performance conditions evaluated as from 2016 over a three-year period;
- on the other hand, reward a critical contribution to the success of strategic and/or particularly complex operations. The free shares granted in this context reflect the Company's decision, in order to strengthen commitment and loyalty, to grant, in the form of Company shares, a portion of the exceptional compensation awarded to the beneficiary for carrying out such a transaction. The exceptional compensation is generally proportional to the compensation, involvement and level of contribution of the employees concerned. As an exceptional performance-based bonus, share grants will vest on the sole condition that the beneficiaries remain with the Company until the vesting date (one to two years). When the vesting period is less than two years, the shares are subject to a lock-up period such that the combined vesting period and lock-up period would represent at least two years.

In an effort to further align the interests of managers with those of shareholders, a specific one-off plan was implemented in 2016 under which employees benefiting from outstanding cash-settled long-term incentive (LTI) plans, especially deferred one-off bonuses awarded with respect to strategic and/or particularly complex operations, could exchange these cash-settled LTI plans for share grant plans. A total of 235,179 free shares were granted on 13 May 2016, representing 40% of the 581,226 free shares granted in 2016. Depending on the case, the shares were subject to a lock-up period such that the beneficiaries hold them for at least two years.

In 2019, pursuant to the authorisation given by the Extraordinary General Meeting of 15 May 2018 and based on the recommendation of the Appointments and Compensation Committee, the Board of Directors made a total of 400,755 free share grants, subject to the grantee still being employed by the Company at the end of the vesting period and/or the performance conditions being met, as follows:

- 316,887 shares were granted by the Board of Directors on 7 May 2019 (representing 0.29% of the share capital on the grant date);
- 83,868 shares were granted by the Board of Directors on 12 December 2019 (representing 0.08% of the share capital on the grant date).

No shares were granted to any corporate officers. See below for information on the share grants.

All outstanding share grant plans exclusively concern existing shares and do not have a dilutive effect on capital.

On 27 April 2020, the Board of Directors – acting on the recommendation of the Appointments and Compensation Committee – granted a total of 289,692 existing shares, which will vest if the grantee is still employed by the Company at the end of the vesting period and/or the performance conditions are met.

Share purchase and/or subscription options

No share purchase options have been granted since 2004 and no share subscription options have been granted since 2010.

There were no share purchase and/or subscription plans outstanding at 31 December 2019.

Share grants

Details of the various plans outstanding at 31 December 2019 are provided in the table below, it being specified that the Chairman and Chief Executive Officer is not entitled to receive share grants and that all share grants concern existing shares which will be delivered on the vesting date.

Date of Annual General Meeting	Date of Board of Directors' meeting/Grant date	Vesting date	Date from which the vested shares may be sold	Number of shares granted by the Board of Directors	Number of grants cancelled	Number of grants outstanding at the period-end
13 May 2016	13 May 2016	13 May 2020	13 May 2020	7,178	3,093	4,085(1)
13 May 2016	20 April 2017	31 January 2020	1 February 2020	245	0	245(2)
13 May 2016	20 April 2017	20 April 2020	21 April 2022	156,307	72,286	84,021(3)
13 May 2016	20 April 2017	20 April 2022	21 April 2022	5,666	0	5,666(3)
5 May 2017	25 April 2018	1 February 2020	26 April 2020	11,955	5,213	6,742(2)
15 May 2018	15 May 2018	15 May 2021	16 May 2023	177,117	60,139	116,978(4)
15 May 2018	15 May 2018	15 May 2023	16 May 2023	7,326	473	6,853(4)
15 May 2018	15 May 2018	15 May 2021	16 May 2021	1,500	0	1,500(2)
15 May 2018	13 December 2018	1 July 2020	14 December 2020	2,630	1,315	1,315(2)
15 May 2018	13 December 2018	1 August 2020	14 December 2020	4,144	0	4,144(2)
15 May 2018	13 December 2018	1 December 2020	14 December 2020	13,088	0	13,088(2)
15 May 2018	13 December 2018	14 December 2021	14 December 2021	32,218	6,575	25,643(2)
15 May 2018	7 May 2019	7 May 2022	8 May 2024	184,608	28,947	155,661(5)
15 May 2018	7 May 2019	7 May 2024	8 May 2024	7,809	0	7,809(5)
15 May 2018	7 May 2019	31 January 2021	8 May 2021	15,553	0	15,553(2)
15 May 2018	7 May 2019	31 March 2021	8 May 2021	5,252	0	5,252(2)
15 May 2018	7 May 2019	7 May 2020	8 May 2021	103,665	0	103,665(2)
15 May 2018	12 December 2019	31 July 2021	13 December 2021	27,626	287	27,339(2)
15 May 2018	12 December 2019	31 October 2021	13 December 2021	8,939	0	8,939(2)
15 May 2018	12 December 2019	12 December 2021	13 December 2021	19,260	0	19,260(2)
15 May 2018	12 December 2019	12 December 2022	13 December 2022	28,043	0	28,043(2)
TOTAL				**820,129**	**178,328**	**641,801**

(1) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of two performance conditions assessed over a two-year period (2016 and 2017), each concerning half of the initial grant: TSR compared to a sample of ten European companies in the Food Retail index and the Group's average EBITDA/net sales.

(2) The share grants are contingent only on the beneficiaries remaining with the Company until the vesting date.

(3) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of two performance conditions assessed over a three-year period (2017, 2018 and 2019), each concerning half of the initial grant: TSR compared to a sample of nine European companies in the Food Retail index and the Group's average EBITDA/net sales.

(4) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of two performance conditions assessed over a three-year period (2018, 2019 and 2020), each concerning half of the initial grant: TSR compared to a sample of nine European companies in the Food Retail index and the Group's average EBITDA/net sales.

(5) The share grants are contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of two performance conditions assessed over a three-year period (2019, 2020 and 2021), each concerning half of the initial grant: TSR compared to a sample of nine European companies in the Food Retail index and the Group's average EBITDAR/net sales.

Under share grant plans introduced on 6 May 2014, 13 May 2016, 14 June 2016, 14 October 2016, 20 April 2017 and 25 April 2018, shares vested in 2019 as follows:

Date of Annual General Meeting	Date of Board of Directors' meeting/ Grant date	Vesting date	Date from which the vested shares may be sold	Number of shares granted by the Board of Directors	Number of grants cancelled	Number of shares vested in 2019
22 April 2013	6 May 2014	6 May 2019	6 May 2019	3,750	2,790	960[(1)]
13 May 2016	13 May 2016	13 January 2019	13 January 2019	17,610	8,218	9,392[(2)]
13 May 2016	14 June 2016	14 January 2019	14 January 2019	9,780	0	9,780[(2)]
13 May 2016	14 October 2016	31 March 2019	1 April 2019	870	0	870[(2)]
13 May 2016	14 October 2016	1 July 2019	2 July 2019	3,477	1,159	2,318[(3)]
13 May 2016	20 April 2017	20 April 2019	21 April 2019	9,555	0	9,555[(2)]
5 May 2017	25 April 2018	26 April 2019	26 April 2020	99,587	0	99,587[(2)]
TOTAL						**132,462**

(1) The share grants were contingent on the beneficiaries remaining with the Company until the vesting date and on the achievement of three performance conditions assessed annually over a three-year period (2014, 2015 and 2016) allowing the vesting of shares by thirds and each concerning one-third of the initial grant: annual organic growth (at constant scope of consolidation and exchange rates, excluding calendar effects) in the Group's consolidated net sales excluding fuel; annual growth in underlying net profit, Group share at current exchange rates; and annual relative performance of the Casino share, dividends included (Total Shareholder Return – TSR) compared to the performance of companies in the STOXX Euro 600 Retail index.

(2) Corresponding to exceptional bonuses, paid part in cash and part in grants of existing shares. The share grants were contingent only on the beneficiaries remaining with the Company until the vesting date.

(3) Two-thirds of the initial share grant was contingent on the beneficiaries remaining with the Company until the vesting date and, for one-third of the initial grant, on the achievement of E-Trend's performance conditions: trading profit for 2018 and net sales as measured at 31 December 2018.

7.6. FINANCIAL REPORTING

The Group Investor Relations department's role is to provide the financial community with accurate, specific and fair information about the Group's strategy, business model and performance.

Financial information is prepared and validated by the Accounting and Budget Control units prior to publication.

The legal, accounting and CSR units also contribute to producing the Universal Registration Document and the management report.

The Board of Directors reviews all information and news releases about the Group's results or financial and strategic transactions, and may make comments and proposals. The Audit Committee reviews information on the annual and interim financial statements prior to release. Sales and earnings news releases are submitted to the Statutory Auditors for comment prior to issue.

Financial information is disclosed to the markets through the following communication channels:

- financial and other media releases;
- conference calls for quarterly releases of sales figures;
- annual and interim results presentations;
- roadshows, conferences, meetings and conference calls with financial analysts and investors, in France and abroad;
- Annual General Meetings;
- Universal Registration Documents and Annual and Corporate Social Responsibility Reports;
- the Group's corporate website.

Group Investor Relations is also involved in checking and setting the publication timetable for the financial information prepared by listed subsidiaries and ensures consistency among the various media produced by the Group.

7.7. SHAREHOLDERS' CONSULTATIVE COMMITTEE

In 2016, the Company put in place a Shareholders' Consultative Committee to facilitate regular and meaningful dialogue between the Company and the representatives of its individual shareholders and thereby improve the Company's communication with respect to its shareholders.

The Committee has ten members, including:

- five shareholder representatives (two individual shareholders, a former employee shareholder and two representatives of an association of individual shareholders), designated for a two-year term;
- five permanent Company representatives (Advisor to the Chairman, Board Secretary, Finance department, Investor Relations department and Legal department).

The Committee is expected to meet at least twice a year. The last meeting took place on 24 September 2019 and the Committee will meet again in the first half of 2020.

Chapter 8

Additional information

8.1. GENERAL INFORMATION

COMPANY NAME, REGISTERED OFFICE AND TELEPHONE NUMBER

Casino, Guichard-Perrachon

1, cours Antoine Guichard, 42000 Saint-Étienne, France

Telephone +33 (0)4 77 45 31 31

LEGAL FORM

Société anonyme (joint stock company) governed by Book II of the French Commercial Code (*Code de commerce*).

GOVERNING LAW

French law.

DATE OF INCORPORATION AND EXPIRY

The Company was incorporated on 3 August 1898 following the signing of its Articles of Association on 1 July 1898. Its term, which was extended by extraordinary resolution of the shareholders at the General Meeting of 31 October 1941, will expire on 31 July 2040 unless the Company is wound up before this date or its term is further extended.

TRADE AND COMPANIES REGISTRY

The Company is registered in the Saint-Étienne Trade and Companies Registry under No. 554 501 171.

APE (business identifier) code: 6420 Z.

ACCESS TO LEGAL DOCUMENTS

The Articles of Association, minutes of General Meetings, Statutory Auditors' reports and other legal documents are available for consultation at the Company's registered office.

FINANCIAL YEAR

The Company's financial year runs from 1 January to 31 December.

CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

The purpose of the Company is to:

- directly or indirectly create and exploit all types of retail stores selling any types of items or products including, yet not limited to, food products;
- offer all types of services to said retail stores' customers and manufacture any and all goods that may be useful to their exploitation;
- wholesale all types of goods, either on its own behalf or on behalf of third parties including, in particular, as a commission-based service, and offer all types of services to these third parties;
- and, generally, execute any and all types of commercial, industrial, real estate, movable property, and financial transactions related to this purpose or that could potentially facilitate its successful fulfilment.

It can, in France and abroad, create, acquire, exploit or commission the exploitation of any trade mark, trade name, or service mark, and any industrial design rights, patents or manufacturing processes related to the above-mentioned purpose.

It can invest in or acquire any interests in any French or foreign businesses or companies, regardless of their purpose.

It can take action in any country, either directly or indirectly, alone or as an association, partnership, group, or company created with any other persons or companies, and complete, in any form whatsoever, the transactions related to its purpose.

8.1.1. Provisions of the Articles of Association concerning the Board of Directors and Senior Management – Board of Directors' Internal Rules[1]

BOARD OF DIRECTORS

Membership of the Board of Directors *(excerpt from Article 14 of the Articles of Association)*

The Company is managed by a Board of Directors. Subject to the legal provisions applicable in the event of a merger with another joint stock company (*société anonyme*), the Board of Directors is composed of at least three members and at most eighteen, appointed by the Ordinary Shareholders' Meeting.

The Board also includes, in accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, one or two Directors representing employees, for whom the specific rules are subject to the legal provisions in force and the Articles of Association.

Directors' shares *(excerpt from Article 15 of the Articles of Association)*

Each Director must own at least one hundred shares held in registered form.

(1) *Extract from the latest version of the Articles of Association updated on 13 June 2019, not including the legislative changes of 2019, which will be taken into account at the 2020 Annual General Meeting.*

■ Duration of office – Age limitation – Replacement of Directors appointed by the Ordinary Shareholders' Meeting *(excerpt from Article 16 of the Articles of Association)*

I — Notwithstanding the impact of paragraphs II and III of this article, the duration of Directors' offices is three years expiring at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the office expires.

Once they have reached the end of their term, Directors are eligible for renewal.

Directors are appointed or their terms of office renewed pursuant to a decision taken by the Ordinary Shareholders' Meeting. Directors' terms of office are up for renewal on a rolling basis, in order to ensure that a roughly equal amount of Directors' terms of office are renewed each year. In order to enable the system of rotation to operate, the Ordinary General Meeting can appoint a Director for a period of one or two years, on an exceptional basis.

II — No person over the age of seventy (70) can be appointed as Director or permanent representative of a Director that is a legal entity, if such appointment would cause the number of Directors and permanent representatives of legal entities over said age to be more than one-third of the total number of Directors serving on the Board. In the event that one-third of all Directors is over the age of seventy, the oldest Director or permanent representative of a legal entity is deemed as having automatically resigned at the end of the Ordinary Shareholders' Meeting called to approve the financial statements of the fiscal year in which this age threshold was surpassed.

III — In the event that one or more seats become vacant as a result of the death or resignation of Directors, the Board of Directors can appoint temporary Directors to hold office until the next shareholders' meeting. These appointments must be approved at the next shareholders' meeting.

If a Director appointed by the Board of Directors temporarily as described above is not granted permanent status by the shareholders' meeting, said Director's actions and the Board's decisions during this temporary appointment remain valid nonetheless.

Should the number of Directors fall below three, the remaining members (or, in the event of a lack of members, a corporate officer appointed by the President of the Commercial Court at the request of any person concerned) must immediately call for an Ordinary Shareholders' Meeting in order to appoint one or more new Directors for the purpose of securing the required amount of members and resuming compliance with applicable legal thresholds.

A Director appointed to replace another Director remains in office for the remainder of his or her predecessor's term of office.

The appointment of a new Board member to be added to the permanent list of members in office can be decided only by the shareholders' meeting, which must set the term of office.

■ Organisation, meetings and decisions of the Board of Directors

Chairman – Office of the Board *(excerpts from Articles 17 and 20 of the Articles of Association)*

The Board of Directors appoints a Chairman from among the natural persons sitting on the Board. The Chairman's functions are defined by law and the Company's Articles of Association. The Chairman of the Board of Directors organises and manages the Board of Directors' work, and reports to the General Shareholders' Meeting regarding said work. He ensures the proper functioning of the corporate bodies of the Company and, in particular, ensures that the Directors are able to exercise their duties.

The Chairman can be appointed for the duration of his or her directorship, subject to the Board of Directors' right to strip him or her of this title, at any time, and to the Chairman's right to resign before his or her term expires. The Chairman is eligible for reappointment. The Chairman's age cannot exceed seventy-five (75) years. Exceptionally, in the event the Chairman reaches the aforementioned age while in office, he or she will remain Chairman until the end of his or her term of office.

In the event that the Chairman is temporarily unable to exercise his or her duties or dies, the Board of Directors may designate a Director to serve as Chairman. In the event that the Chairman is temporarily unable to exercise his or her duties, this delegation of powers is granted for a limited yet renewable amount of time. In the event that the Chairman dies, said delegation is valid until the election of the new Chairman.

Non-Voting Directors *(excerpt from Article 23 of the Articles of Association)*

The Ordinary Shareholders' Meeting can appoint Non-Voting Directors who are either natural persons or legal entities from among the Company's shareholders. The Board of Directors can appoint Non-Voting Directors to serve on the Board at any time, provided their office is approved at the next Ordinary Shareholders' Meeting. No more than five Non-Voting Directors can sit on the Board.

A Non-Voting Director remains in office for three years. His or her duties expire at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the office expires. Non-Voting Directors are eligible for reappointment indefinitely, and can be removed from office at any moment by decision of the Ordinary Shareholders' Meeting.

Non-Voting Directors attend Board of Directors' meetings, and offer their opinions and observations and take part in the decision-making process in an advisory capacity.

They are eligible for compensation, the amount of which is set by the Ordinary Shareholders' Meeting and maintained until a decision to change it is taken at a future shareholders' meeting. This compensation is distributed, at the Board of Directors' discretion, among all Non-Voting Directors.

Meetings of the Board of Directors *(excerpt from Article 18 of the Articles of Association)*

The Board meets as often as required in the Company's interest and every time said Board deems it appropriate, at the location indicated in the meeting notification. Meeting notifications are prepared by the Chairman or by any person he or she appoints to do so on his or her behalf; if the Board has not met for more than two months, one-third of the Directors in office can ask the Chairman to call for a meeting based on a predetermined agenda. The Chief Executive Officer can also ask the Chairman to call for a meeting based on a predetermined agenda.

In order for the Board's decisions to be considered fully valid and binding, the attendance of at least half of the Directors in office is necessary and sufficient. Directors can participate in the deliberations by videoconference or by means of telecommunication, under the conditions and according to the terms applicable pursuant to rules in force and the Board of Directors' internal rules.

Decisions are taken based on a majority vote of the members present and represented. In the event of a tie, the Chairman's vote becomes the deciding vote. However, in the event that the Board is composed of less than five members, decisions can be taken by two Directors in attendance, provided they are in agreement.

Powers of the Board of Directors *(excerpt from Article 19 of the Articles of Association)*

The Board of Directors sets the Company's business strategy and oversees its implementation. Subject to powers expressly granted at general shareholders' meetings and within the limit of the Company's corporate purpose, it handles any matters relating to the Company's proper functioning and votes on the matters for which it is responsible. The Board of Directors carries out the controls and checks it deems appropriate.

The Board of Directors may, at its own discretion and at any time, change the Senior Management operation method, it being specified that this decision does not trigger a change in the Articles of Association.

The Board can create committees, of which it determines the composition and responsibilities, in order to assist it in the completion of its assignments. Said committees, each in their area of expertise, make suggestions, recommendations, and issue opinions, based on what is required.

The Board authorises, under applicable legal conditions, agreements other than those concerning standard transactions carried out under normal conditions, as discussed in Article L. 225-38 of the French Commercial Code. In accordance with Article L. 225-35 of the French Commercial Code, the commitment of any sureties, underwritings or guarantees granted on behalf of the Company are subject to a Board of Directors' authorisation. However, the Board of Directors may authorise the Chief Executive Officer to grant sureties, underwritings or guarantees on behalf of the Company, capped at an aggregate annual amount and, as the case may be, per commitment.

Subject to any applicable legal restriction, delegations of power, powers of attorney or duties limited to one or more predetermined transaction(s) or transaction category(ies) can be granted or assigned to any persons, be it Directors or any other persons.

The Board of Directors has included in its internal rules certain mechanisms to restrict the powers of the Chief Executive Officer (see Chapter 5, Corporate Governance Report).

MANAGEMENT STRUCTURE

Combination of the functions of Chairman of the Board of Directors and Chief Executive Officer *(excerpt from Article 21 of the Articles of Association)*.

Senior Management

The Articles of Association allow for the functions of Chairman of the Board of Directors and Chief Executive Officer to be separated or combined.

The Company chose the latter option on 21 March 2005.

The Chief Executive Officer remains in office for as long as specified by the Board of Directors. However, the term of office cannot exceed three (3) years. The Chief Executive Officer is eligible for reappointment.

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances on behalf of the Company. The Chief Executive Officer exercises his or her powers within the limits of the Company's corporate purpose, subject to those powers the law expressly grants to shareholders' meetings and to the Board of Directors.

However, as an internal measure, the Board of Directors may decide to limit the Chief Executive Officer's powers (see Corporate governance for a description of the restrictions decided by the Board). He or she represents the Company in its relations with third parties.

The Chief Executive Officer's age cannot exceed seventy-five (75) years. However, in the event that the Chief Executive Officer reaches this age while in office, he or she will remain in office until the expiration of his or her term of office.

The Board of Directors can remove the Chief Executive Officer from office at any time. If the removal from office is carried out without proper justification, it may result in damages, except when the Chief Executive Officer also exercises the duties of Chairman of the Board of Directors.

Deputy Chief Executive Officers

On the Chief Executive Officer's suggestion, the Board of Directors can appoint one or more natural persons in charge of assisting the Chief Executive Officer. There cannot be more than five Deputy Chief Executive Officers.

The term of office cannot exceed three (3) years. Deputy Chief Executive Officers are eligible for reappointment. They have the same powers as the Chief Executive Officer vis-à-vis third parties.

The Deputy Chief Executive Officer's age cannot exceed seventy (70) years. However, in the event that the Deputy Chief Executive Officer reaches this age while in office, he or she will remain in office until the expiration of his or her term of office.

The Board of Directors can remove a Deputy Chief Executive Officer from office at any time, on the Chief Executive Officer's recommendation. The Chairman, provided he or she also exercises the duties of Chief Executive Officer, the Chief Executive Officer, or each of the Deputy Chief Executive Officers are authorised to grant sub-delegations or substitutions of powers relative to one or more predetermined transactions or categories of transactions.

Board of Directors' internal rules

The Board of Directors has established the Board of Directors' internal rules describing its rules of procedure, which add to the related provisions of the law and the Company's Articles of Association.

The Board of Directors' internal rules describe the Board's organisation and procedures, the powers and duties of the Board and the Committees of the Board, and the procedures for overseeing and assessing its work (see the Board of Directors' report on corporate governance) for a description of the Committees of the Board, the restrictions on the Chief Executive Officer's powers and the procedures for overseeing and assessing the Board's work.

The Board of Directors' internal rules were last updated on 25 March 2020 (see pages 368 *et seq.*).

8.1.2. Appropriation of net profit *(excerpt from Article 33 of the Articles of Association)*

The income statement breaks down the revenues and charges of the fiscal year. After deducting amortisation and provisions, it shows the profit or loss of the fiscal year.

From this profit, net of any losses carried forward, as the case may be, is first withheld any sums to be allocated to reserves as required by law, and in particular to the legal reserve.

The necessary sum is withheld from the profit calculated as described above, plus any retained earnings, in order to provide a first dividend pay-out of 5% interest per year on the amount paid for the shares, it being specified that, if in a given fiscal year profits are not high enough to make this payment, amounts cannot be withheld from profits expected in future fiscal years.

The surplus is available to the General Shareholders' Meeting for distribution to all shares.

However, the Annual Shareholders' Meeting can decide, as suggested by the Board of Directors, provided the legal reserve is filled and the 5% interest on the nominal value of the shares has been paid out but before any other distributions, to withhold amounts it deems useful to allocate to any non-mandatory, ordinary or exceptional reserves, with or without a specific allocation.

Subject to a Board of Directors' proposal and a General Shareholders' Meeting decision, sums allocated to reserves can later be either distributed or capitalised.

8.1.3. General Meetings

NOTICE OF MEETING, PARTICIPATION *(excerpts from Articles 25 and 27 of the Articles of Association)*

General Meetings are summoned under the conditions required by law.

The right to participate in General Shareholders' Meetings is subject to the registration of the shares in a securities account held in the name of the shareholder or of the third party registered on the shareholder's behalf provided the latter resides outside France, within the time frame set forth under Article R. 225-85 of the French Commercial Code. This securities account registration is made either in the registered securities accounts managed by the Company or its authorised agent, or in the bearer securities accounts managed by an authorised intermediary.

The registration of securities in the bearer securities accounts managed by an authorised intermediary is reported in a statement of equity delivered by the latter electronically, as the case may be, in the appendix to the form for voting by mail or by proxy, or for requesting an admission card, as applicable, filled out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A statement is also issued to shareholders who wish to attend the General Shareholders' Meeting in person and who have not received an admission card within the time frame provided for under the terms of Article R. 225-85 of the French Commercial Code.

Meetings are held in the city in which the registered headquarters are established or at any other location in France, as specified in the Notice of Meeting.

The General Shareholders' Meeting regroups all shareholders, irrespective of the number of shares each of them holds.

VOTING RIGHTS (DOUBLE VOTING RIGHTS) *(excerpt from Article 28-III of the Articles of Association)*

Shareholders hold as many votes as the shares he or she holds or represents, without limitation, with the only exception of the cases provided for by law or in these Articles of Association.

However, a double voting right is assigned, under applicable legal conditions, to all fully paid-up shares effectively held in registered form in the name of the same shareholder for at least four years, as well as, in the event of a share capital increase via capitalisation of reserves, profits, or issue premiums, to those registered shares granted free of charge to a shareholder in connection with old shares for which he/she is entitled to this right.

The double voting right is forfeited ipso jure for any share that was converted to bearer form or that was subject to a transfer of ownership except in the event of a transfer in which the shares remain in registered form, pursuant to the terms of Article L. 225-124 of the French Commercial Code.

The vote or proxy issued by an intermediary that has either not declared itself as an intermediary registered as a holder of securities on behalf of third parties not domiciled in France, or has not disclosed the identity of the owners of the shares for which it is a registered intermediary, in accordance with regulations in force, will not be counted.

The provisions of the Articles of Association concerning double voting rights were originally adopted by shareholders at the Extraordinary General Meeting of 30 November 1934 and were amended at the Extraordinary General Meeting of 21 May 1987, when the qualifying period was raised from two to four years.

8.1.4. Identifiable holders of bearer shares *(Article 11-I of the Articles of Association)*

The Company may, under applicable regulatory conditions, ask the main custodian of financial instruments at any time for the name or, if it is a legal entity, the corporate name, the nationality and address of the holders of bearer shares granting immediate or future access to a voting right at shareholders' meetings, as well as the number of securities each of them holds and, as the case may be, the restrictions attached to these securities.

Furthermore, based on the aforementioned list, the Company can also request, either via said custodian or directly, under the same conditions, to the persons on this list and whom the Company believes may be registered on behalf of third parties, whether they hold these securities on their own behalf or on behalf of third parties and, in this latter case, to provide information useful in identifying this(ese) third party(ies). If the identity of the securities owner(s) cannot be uncovered, the vote or the power issued by the registered account intermediary will not be taken into account.

Lastly, the Company has the right to ask any legal entity holding more than 2.5% of the share capital or voting rights to reveal the identity of the persons directly or indirectly holding more than one-third of the share capital of said legal entity or of the voting rights cast at this entity's shareholders' meetings.

The securities' holders or holders of the solicited information's failure to disclose information under applicable legal conditions could lead to the suspension, or even the deprivation of one's right to vote and right to the payment of the dividend attached to shares or to the securities granting immediate or future access to the share capital and for which these persons have been registered in an account.

STATUTORY DISCLOSURE THRESHOLDS *(Article 11-II of the Articles of Association)*

In addition to compliance with the legal obligation to disclose holding certain fractions of the share capital and any attached voting rights, any natural person or legal entity – including any intermediary registered as the holder of securities for persons not domiciled on the French territory – who, either alone or jointly with other natural persons or legal entities, come to hold to stop holding, in any way whatsoever, a fraction equal to 1% of the voting rights or share capital or a multiple of this fraction, must notify the Company, by registered letter with acknowledgement of receipt sent within five trading days of effectively crossing one of these thresholds. It must declare not only the number of shares and number of voting rights it directly holds.

This person must, under the same conditions, provide the Company with the number of securities it holds that grant future access to the share capital, as well as the number of voting rights attached to said securities.

These disclosure requirements will no longer apply in the event that a single or several shareholder(s) acting jointly hold more than 50% of the voting rights.

In the event of any failure to disclose information under these conditions, the portion of shares in excess of what should have been declared are deprived of the right to vote in shareholders' meetings provided, during a given shareholders' meeting, the failure to disclose is officially acknowledged and one or several shareholders jointly holding at least 5% of the share capital or voting rights make the request at said meeting. Under the same conditions, voting rights that have not been properly declared cannot be exercised. If deprived, a voting right cannot be exercised at any shareholders' meeting for two years as from the date on which the disclosure issues are remedied.

8.2. FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Information on the Company's capital structure and significant direct or indirect interests in its share capital known by the Company by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code is provided on pages 381 *et seq*.

The Articles of Association contain no restrictions on voting rights or the transfer of shares. There are no agreements known to the Company by virtue of Article L. 233-11 of the French Commercial Code that provide for pre-emption rights with respect to the sale or purchase of the Company's shares.

There are no known shareholders' agreements that could result in restrictions on the transfer of shares and exercise of voting rights. The Company has not issued any securities conferring special control rights.

There are no employee share schemes where the voting rights are not exercised directly by the employees. The rules governing the appointment and replacement of Board members and amendment of the Articles of Association are described on pages 396 *et seq*.

The powers of the Board of Directors are described on pages 335, 336 and 396. The Board's powers to issue and buy back shares are described on page 379 and pages 376 and 377, respectively.

Agreements to which the Company is a party and which are altered or terminate upon a change of control of the Company are described on page 284 (Liquidity risks).

There are no agreements between the Company and its Directors or employees providing for compensation if they resign because of a takeover bid, or are made redundant without valid reason, or if their employment ceases because of a takeover bid.

8.3. BOARD OF DIRECTORS' INTERNAL RULES

The Board of Directors has decided to codify and, where appropriate, clarify and supplement, the applicable legal, regulatory and statutory provisions governing its operations.

For this purpose, the Board has established the Board of Directors' internal rules (hereinafter the "Internal Rules"), which can also include of all the principles and recommendations set forth in the Afep-Medef Corporate Governance Code (hereinafter the "Afep-Medef Code") and the Application Guide published by the *Haut Comité de Gouvernement d'Entreprise*.

The Board of Directors is also responsible for taking the necessary steps to enforce the Internal Rules. As such, these Internal Rules describe, on the one hand, the Board's organisational methods and functioning, the powers and duties of the Board and its Committees and, on the other hand, the code of conduct applicable to the Board's members.

I. Organisation and operation of the Board of Directors

ARTICLE 1. ELECTION OF DIRECTORS

Directors are elected, or their terms of office renewed, for three-year periods. They are eligible to stand for re-election at expiration of their mandate. Every year, one-third of the Board is re-elected.

Candidates for election are first reviewed by the Appointments and Compensation Committee (see sections below entitled Committees of the Board – Shared provisions and Appointments and Compensation Committee).

Directors must be selected based on their ability, the diversity of their experience, their desire to help develop the Group, as well as the contribution they can make to the Board of Directors' efforts.

If, from one General Shareholders' Meeting to the next, one or more seats on the Board should become vacant due to the death or resignation of a Director, the Board of Directors may elect temporary Directors. Such appointments shall be subject to the shareholders' approval at the next General Shareholders' Meeting. A Director appointed to replace an outgoing Director serves for the remainder of his or her predecessor's term.

No person over the age of seventy (70) may be elected as Director or serve as permanent representative of a legal entity, if such election would cause the number of Directors and permanent representatives of legal entities over said age serving on the Board to grow to more than one-third of all Directors. Should this threshold be exceeded, the oldest Director or permanent representative of a legal entity is considered as having resigned at the Ordinary Shareholders' Meeting held to approve the financial statements for the fiscal year in which the threshold was exceeded.

The Board of Directors seeks to apply the guiding principles of the Afep-Medef Code to its membership and, in particular, to its gender balance and number of Independent Directors, in accordance with the terms and criteria suggested, in particular, in the Afep-Medef Code.

The appointment of Directors representing employees is carried out according to the terms and conditions set forth in the French Commercial Code and the Company's Articles of Association.

ARTICLE 2. MEETINGS AND DECISIONS OF THE BOARD OF DIRECTORS

The Board of Directors meets as often as necessary to protect the interests of the Company and whenever it is deemed appropriate.

Meetings are called by the Chairman or in the Chairman's name by any person designated by him or her. If the Board has not met in more than two months, at least one-third of the Directors may ask the Chairman to call a meeting to discuss a specific agenda. The Chief Executive Officer can also ask the Chairman to call a Board meeting to discuss a specific agenda.

Meetings are held at the venue specified in the notice of meeting.

Directors may choose another Director as their proxy to represent them at Board meetings. A proxy may be granted by any means, as long as there is a clear indication of the Director's desire to be represented. Each member can only be represented by one other member. However, a Director attending the Board meeting via videoconference or telecommunication, under the conditions set out hereafter, may not act as a proxy for another Director.

The above paragraph's provisions also apply to the permanent representatives of a legal entity.

A quorum of at least half the Directors is required for the meeting to transact business validly. Decisions are made by majority vote of the members present in person or represented. In the event of a tie vote, the Chairman of the meeting casts the deciding vote.

In accordance with legal and regulatory provisions, the Chairman of the Board may, on occasion, allow Directors to participate in a meeting via videoconference or any other means of telecommunication, if so requested for valid reasons.

Said videoconference or means of telecommunication must, at least, transmit the participant's voice and meet the technical requirements to ensure identification of the Director(s) in question to confirm their effective participation in the Board meeting through a continuous live broadcast. It must also be able to guarantee the confidentiality of the proceedings.

As such, the videoconference tool must simultaneously transmit both image and voice and enable the person(s) attending the meeting via such means, as well as the persons physically present at the meeting, to recognise each other.

Telecommunication is the use of a telephone conference system that allows those persons physically present at the meeting and the person(s) attending via teleconference to recognise, beyond any doubt, the voice of each participant.

In case of doubt or poor reception, the Chairman of the meeting may decide to continue the meeting's proceedings without taking into account, in the calculation of the meeting's quorum and majority, a person whose voice can no longer be identified with sufficient security, provided the quorum is still met with the remaining Directors present. The Chairman may also decide to remove said Director's name from the meeting's attendance register if the videoconferencing or means of telecommunication experiences a technical malfunction during the meeting and can no longer ensure the complete confidentiality of the proceedings.

If he/she decides to allow the use of videoconferencing or telecommunication, the Chairman of the Board must first ensure that all members invited to attend via one of these communication means are using the equipment necessary to take part in the meeting effectively and under the proper conditions.

In addition, the minutes of the meeting shall indicate the names of the Director(s) attending the meeting via videoconferencing or telecommunication, and mention any technical disruption or incidents that occurred during the meeting.

Directors taking part in Board meetings via videoconferencing or telecommunication are deemed present for the purposes of calculating the quorum and majority, except for the approval of the annual financial statements, the consolidated financial statements, and the management report related thereto.

Furthermore, the Chairman may allow a Director to take part in meetings via any other means of telecommunication. In this case, however, the Director concerned shall not be deemed present for the purpose of calculating the quorum and majority.

The Board of Directors may also invite non-voting, non-members of the Board to attend its meetings, in a consultative capacity only, including via videoconference or telecommunication.

An attendance register is drawn up and signed by those Directors attending the Board meeting.

By signing the attendance register, the Chairman of the meeting certifies the presence of the Directors attending a meeting via videoconference or telecommunication.

In accordance with legal and regulatory provisions, at the initiative of the Chairman, the Board of Directors may adopt the following decisions through written consultation: (i) the temporary appointment of members of the Board should a seat become vacant or when the proportion of Directors of either gender falls below 40%; (ii) the authorisation of sureties, underwritings and guarantees granted by the Company; (iii) bringing the Articles of Association into compliance with legal and regulatory provisions upon delegation by the Extraordinary General Meeting; (iv) the notification of the General Meeting; (v) the transfer of the registered office within the same county (*département*); and, (vi) more generally, any decision expressly provided for in the applicable legal and regulatory provisions.

In this case, each Director is provided with the text of the proposed decisions and all the documents needed to ensure the Directors are informed. Directors must cast their vote under the terms and conditions and within the time frame indicated in the consultation. Any Director that does not send his or her written response to the consultation to the Chairman of the Board of Directors within the applicable time frame is deemed not to have participated in the decision. Any decision made by written consultation is only valid if at least half of the members of the Board of Directors participate in the decision by sending a written response. The majority rules described in paragraph 6 above apply to decisions made by written consultation.

During the response period, Directors may send written questions to the Chairman of the Board of Directors, which will be answered.

ARTICLE 3. BOARD MEETING MINUTES

Board resolutions are recorded in minutes signed by the Chairman of the meeting and at least one of the Directors present. Minutes are approved at the next Board meeting and a draft copy is sent to all Directors before said meeting.

The minutes shall indicate whether or not videoconference or means of telecommunication were used, and list those Directors who participated by those means, and mention any technical incidents that may have occurred during the meeting.

Decisions taken by the Board of Directors following written consultations are recorded in minutes signed by the Chairman of the Board of Directors.

The Chairman of the Board, the Chief Executive Officer, a Deputy Chief Executive Officer, the Director temporarily acting as Chairman, the Secretary of the Board, or a duly empowered representative can validly certify copies or excerpts of meeting minutes.

ARTICLE 4. COMPENSATION OF THE BOARD OF DIRECTORS' MEMBERS

The Board of Directors can receive an aggregate amount of annual compensation, determined by shareholders at the General Shareholders' Meeting.

The total amount of compensation thus allocated by shareholders at the General Shareholders' Meeting pursuant to Article 22-II of the Articles of Association, is distributed by the Board of Directors, based on the proposal or recommendation of the Appointments and Compensation Committee, under the conditions set forth in Article L. 225-37-2 of the French Commercial Code, in accordance with the following terms and conditions:

- a fixed amount allocated to each Director;
- a variable amount, which must be higher than the fixed amount, acquired based on effective attendance at Board meetings;
- any member of the Board of Directors can also receive additional compensation based on their specific experience or the specific tasks the Board assigns to him/her.

The Board of Directors sets, as the case may be, the amount of any other compensation payable to the Chairman and Vice-Chairman or Chairmen of the Board of Directors. It may also allocate exceptional compensation for special assignments or mandates entrusted to its members.

Members of the Board of Directors can be reimbursed for any reasonable expenses incurred while performing their duties, insofar as they provide the supporting documents.

Each Director, whether a natural person, legal entity or permanent representative, undertakes to hold a number of shares in the Company equivalent to the sum of at least one year's Directors' compensation, with the possibility of using said compensation to acquire such shares. Shares acquired to meet this requirement must be held in registered form. These provisions do not apply to Directors representing employees.

II. Authority and powers of the Board of Directors

ARTICLE 5. DUTIES AND POWERS OF THE BOARD OF DIRECTORS

The Board of Directors performs the duties entrusted to it pursuant to the provisions of Article L. 225-35 of the French Commercial Code.

The Board of Directors shall also decide how general executive management authority shall be exercised, either by the Chairman of the Board, or by an individual, who may, but need not be, a Director, appointed by the Board and having the title of Chief Executive Officer.

The Board of Directors exercises the powers vested in it by law and the Company's Articles of Association. To exercise these powers, it has the right to obtain and have disclosed to it information and can rely on the assistance of specialised Board Committees.

It ensures that shareholders and investors receive relevant, balanced, and instructive information on the Company's strategy, development model, and the non-financial challenges it deems significant, as well as on its long-term prospects. Its role is to create value for the Company over the long term.

A – Powers vested in the Board of Directors

In particular, the Board of Directors reviews and approves the annual and interim financial statements of the Company and the Group, as well as the reports on the operations and results of the Company and its subsidiaries. It also approves budgets and forecasts. It deliberates annually on the Company's policy on professional and wage equality in the workplace. It prepares the report on corporate governance pursuant to Article L. 225-37 of the French Commercial Code and, particularly, the compensation policy for corporate officers pursuant to Article L. 225-37-2 of the French Commercial Code which is presented in such report.

It summons general shareholders' meetings and can, upon delegation, carry out securities issues.

B – Matters requiring the Board of Directors' prior authorisation

In addition to the prior authorisations expressly required by law regarding sureties, collateral, or guarantees in the name of the Company and the related-party agreements subject to Article L. 225-38 of the French Commercial Code, the Board of Directors has decided, as an internal rule, that its prior authorisation must be obtained for certain management transactions due to their nature or value, as specified in the paragraph below entitled "Senior Management".

Accordingly, the Board's authorisation is required for all transactions that could potentially affect the strategy of the Company and its subsidiaries, their financial structure or scope of business and, in particular, for the execution or termination of commercial agreements that could, potentially, significantly impact the Group's future development, or that individually exceed €500 million in value.

In this respect, the Board has also granted certain annual general delegations of authority, described in the paragraph below entitled "Senior Management".

ARTICLE 6. RIGHT TO OBTAIN AND RECEIVE INFORMATION

The Board of Directors carries out all the verifications and controls it deems necessary and at the times it deems appropriate. The Chairman or Chief Executive Officer is responsible for providing all Directors with the documents and information they need to perform their duties.

Prior to each Board meeting, members of the Board of Directors shall receive all the information they require to study the items on the agenda before they are discussed at the meeting, provided such information is available and comprehensive enough.

The Board is kept regularly informed and regularly reviews trends in the Group's business and results, its key risks, such financial, operational, social and environmental risks, its risk management policies, its financial position, its cash position, as well as any significant Company events and transactions. The Chief Executive Officer reports to the Board of Directors on the following at least once every quarter:

- operations of the Company and its main subsidiaries including, in particular, revenues and changes in income;
- debt and the credit lines available to the Company and its main subsidiaries;
- headcount data for the Company and its main subsidiaries.

The Board of Directors also reviews the Group's off-balance sheet commitments once every six months.

Board members also receive information on changes in the market, the competitive environment, and key challenges, including information relative to the Company's corporate social and environmental responsibility.

Directors can request meetings with the Group's key executives, including in the absence of executive corporate officers, provided the latter received prior notification of said meetings.

Between Board meetings, Directors shall be sent all important information concerning the Company and, in particular, any document sent by the Company to its shareholders.

ARTICLE 7. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board organises and chairs Board meetings and reports to shareholders on the Board's work at the General Shareholders' Meeting. He/she is responsible for ensuring that the Company's corporate bodies function correctly and, in particular, that Directors are able to perform their duties successfully.

The Chairman is elected for a period that cannot exceed his/her term of office as Director. If, while in office, the Chairman reaches the age limit specified in the Articles of Association, he/she remains in office until the end of his/her current term.

In the event that the Chairman is temporarily unable to exercise his or her duties or dies, the Board of Directors may designate a Director to serve as Chairman. In the event that he/she is temporarily unavailable, the acting Chairman is appointed for a set period, which may be renewed. In the event that the Chairman dies, said delegation is valid until the election of the new Chairman.

ARTICLE 8. SENIOR MANAGEMENT

Pursuant to the terms of Article L. 225-56 of the French Commercial Code, the Chief Executive Officer has full powers to act in all circumstances in the name of the Company. He/she exercises said powers within the scope of the Company's corporate purpose, subject to the powers specifically vested, by law, in the General Shareholders' Meeting and the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

However, the Board of Directors has decided, as an internal rule, that the Chief Executive Officer must obtain the Board's prior authorisation for the following:

- transactions that could potentially affect the strategy of the Company and its controlled subsidiaries, their financial structure or scope of business, particularly the execution or termination of industrial and commercial agreements that could significantly impact the Group's future development;
- transactions valued individually at over five hundred million euros (€500,000,000), including but not limited to:
  - investments in securities and immediate or deferred investments in any company or business venture,
  - contributions or exchanges of assets, with or without additional compensation, concerning goods, rights or securities,
  - acquisitions of real property or property rights,
  - purchases or sales of receivables, acquisitions or divestments of goodwill, or other intangible assets,
  - issues of securities by directly or indirectly controlled companies,
  - granting or obtaining loans, borrowings, credit facilities or short-term advances,
  - transactions or compromises to settle legal disputes,
  - disposals of real property or real property rights,
  - full or partial divestments of equity interests,
  - constitution of collateral and guarantees.

As an exception to the above rules, the Chief Executive Officer may, on an exceptional basis and after obtaining the opinion of the Audit Committee, carry out any transaction valued at no more than 15% of consolidated equity as measured at the previous year-end. The Chief Executive Officer reports on any such transaction at the next Board meeting.

These provisions apply to transactions carried out directly by the Company and by all entities the Company directly or indirectly controls, except for intragroup transactions.

The Board of Directors may also grant the Chief Executive Officer authority to carry out the following transactions, up to a maximum aggregate limit set on an annual basis by the Board of Directors:

- Sureties, collateral, and guarantees

  The Chief Executive Officer may grant liens or security interests, collateral, or guarantees to third parties in the Company's name, subject to a maximum annual limit of €1.5 billion and a maximum limit per commitment of €500 million.
- Loans, confirmed credit lines, short-term working capital advance facilities, and all loan and credit agreements

  The Chief Executive Officer may negotiate and/or renew or extend loans, confirmed credit lines and all syndicated and non-syndicated financing agreements subject to a maximum annual limit of €3.5 billion and a maximum limit per transaction of €500 million.

  To cover seasonal needs, he/she may also negotiate, implement, roll over and extend short-term advances up to a maximum amount of €1 billion.
- Issuance of bonds and other debt securities

  The Chief Executive Officer may issue bonds or any debt securities other than commercial paper, including under the EMTN programme or otherwise, subject to a ceiling of €3.5 billion, determine the terms and conditions of any such issue and carry out all related market transactions.

  He/she may also issue commercial paper subject to a ceiling of €2 billion.
- Repurchase of debt securities

  The Chief Executive Officer shall be authorised to repurchase debt securities issued by the Company in an annual nominal amount of €1 billion and determine the terms and conditions thereof.
- Sureties and security interests given by Casino concerning all of Casino Finance's commitments

  The Chief Executive Officer may secure the performance of commitments made by Casino Finance in the name of Casino, Guichard-Perrachon and third parties, by any means (grants of security interests, collateral, and guarantees, including first demand guarantees) in respect of:
  - bond issues, including those as part of a Euro Medium Term Note (EMTN) programme currently subject to a maximum amount currently capped at €9 billion, and/or commercial paper, and/or short-term debt securities, as well loans, confirmed credit lines, financings and short-term advance facility agreements, within the limit of the same specific caps per transaction and per year as fixed above for annual authorisations of the aforementioned items;
  - amounts due in respect of foreign exchange transactions and derivative instruments associated with an ISDA or FBF Master Agreement entered into by Casino Finance, subject to a ceiling of €100 million per bank and within the limit of a total of €1.2 billion.

This authorisation is separate from the specific annual authorisations granted above and its use is not included in the per transaction and per year ceilings set for such authorisations.

The Chief Executive Officer may delegate all or some of these powers, except the power to issue bonds or other debt securities. He/she is required to report regularly to the Board of Directors on their use.

These authorisations apply to transactions involving the Company and all entities controlled directly or indirectly by the Company.

The Chief Executive Officer's term of office is set by the Board of Directors at its discretion, but may not exceed three years. If, while in office, the Chief Executive Officer reaches the age limit specified in the Articles of Association, he/she remains in office until the end of his/her current term.

In the event that the Chief Executive Officer is temporarily unavailable, the Board of Directors shall appoint an acting Chief Executive Officer until such time as the Chief Executive Officer is able to resume exercising his/her duties.

Based on the Chief Executive Officer's proposal, the Board of Directors may appoint one or more natural persons in charge of assisting the Chief Executive Officer. Such natural persons are assigned the title of Deputy Chief Executive Officer.

The Board of Directors cannot appoint more than five Deputy Chief Executive Officers.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers to be vested in the Deputy Chief Executive Officers. They have the same powers as the Chief Executive Officer in dealings with third parties.

The Chairman, provided he/she is also Chief Executive Officer, the Chief Executive Officer, or each of the Deputy Chief Executive Officers may delegate their powers to carry out one or several specific transactions or categories of transaction.

III. Committees

ARTICLE 9. TECHNICAL COMMITTEES OF THE BOARD – GENERAL PROVISIONS

Under the terms of Article 19-III of the Company's Articles of Association, the Board of Directors may establish one or more specialised committees. It is responsible for appointing said committees' members and specifying their respective roles and responsibilities, which said members exercise under its authority. The Board of Directors may not delegate any powers to these Committees that are specifically vested in the Board of Directors either by law or under the Company's Articles of Association. Each committee reports on its work at the next Board meeting.

Each Committee has at least three members who must be Directors, permanent representatives of legal entities or Non-Voting Directors appointed by the Board. Members are appointed on an entirely personal basis and may not be represented by proxy.

The Board of Directors sets the terms of office of Committee members. Said terms of office can be renewed.

The Board of Directors appoints a Chairman within each Committee for a term of office not to exceed three years, save for any special circumstances.

Each Committee decides how often it will meet and may invite anyone it deems appropriate to attend meetings.

Minutes are prepared after each Committee meeting, unless specifically provided otherwise, under the authority of the Committee Chairman. Such minutes are sent to all Committee members. Once approved by the Committee, they are also available to all Board members. The Committee Chairman reports to the Board of Directors on the Committee's work.

The work carried out by each Committee is described in the Board of Directors' report on corporate governance.

The Committees are responsible for making proposals or recommendations and giving their opinion in their specific area of expertise. To this end, they may conduct or commission any research or studies likely to assist the Board of Directors in its decisions.

Committee members are paid specific fees allocated by the Board of Directors based on the recommendation of the Appointments and Compensation Committee, under the conditions set forth by law.

The Board of Directors currently relies on three committees for assistance: the Audit Committee, the Appointments and Compensation Committee, and the Governance and Social Responsibility Committee.

Each Committee has its own organisational and operational charter, which is approved by the Board of Directors.

ARTICLE 10. AUDIT COMMITTEE

■ 10.1. Membership – Organisation

The Audit Committee has at least three members, two-thirds of whom are independent within the meaning of the criteria set out in the Afep-Medef Code. The members are appointed by the Board of Directors from among those members with finance and management experience. Company executives may not be members of the Committee.

The Audit Committee meets at least three times a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Audit Commitment is unable to physically attend a meeting, he/she may participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Audit Committee may meet with any person involved in the operational management of the Company and its subsidiaries and, in particular, when members of Senior Management are not present. It may call upon any outside consultant or expert it deems appropriate to assist in its duties. The Audit Committee may also organise, as often as needed, specific meetings with the Statutory Auditors and executives of the Company and its subsidiaries.

The Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

The Audit Committee has a charter, approved by the Board of Directors, describing its organisation, functioning, expertise and responsibilities.

10.2. Role and duties of the Audit Committee

In accordance with the provisions of Article L. 823-19 of the French Commercial Code and under the responsibility of the Board of Directors, the Audit Committee is in charge of monitoring issues that relate to the preparation and auditing of accounting and financial information. Company executives may not be members of the Audit Committee.

10.2.1. Review the accounts and the financial statements

The Audit Committee is responsible for assisting the Board of Directors in its mission of reviewing and approving the annual and interim financial statements.

As part of its monitoring of the process by which accounting and financial information is prepared, the Audit Committee reviews the Company and the Group's annual and interim financial statements, together with the accompanying reports, before they are approved by the Board of Directors. The Committee ensures that the financial statements are consistent with any other information available to it and assesses the appropriateness of the accounting policies used and their compliance with applicable accounting standards.

In the context of its monitoring of the preparation of financial information, it provides recommendations, as the case may be, to guarantee such information's integrity.

The Committee reviews the procedures for approving the financial statements and the nature, scope and outcome of the work undertaken by the Statutory Auditors for the Company and its subsidiaries.

As part of this process, the Audit Committee holds discussions with the Statutory Auditors, including, if it so wishes, in the absence of the Company's representatives, and reviews their audit reports and conclusions.

10.2.2. Statutory Auditors

The Audit Committee organises the process of selecting Statutory Auditors and receives information on the selection process implemented by the Group's subsidiaries. As such, the Committee reviews and provides its recommendation on the candidates to be presented for appointment or re-appointment at the General Shareholders' Meeting, which is sent to the Board of Directors and prepared in accordance with applicable regulations.

The Audit Committee ensures that the Statutory Auditors, with which it liaises on a regular basis, comply with the independence conditions defined under applicable regulations. In particular, it reviews the scope of relations between the Statutory Auditors and the Company and its subsidiaries and provides an opinion on their fees.

The Audit Committee approves outsourced services other than the certification of the financial statements, which may be provided by the Statutory Auditors or members of their network in accordance with applicable regulations. It defines the approval process in compliance with the conditions set forth by the relevant authorities, as the case may be.

It monitors the progress of the Statutory Auditors' assignment.

The Audit Committee keeps the Board of Directors regularly informed of the results of the financial statements certification engagement, the way in which this engagement contributed to improving the soundness of the financial information, and the role the Committee played throughout this process.

10.2.3. Monitoring of the effectiveness of internal control and risk management systems

The Audit Committee monitors the effectiveness of the internal control and risk management systems, as well as the effectiveness of internal auditing, if applicable, regarding procedures applicable to the preparation and processing of accounting and financial information, without its independence being called into question. It examines the Company's exposure to financial and non-financial risks. With respect to non-financial risks, it may draw on the work of the Governance and Social Responsibility Committee.

The Audit Committee periodically reviews the internal control systems, and more generally the audit, accounting and management procedures of the Company and the Group, through discussions with the Chief Executive Officer, internal audit teams, and the Statutory Auditors.

The Committee shall also be responsible for looking into any facts or events that may have a significant impact on the position of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risks. It ensures that the Company and its subsidiaries have the internal audit, accounting and legal teams necessary to anticipate and protect against risks and any anomalies in the management of the Group's business.

10.2.4. Prior review of related-party agreements

The Board of Directors of Casino, Guichard-Perrachon has introduced a specific internal procedure that requires the prior review by the Audit Committee of agreements or transactions between Casino, Guichard-Perrachon or any of its wholly-owned subsidiaries ("Subsidiary")[1] on the one hand, and a related party on the other. The procedure is triggered whenever the maximum individual or aggregate amount of such agreements and/or transactions with the same related party during one financial year exceeds (i) €10 million per transaction and, beyond the aggregate €10 million threshold, (ii) in €1 million increments for all further transactions with the same related party during the fiscal year.

Related parties include:

(i) any company that is exclusively or jointly controlled, whether directly or indirectly, excluding Subsidiaries;

(ii) any company accounted for by the equity method in the consolidated financial statements;

(iii) any company that directly or indirectly controls Casino, Guichard-Perrachon.

However, the procedure does not apply to related-party agreements and transactions that concern, in particular, routine flows in the normal course of the Group's business (for example, purchases/sales of goods, leasing of commercial space and franchise or affiliation agreements) or the issue of a guarantee or a payment for a guarantee unless the remuneration is not compliant with standard operating procedure within the Group.

The procedure for the prior review of related-party agreements is governed by a specific charter that was prepared by the Audit Committee and approved by the Board of Directors.

(1) *"Subsidiary" refers to any company in which Casino, Guichard-Perrachon owns 100% of the shares, minus the minimum number of shareholders required for certain types of companies and the number of shares held by Group executives and employees within a 5% limit.*

In accordance with the policy for identifying and reviewing arm's length agreements adopted by the Board of Directors and governed by a specific charter prepared by the Audit Committee and approved by the Board of Directors, the Audit Committee reviews those agreements qualified as at arm's length and reports thereon to the Board of Directors on a yearly basis. Every year, the Audit Committee also determines whether the policy for identifying and reviewing arm's length agreements in effect remains appropriate to the Company's needs and proposes any necessary changes to the Board of Directors.

The Committee also expresses its opinion on exceptions to the restrictions on the Chief Executive Officer's powers, as applicable, under exceptional circumstances, under the terms of Article 8 of the Board of Directors' Internal Rules. If an exception is granted, the Chief Executive Officer may, after the Audit Committee has rendered its opinion, carry out any transaction in an amount not to exceed 15% of consolidated equity as assessed at the previous year-end.

The Audit Committee may fulfil any other duties associated with its role at the request of the Board of Directors.

Lastly, in accordance with the policy for identifying and reviewing arm's length agreements adopted by the Board of Directors, the Audit Committee reviews those agreements qualified as at arm's length and reports thereon to the Board of Directors on a yearly basis. Every year, the Audit Committee also determines whether the policy for identifying and reviewing arm's length agreements in effect remains appropriate to the Company's needs and proposes any necessary changes to the Board of Directors.

ARTICLE 11. APPOINTMENTS AND COMPENSATION COMMITTEE

11.1. Membership – Organisation

The Appointments and Compensation Committee has at least three members, the majority of whom are independent within the meaning of the criteria set out in the Afep-Medef Code. The Committee's members are appointed by the Board of Directors. Company executives may not be members of the Appointments and Compensation Committee. Nevertheless, the Chairman of the Board of Directors participates in the process of selecting new Directors.

The Appointments and Compensation Committee meets at least twice a year at the initiative of its Chairman, who may also arrange additional meetings as required. If a member of the Committee is unable to physically attend a meeting, he/she may participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

In association with the Chief Executive Officer, the Appointments and Compensation Committee works closely with the Group's Human Resources department, particularly whenever the Committee is informed about the compensation policy applicable to key executives who are not corporate officers.

The Committee may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Appointments and Compensation Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

11.2. Role and duties of the Appointments and Compensation Committee

11.2.1. Compensation

The Committee is responsible for:

- preparing the adoption by the Board of Directors of the compensation policy for corporate officers, setting out all the fixed and variable compensation components and describing the decision process used to determine, review and implement it, and ensuring that the compensation policy for corporate officers is in the Company's corporate interests, contributes to its long-term sustainability and is aligned with its business strategy in accordance with the law;
- preparing discussions concerning the compensation of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, and proposing qualitative and/or quantitative criteria for determining any variable component to said compensation, including one or several criteria associated with corporate social and environmental responsibility;
- assessing all other benefits or entitlements granted to the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers;
- submitting proposals and formulating opinions on Directors' compensation and any other compensation or benefits to be paid to the Directors and Non-Voting Directors;
- reviewing proposals for stock option plans and/or free share plans to be offered to the Group's employees and executives in order to enable the Board of Directors to set the total and/or individual number of options or free shares to be granted as well as the terms and conditions of any such grants.

11.2.2. Appointment duties

The Committee is responsible for:

- reviewing the composition of the Board of Directors;
- carrying out the process of selecting new Directors or renewing the terms of current Directors, and reviewing potential candidates based on the criteria and guidelines set by the Governance and Social Responsibility Committee;
- suggesting names of candidates to be appointed as members of the Board's specialised Committees;
- reviewing potential candidates' applications for the position of Chief Executive Officer and, where applicable, Deputy Chief Executive Officer;
- obtaining all useful information concerning recruitment terms and conditions, compensation and status of senior executives of the Company and its subsidiaries;
- periodically assessing the independence of Directors based on the criteria retained in the Afep-Medef Code;
- reviewing the talent development and succession plans;
- stating its opinion on the appointment of the Lead Director, who is selected from among the Governance and Social Responsibility Committee members, based on the Chairman and Chief Executive Officer's proposal.

ARTICLE 12. GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE

12.1. Membership – Organisation

The Governance and Social Responsibility Committee has at least three members appointed by the Board of Directors from among its members, and at least two-thirds of whom are independent within the meaning of the criteria set out in the Afep-Medef Code. Company executives may not be members of the Governance and Social Responsibility Committee.

The Committee meets at least twice a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Committee is unable to physically attend a meeting, they can participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Committee may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Governance and Social Responsibility Committee reports to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

12.2. Role and duties of the Governance and Social Responsibility Committee

12.2.1. Corporate governance

The Committee is responsible for:

- preparing and updating the Internal Rules of Board of Directors and the charters of its specialised Committees, the charter on related-party agreements, and any other charter in effect;
- reviewing changes in corporate governance guidelines (particularly within the framework of the Afep-Medef Code) and identifying emerging practices and significant developments in corporate governance-related regulations and/or practices, both in France and abroad;
- leading discussions and formulating recommendations for the Board of Directors on best practices in the area of corporate governance and, where applicable, on actions to be taken;
- monitoring the corporate governance-related practices implemented by the Group's subsidiaries and ensuring that they are consistent with those in effect within the Company. When necessary, the Committee makes recommendations;
- preparing information for the Board of Directors' review of corporate governance-related issues;
- annually reviewing the draft report on corporate governance and making any comments before it is submitted to the Board of Directors for approval.

12.2.2. Directors' conduct

The Governance and Social Responsibility Committee is called upon to:

- handle ethical issues relating to the Directors. It discusses ethical issues that the Board of Directors or the Chairman of the Board of Directors may submit for review or that it independently chooses to discuss.
  The Governance and Social Responsibility Committee ensures the implementation of a Directors' Code of Conduct and updates it when necessary;
- ensure compliance with and the proper application of ethical rules, particularly those contained in the Directors' Code of Conduct.

12.2.3. Assessment of the Board of Directors

Within the framework of corporate governance principles, the Governance Committee is responsible for determining the terms and conditions of and conducting the assessment of the Board of Directors' organisation and functioning.

12.2.4. Membership of the Board of Directors and Committees of the Board

The Governance and Social Responsibility Committee periodically reviews the structure, size and membership of the Board of Directors and the Committees of the Board, and informs the Board of its recommendations regarding any proposed changes.

12.2.5. Corporate Social Responsibility (CSR)

The Governance and Social Responsibility Committee, in light of the Group's strategy, shall review the Group's commitments and policies in the area of ethics and social, environmental, and societal responsibility, application and implementation of such policies and the results thereof and shall express or make any opinion or recommendation to the Board of Directors.

Together with the Audit Committee, it shall ensure that there are systems for identifying and managing the principal risks relating to such subjects and compliance with applicable law and regulations (particularly the prevention and detection of corruption and influence peddling).

The Governance and Social Responsibility Committee shall review reporting procedures relating to non-financial information and key non-financial performance indicators used and analyse the Group's participation in non-financial indices.

The Governance and Social Responsibility Committee shall review the information annually disclosed in the Management Report in respect of non-financial information under and pursuant to applicable legal requirements and provide its comments and observations prior to approval thereof by the Board of Directors.

The Governance and Social Responsibility Committee shall review the gender balance and professional equality policy in preparation for the annual discussion of this matter by the Board of Directors, as provided in Article L. 225-37-1 of the French Commercial Code.

The Governance and Social Responsibility Committee shall also review the objectives proposed by Senior Management concerning gender diversity in management bodies. It reviews the procedures for implementing these objectives, along with the accompanying action plan and time frame. Every year, it also reviews the results obtained, presented by Senior Management.

12.2.6. Management of conflicts of interest

The Governance and Social Responsibility Committee may examine any exceptional issue that may give rise to a conflict of interest within the Board of Directors and shall express any opinion or make any recommendation it may have on the matter.

IV. Lead Director

ARTICLE 13. LEAD DIRECTOR

The Lead Director is appointed from among the independent members of the Governance and Social Responsibility Committee on the proposal of the Chairman and Chief Executive Officer and upon review by the Appointments and Compensation Committee.

The Lead Director ensures that combining the roles of Chairman and Chief Executive Officer does not have an adverse impact on the Board's functioning, such as information provided to Directors, the inclusion of items on the agenda of Board meetings and the organisation of Board discussions and votes.

The Lead Director may, if necessary, consult with the Governance and Social Responsibility Committee at any time about any potentially problematic issues.

The Lead Director can attend Committee meetings of which he/she is not a member, and has access to their work and to the information made available to them.

Each year, the Lead Director presents a report to the Governance and Social Responsibility Committee on the conditions under which the respective roles of Chairman of the Board and Chief Executive Officer are exercised.

The Secretary to the Board of Directors is available to assist the Lead Director in exercising his/her duties.

V. Non-Voting Directors

ARTICLE 14. NON-VOTING DIRECTORS

The Ordinary Shareholders' Meeting may appoint Non-Voting Directors, either natural persons or legal entities, from among the shareholders. The Board of Directors may elect a Non-Voting Director subject to ratification at the next General Shareholders' Meeting.

The number of Non-Voting Directors may not exceed five. They are elected for a term of three years and may be re-elected.

A Non-Voting Director reaching the age of 80 while in office is required to stand down at the Ordinary Shareholders' Meeting held to approve the financial statements for the year in which this age limit was reached.

Non-Voting Directors attend Board meetings and participate in discussions in a consultative capacity only.

They may receive compensation, the total aggregate amount of which is determined by the Ordinary Shareholders' Meeting. This amount is maintained until a change is decided at a future shareholders' meeting. The Board of Directors allocates this compensation to the Non-Voting Directors at its own discretion.

VI. Directors' code of conduct

ARTICLE 15. PRINCIPLES

The Company's Directors must be able to exercise their duties in compliance with the rules of independence, business ethics and integrity.

In line with good corporate governance practices, Directors exercise their duties in good faith in the manner they consider most appropriate to promote the interests of the Company and with the care that would be expected of a normally prudent person under such circumstances.

The Directors undertake to maintain their freedom of analysis, judgement, decision and action at all times, and to withstand any direct or indirect pressure that may be exerted on them.

ARTICLE 16. DUTY OF INFORMATION

Before accepting office, Directors must review the laws and regulatory requirements applicable to their position, the applicable Codes and proper corporate governance practices, as well as any provisions specific to the Company and specified in its Articles of Association and in these Internal Rules.

Directors must request the information they deem necessary for the successful performance of their responsibilities. To this end, they must request from the Chairman, within the appropriate time frame, all information necessary to ensure their informed participation in the discussions on the matters featured on the Board meeting's agenda.

If he/she deems it necessary, each Director can receive additional training to become better acquainted with the Group's specificities, its activities and business sectors, the issues facing the Group with regard to social and environmental responsibility, and with its accounting and financial characteristics. Directors representing employees receive training adapted to the exercise of their mandate.

ARTICLE 17. PROTECTION OF THE COMPANY'S INTERESTS – CONFLICTS OF INTEREST

Even though he/she is a shareholder, each Director acts as a representative for all shareholders and must act in all circumstances in the Company's corporate interests.

Each Director is bound by a duty of loyalty to the Company. He/she shall take no action that could adversely affect the interests of the Company or the Group's companies.

Each Director undertakes to ensure that the Company's decisions do not favour one particular class of shareholder over another.

Each Director must alert the Board regarding any actual or potential conflict of interest in which they might be directly or indirectly involved. In this case, he/she must abstain from voting on the matters in question.

Each Director must consult with the Chairman prior to undertaking any assignment or accepting any function or duties that could, even potentially, result in a conflict of interests for the Director in question. The Chairman may refer such matters to the Governance and Social Responsibility Committee and the Board of Directors.

ARTICLE 18. CONTROL AND ASSESSMENT OF THE BOARD OF DIRECTORS' FUNCTIONING

Directors must pay careful attention to the powers and responsibilities respectively assigned to the Company's corporate bodies, as well as their exercise by said corporate bodies.

They must ensure that no person can exercise uncontrolled discretionary power over the Company, and that the Committees of the Board of Directors function effectively. The Board of Directors discusses its functioning once per year.

The Board of Directors also routinely conducts an assessment of its own functioning.

The Chairman of the Board of Directors calls upon the Governance and Social Responsibility Committee to conduct said assessment.

Independent Directors meet at least once per year to discuss any matter in the absence of the Chairman of the Board of Directors and members of Senior Management. These meetings are chaired by the Lead Director.

ARTICLE 19. PRESENCE OF DIRECTORS – AGGREGATION OF OFFICES

Each Director must comply with legal provisions in force governing the aggregation of offices, as well as with the Afep-Medef Code's recommendations.

Each Director must disclose to the Company any and all offices he/she holds in other French or foreign companies. He/she informs the Company as soon as possible regarding any new office or professional function he/she accepts. Additionally, whenever he/she exercises executive duties for the Company, he/she must receive the Board of Directors' favourable opinion prior to accepting a new corporate office in a publicly traded company external to the Group.

Each Director must devote the appropriate amount of time and attention to their duties. They must make every effort to attend all Board meetings, General Shareholders' Meetings, and the meetings of any Committees on which they serve.

ARTICLE 20. CONFIDENTIALITY

Directors, and any other persons attending the Board of Directors' meetings, are subject to a general confidentiality requirement with regard to the deliberations of both the Board and its Committees.

Non-public information shared with a member of the Board of Directors in the context of his/her duties is shared on a strictly personal basis. He/she must personally protect the confidentiality of such information and must not disclose it under any circumstances. This requirement also applies to representatives of legal entities serving on the Board, as well as to Non-Voting Directors.

ARTICLE 21. SHAREHOLDING – DEALING IN THE COMPANY'S SHARES

All of the Company's shares held by a Director, his/her unemancipated minor children, or his/her spouse (provided they are not separated), must be registered shares. Directors must also inform the Company regarding the number of Company securities they hold as of 31 December of every year and at the time of any financial transactions, or at any time at the Company's request.

Every member of the Board of Directors undertakes to comply with the provisions of the Insider Trading Policy he/she received, relative to securities transactions and to preventing the use of inside information, and with any applicable legal or regulatory provision.

In particular, pursuant to the terms of Article 19 of Regulation (EU) No. 589/2014 of 16 April 2014 on Market Abuse and of Article L. 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*), each Director is required to inform the AMF and the Company regarding the transactions he/she carried out involving the Company's financial instruments, under the conditions set forth in the Insider Trading Policy. This requirement also applies to persons closely related to the members of the Board of Directors. Directors must notify persons closely related to them regarding their reporting obligations and provide the Company with a regularly updated list of such persons.

Voting and Non-Voting Directors should note that they are likely to be exposed to inside information and that they must, prior to undertaking any transaction dealing in companies' financial instruments, ensure they are not in violation of any insider trading provisions.

Therefore, as specified in the Insider Trading Policy, in the event that they hold inside information, Directors and Non-Voting Directors are required, in particular, to refrain from engaging, either directly or indirectly, or via an intermediary, in any transaction dealing in the financial instruments to which this inside information relates, or in the instruments to which these financial instruments are related, or from sharing this information with third parties until it is effectively released to the public.

In addition, each Director must also refrain from completing any transaction on his/her own behalf or on behalf of a third party, either directly or indirectly, that involves the financial instruments of the Company, during the 30 days preceding the publication date of the Company's annual and interim financial statements, and the 15-day period preceding public disclosure of the Company's quarterly revenue. This restriction also applies on the dates of public disclosure of said annual and interim financial statements and quarterly revenue.

VII. Adoption of the Board of Directors' Internal Rules

These Internal Rules were approved by the Board of Directors at its meeting dated 9 December 2003. Its most recent update was approved on 25 March 2020.

8.4. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

Person responsible for the Universal Registration Document

Jean-Charles Naouri, Chairman and Chief Executive Officer

Statement by the person responsible for the Universal Registration Document and annual financial report

"I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge and belief, the financial statements have been prepared in accordance with the applicable accounting standards and present accurately in all material respects the assets and liabilities, financial position and results of the Company and the consolidated group. I also declare that the information contained in the management report appearing on page 20 onwards gives a true and fair view of trends in the business operations, results and financial position of the Company and the consolidated group, as well as a description of the main risks and uncertainties facing those companies.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they had read the whole of the Universal Registration Document and examined the information about the financial position and the accounts contained therein".

28 April 2020
Jean-Charles Naouri
Chairman and Chief Executive Officer

8.5. DOCUMENTS INCORPORATED BY REFERENCE

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the following information is incorporated by reference in this Universal Registration Document:

- For the year ended 31 December 2018

  the management report, the consolidated financial statements, the parent company financial statements and the accompanying Statutory Auditors' reports are presented in the 2018 Registration Document, which was filed with the *Autorité des marchés financiers* on 1 April 2019 under No. D.19-0238, on pages 2 to 36, 43 to 150, 151 to 179, 37 to 42, and 147 to 150.

- For the year ended 31 December 2017

  the management report, the consolidated financial statements, the parent company financial statements of the Company and the accompanying Statutory Auditors' reports are presented in the 2017 Registration Document, which was filed with the *Autorité des marchés financiers* on 5 April 2018 under No. D.18-0282, on pages 2 to 32, 33 to 134, 135 to 163, 34, 136, and 164 to 168.

Other information contained in the Registration Documents for 2018 and 2017 has, where applicable, been replaced by or updated with the information contained in this Universal Registration Document. The Registration Documents for 2018 and 2017 are available at the Company's registered office and online at www.groupe-casino.fr/en.

8.6. UNIVERSAL REGISTRATION DOCUMENT – CROSS-REFERENCE TABLE

The following cross-reference table lists the headings provided for in Annexes 1 and 2 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No. 809/2004, and refers to the pages where the information relating to each of these headings can be found in this Universal Registration Document:

8.7. ANNUAL FINANCIAL REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Universal Registration Document, the table below indicates the page references corresponding to the information contained in the annual financial report which listed companies are required to publish in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the *Autorité des marchés financiers*.

8.8. BOARD OF DIRECTORS' MANAGEMENT REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Universal Registration Document, the table below indicates the page references corresponding to the information comprising the Board of Directors' management report as required by Articles L. 225-100 *et seq.* of the French Commercial Code:

8.9. BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT – CROSS-REFERENCE TABLE

To facilitate consultation of this Universal Registration Document, the table below indicates the page references corresponding to the information comprising the Board of Directors' corporate governance report as required by Article L. 225-37 of the French Commercial Code:

	Pages
Disclosures required by Article L. 225-37 -3 I of the French Commercial Code	
▪ Components of the compensation paid to the Chairman and Chief Executive Officer in 2019 or granted to him in respect of that year	356 to 360
▪ Compensation paid to non-executive corporate officers in 2019 or granted to them in respect of 2019	365 to 367
Disclosures required by Article L. 225-37-2 of the French Commercial Code	
▪ Compensation policy for the Chairman and Chief Executive Officer in respect of 2020	356, 362 to 364
▪ Compensation policy for non-executive corporate officers in respect of 2020	367 and 368
Directorships and other offices held within any company by each corporate officer	312 to 334
Agreements between executives or significant shareholders and subsidiaries as described in Article L. 225-37-4 of the French Commercial Code	353
Table of delegations of authority for capital increases	379
Review process of arm's length agreements by the Board	349 and 350
Senior Management	308
Composition of the Board of Directors	301, 302
Preparation and organisation of the Board of Directors' work	335 to 352
Diversity policy applied to the members of the Board of Directors and balanced representation in management bodies	303 to 305; 311
Restrictions on the Chief Executive Officer's powers	309
Corporate Governance Code	301, 352
Conditions regarding shareholder attendance at General Meetings	393
Factors likely to have an impact in the event of a public offer	395

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Published by: Casino Group
Design and creation: MAKHEIA
Printed by: DEJA LINK
This document is printed on satin-finished PEFC-certified paper.

Certifié PEFC
Ce produit est issu de forêts gérées durablement et de sources contrôlées.
PEFC 10-31-3162
pefc-france.org

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